



**ContextVision**

# Annual Report 2020





**ContextVision** is a medical technology software company specializing in image analysis and image-based medical applications. The company is based in Sweden, with local representation in the US, Russia, Japan, China and Korea.

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### Financial calendar 2021

The Annual General Meeting will be held at the Company's premises on Klara Norra Kyrkogata 31, Stockholm on Wednesday, May 5, 2021 at 10:00 am.

1st quarter 2021 Report	April 22
2nd quarter 2021 Report	August 12
3rd quarter 2021 Report	October 21
Year-end report for 2021	February 17, 2022

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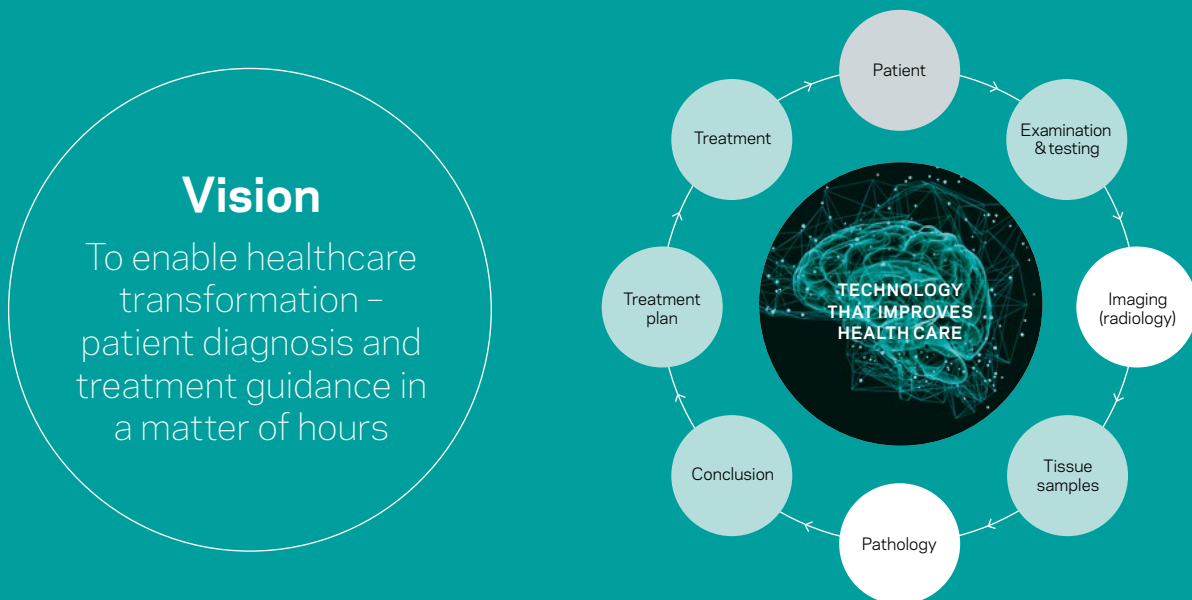
### Contact for investor relations

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# ContextVision in brief

Since 2015, ContextVision has focused heavily on research and development to develop new applications using AI and to expand into the new, rapidly growing digital pathology market.

For 30 years, the company has been an industry pioneer and market leader within image enhancement and a software partner to leading medical imaging systems all over the world. Our trailblazing technology helps doctors to interpret medical images, a crucial foundation for diagnosis and treatment.



**Vision**  
To enable healthcare transformation – patient diagnosis and treatment guidance in a matter of hours

Illustration of the patient care process. ContextVision streamlines the process through better imaging and more efficient pathology.

- 50 employees, half in research and development.
- World-leading machine learning-based product development.
- Over 35 years of experience in image processing and image analysis for medical applications.
- More than 300,000 installations all over the world.

# Why invest in ContextVision?

As the market leader in medical imaging, a significant actor in decision support for digital pathology and with its strong financial position, ContextVision’s future development looks bright.

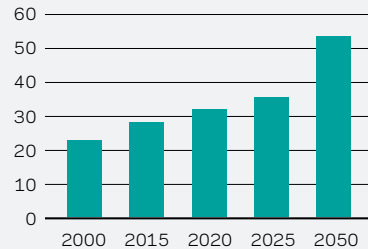
## 1.

### The need to streamline healthcare drives the market

As we age, society faces growing healthcare needs. The OECD estimates that the number of individuals aged 65 and over for every 100 individuals of working age will increase by more than 60 percent by 2050.

Digitalization in pathology and tools to analyze medical images enable a much higher degree of automation and standardization, which will help to meet the need to streamline health care.

NUMBER OF INDIVIDUALS AGED 65 AND OVER FOR EVERY 100 PEOPLE OF WORKING AGE



Source: UN Old-age dependency ratio 2019, OECD

## 2.

### Global leader in medical imaging software

ContextVision is the market leader with over 35 years of experience of image processing. Knowledge and experience from image analysis for medical applications have made the entrance into digital pathology a natural step for the company.

>300,000

SYSTEM INSTALLATIONS WORLDWIDE

## 3.

### First CE-marked digital pathology product introduced in 2020

INIFY®, the company’s product for digital analysis of prostate biopsies has already been used daily in a prototype version for two years. The product, which is the first in a planned series, lays the foundation for further development of decision support tools for additional diagnoses.

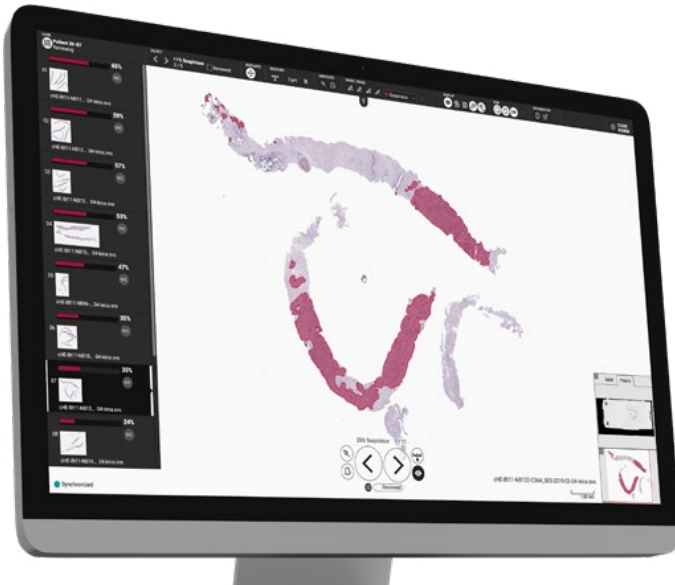
”

A prototype version of INIFY® has been used daily for two years in our fully digital pathology workflow here in Catania, and I can testify that this is really easy to use, saves time and helps highlight suspicious areas for cancer.”

Dr. Filippo Fraggetta, Chief Pathologist, Cannizzaro Hospital, Italy

# 2020 in brief

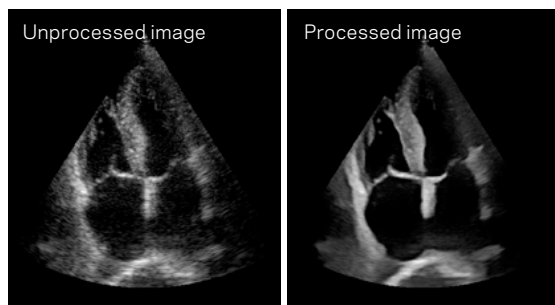
**In 2020, ContextVision launched two new products, one in each business unit. The company has thereby become a player to be reckoned with in digital pathology and further strengthened its position as the market leader in medical imaging.**



In the short perspective, the global pandemic created challenges related to doing business at the desired pace. In the longer perspective, the need for efficient medical care, which the company's products and services help to achieve, has actually become even more apparent in 2020. Confidence in the company has been strengthened, which is reflected in the positive trend demonstrated by the share price.

## INIFY® launched

INIFY® Prostate Screening, the first product in the Digital Pathology business unit was CE-marked and launched in June. The product has been installed in the workflow at a couple of reference clinics where clinical studies are underway.



## Rivent draws attention

Rivent, the latest product for ultrasound in the Medical Imaging business unit, received considerable attention at the launch, creating growing interest on the market.

	2019	2020
Net sales, SEKm	95.3	94.7
Operating profit/loss, SEKm	10.1	15.5
EBITDA, SEKm	28.2	25.5
Bank balances at year-end, SEKm	36.3	46.4
Share price December 31, SEK	10.4*	22.1

\* The numbers have been re-calculated for the comparison periods due to a share split



## Martin Ingvar new Board member

At the Annual General Meeting in May Martin Ingvar, Professor of Integrative Medicine at the Department of Neuroscience at Karolinska Institutet, was appointed to serve as a new member of the Board of Directors. With his extensive knowledge and experience of knowledge transfer and medical informatics, Dr. Ingvar will make a major contribution to the future development of the company.

## Share split

The share price had a very positive trend in 2020 and in August a 10: 1 share split was carried out to increase the number of available shares. Following the split, there are a total of 77,367,500 shares in ContextVision.



# Stable sales in line with previous record year

**2020 will remain a memorable year for all of us in many ways. For me, the main take-home message is how incredibly adaptable we are and the power of our collective willpower to find new pathways forward. Thanks to the drive, creativity, adaptability of our employees, customers and partners, ContextVision continued to grow and develop while maintaining stable sales.**

We strengthened our world-leading position in medical image processing software at the same time that we took a leadership position in decision support software for digital pathology. The need for digitalization became even clearer in light of the pandemic: it is a direct necessity to increase both quality of care and efficiency in health care moving forward. Digital decision support tools (or autopilots, as I sometimes refer to them) are gaining increasing acceptance, which ultimately increases the ability to diagnose and treat more patients in less time with higher precision.

## Digital Pathology

After about five years of investments in the field, in 2020 the company took the step from potential candidate to one of the leading players in decision support for digital pathology, a milestone for the company. Our first product, INIFY® Prostate Screening, was CE-marked and thereby approved for use in clinical practice within the EU.

The product, the first in what will eventually be a portfolio, can identify whether or not cancer is present in tissue samples from the prostate and mark areas of suspected cancer with pixel-level accuracy. It automatically sorts the samples in descending order, starting with the sample containing the largest area with suspected cancer. Simply stated, the product serves as a digital colleague, lending confidence to the pathologist by ensuring that nothing is missed. The sorting process improves the workflow by drawing the attention of the pathologist to samples with suspected cancer, while minimizing time spent reviewing healthy tissue.

There is a great shortage of pathologists in most of the world, while the number of cancer cases and thus tissue samples in need of diagnosis is increasing.



Digitalization in this field has begun, opening the door to wider use of powerful digital tools that increase both efficiency and quality in the field of pathology, an absolute essential to handle current and especially future demands and challenges in health care. Digitalization is in its infancy and we are investing to take a leading position, just as we did in medical imaging.

The second half of the year was largely dedicated to starting reference centers with laboratories in the forefront of digitalization, in order to build a solid foundation from which to grow. At the same time we continued with the development of the next product in prostate cancer, which will support the pathologist in determining the severity of the cancer according to the Gleason scale. The product is expected to be launched in late 2021. We also continued our research related to colorectal cancer, where we see a clear need for decision support, since the volume of samples results in a heavy workload for pathologists.

## Medical Imaging

ContextVision began the year with the best Q1 sales within this business unit in our history. In February, contracts were signed with a couple of the world's

leading manufacturers, which generated substantial revenue already in 2020, but most importantly, laid the foundation for continued growth. Sales in radiology continued to show strong growth thanks to our latest AI-based product Altumira, which compensates for somewhat weaker annual sales in ultrasound because of the pandemic. Hospitals and clinics worldwide have been forced to prioritize other acute purchases, which affected our ultrasound customers, and by extension us, in the short term. Nevertheless, we do not see any threat to the fundamental need for our ultrasound products, but rather the opposite.

In May, the company released its seventh generation ultrasound software, Rivent, which provides extraordinarily sharp image quality. This release has been in demand for some time and once again, we are the first in the world to meet the most challenging requirements in image quality. We have thereby further strengthened our position as the world leader in image processing and see clear potential for continued growth.

**Coronavirus pandemic**

The pandemic forced an immediate transition to running the business and working remotely using digital tools. We quickly switched to online customer meetings and trade fairs, as most of our employees quickly adjusted to largely working from home. I am impressed by the common strength that was shown when we, along with our customers and partners, quickly focused on dealing with the situation in order



to continue to make progress under completely new conditions. Despite the restrictions, we signed contracts with several new customers based solely on remote communication, while further expanding our collaboration with existing customers. As a result, we were able to maintain our sales at a level that was on a par with the previous year, which was a record year for the company. While new customer projects and the launch of our first digital pathology product have been slower as a result of pandemic-related restrictions, we have learned many lessons that have provided a broader perspective on how we can run the business and continue our growth journey.

**Summary**

To sum up the year, I am proud of how, despite the circumstances, ContextVision succeeded in further developing the company, entering a completely new market, releasing new products and developing relationships with existing and new customers. The intended growth rate has temporarily leveled off because of the pandemic, and while uncertainties persist for the near future, the fundamental need for our existing and future solutions has not diminished in any way - quite the contrary. Health care of the future will shift to increasingly digitalized and standardized processes, where image quality and powerful decision support solutions will play a key role. I therefore look forward to the future with great optimism.

**Fredrik Palm**  
CEO





# Digital driver meets healthcare challenges

**Digitalization offers great opportunities to streamline overburdened healthcare systems worldwide and ContextVision contributes by developing software to meet these challenges. The market for image enhancement and image analysis solutions is driven by both technology trends and disease trends in the wake of demographic trends.**

## DEMOGRAPHICS

### Aging population and more patients

As the earth's population grows and ages, the number of patients with chronic diseases will also increase. In addition to personal suffering, this trend will lead to rising healthcare costs. Every year, millions of new cancer cases are diagnosed worldwide. Meanwhile, constantly improving treatment outcomes have resulted in increasing survival. The number of people who have been diagnosed with cancer has therefore increased over time, requiring regular follow-up with samples to ensure that the disease has not returned.

This trend poses long-term challenges for global healthcare systems. There is a growing need for innovative solutions to handle the growing number of patients, while living up to high demands for cost

efficiency and quality with respect to both treatment and diagnostics. The faster an accurate diagnosis can be made, the greater the potential to treat the disease at an early stage, thereby preventing the disease from developing into a more serious condition that would require more resources to treat. Effective screening methods fulfill an important function, resulting in care that can minimize time spent on patients with minor or less severe conditions, while maximizing time and focus on patients who require advanced care.

## TECHNOLOGY

### Digitalization, visualization and AI

Various types of digital information systems have changed many work processes in health care, laying the foundation for continued streamlining and

improvement of diagnostic and treatment methods. Medical Imaging is one area affected by this trend. Manufacturers of equipment for ultrasound, radiology and other modalities compete with image quality as a crucial factor. ContextVision contributes with specialized software for image enhancement in these diagnostic systems, which with high detail resolution visualizes areas in the body where pathological changes can be detected.

Digitized radiology generates large quantities of data, thereby increasing the demand for analysis tools and artificial intelligence (AI) that help doctors review and interpret images more quickly.

A similar trend can be found in digital pathology, where tissue samples traditionally examined under a microscope are instead transformed into digital images that can be analyzed using powerful software. ContextVision is among the pioneers in the field with one of the first approved AI-based pathology products for cancer detection.

**MARKET**

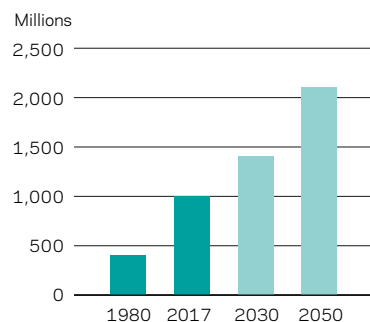
**Pandemic effects and new working methods**

While the Coronavirus pandemic has caused uncertain market conditions in the short term, it has also

accelerated the trend toward remote examinations, more automated workflows and the use of AI in the long term. The pandemic has created new business opportunities for smart imaging diagnostics. ContextVision is the market leader in medical imaging software and the main competition comes from our customers' own research and development departments. In 2020, there has been less demand for large advanced ultrasound and radiology installations because of the pandemic, while sales of simpler, more mobile systems have increased. Over the next few years, the ultrasound market as a whole is expected to recover and continue to grow, with the largest increase in Asia, especially in China.

Digital Pathology is a market with great future potential since most hospital laboratories have not yet gone digital. Of Europe's approximately 1,800 pathology labs, around 20 percent are digitized today; this figure is expected to increase to around 40 percent within three to five years, according to Markets and Markets 2020. This growth is driven by a shortage of pathologists and the need to analyze large quantities of complex samples.

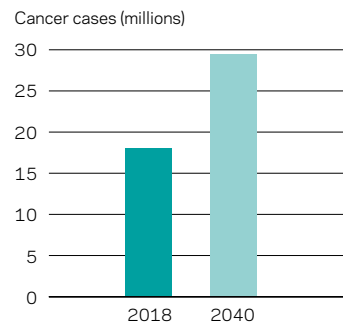
**AGING POPULATION**



World population aged 60 and over.

Source: United Nations (2017). World Population Prospects: the 2017 revision

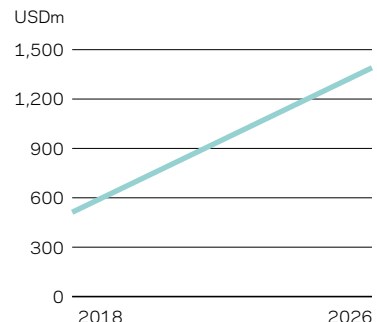
**CANCER EXPECTED TO INCREASE BY 62 PERCENT**



The global incidence of cancer is expected to increase by 62 percent between 2018 and 2040.

Source: WHO International Agency for Research on Cancer

**GLOBAL DIGITAL PATHOLOGY MARKET GROWING**



CAGR 13 percent within digital pathology 2018-2026.

Source: Allied market research Sept. 2019

# Our two business units

**ContextVision conducts business through two business units: Medical Imaging and Digital Pathology. In Digital Pathology, the offering is aimed directly at end users at each hospital lab, while Medical Imaging sells software to OEM customers, who in turn provide equipment to hospitals.**

Our business model is based on using a proprietary methodology and technology base to create value by improving efficiency and accuracy in medical imaging diagnostics. The knowledge and experience in Medical

Imaging that ContextVision has accumulated over more than 35 years serves as the foundation for the company's future initiative in Digital Pathology.

## DIGITAL PATHOLOGY

Digitalization of pathology opens up new opportunities for ContextVision. In this new field we have chosen to focus our research and development on the cancer areas that cause the most work in the pathology lab. INIFY® Prostate Screening, which was launched in 2020, focuses on prostate cancer. At the same time we are conducting research for two additional product versions to manage lung and colon cancer.

Our offering in Digital Pathology is aimed at each individual lab, and the ContextVision brand will become even more visible than previously since we now have direct contact with end users to a

greater extent. Customers will initially pay for an annual license to use the software based on a certain quantity of images or number of patients. The product is delivered ready for further adaptation and integration into the lab's digital workflows.

ContextVision's Digital Pathology solutions create value through:

- Time savings and increased efficiency for pathologists
- More consistent assessments regardless of pathologist
- Greater accuracy in cancer diagnostics

## MEDICAL IMAGING

The Medical Imaging business unit has an established and recognized position as a world leader in the market, with more than 300,000 system installations worldwide. Our OEM customers choose ContextVision because we offer a product that enables them to deliver the best possible image quality.

The business unit has been profitable for many years, which has enabled continuous reinvestment in product development and financing of ContextVision's digital pathology initiative.

The sales and integration processes are complex. It takes about a year from the order to the completed installation, which requires considerable perseverance and prevents competitors from taking market share. Our product is specifically

adapted for each customer and we provide continuous support with system updates and modifications. License-based sales allow us to grow in pace with the customer.

Customer relationships are long-lasting and based on trust and results; most of our collaborations date back more than ten years.

ContextVision's Medical Imaging solutions create value through:

- High image quality that contributes to better diagnostics
- Image enhancement that makes it possible to use lower doses in radiography
- Faster path to market and lower R&D costs for our customers

# The beginning of the journey for digital tissue samples

**In 2020, the Digital Pathology business unit transitioned from research to clinical reality. The first product was approved for sale in the European market and we are now moving into the next phase, with more installations and daily use in clinical practice.**

“Our goal is to develop AI support for cancer diagnostics within the areas that generate the largest workload. With this approach, we will ease the workload of pathologists so they can focus on the most important samples.”



Magnus Aurell, Vice President of business unit Digital Pathology

The launch of INIFY® Prostate Screening represents the first product resulting from the long-term digital pathology initiative that ContextVision embarked upon in 2015. In 2020, we moved from the development phase to having an approved CE-marked product that can be used by customers in daily laboratory practice for analysis of digital images of tissue samples. Despite the restrictions imposed in relation to the Coronavirus pandemic, several installations of our software have been carried out at pathology departments in European hospitals that are at the forefront of the digitalization movement.

Clinical testing and assessment of the first installations will be carried out in 2021, based on which broader sales can begin at the end of the year.

### Patented offering

Access to quality-assured and structured data to train algorithms is crucial to successful development of AI-based software. INIFY® Prostate was developed using ContextVision's patented MasterAnnotation methodology, an innovation that generates reliable training data that result in algorithms which accurately and precisely detect suspected tumor areas.

ately and precisely detect suspected tumor areas.

This unique and proprietary methodology represents an important cornerstone in our aspiration to build a portfolio of decision support tools for cancer diagnostics. We are focusing product development on those cancers that generate the heaviest workload at pathology laboratories worldwide. Colon cancer and lung cancer serve as two such examples, for which we presented promising results during the year at scientific congresses, which were held virtually due to the pandemic situation.

### Market in its infancy

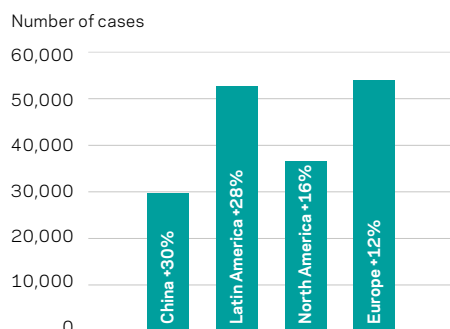
The shortage of pathologists combined with a growing number of patients creates high demand for technological tools to provide support for the assessment of tissue samples. Currently, most pathology laboratories worldwide still use traditional analog methodology, but digital pathology is a hot area of development. The global market is expected to grow rapidly over the next few years as more and more clinics invest in the necessary equipment to be able to scan tissue samples and convert them to digital images, whereby it will become possible to transition from analog diagnostics using a microscope to digital diagnostics on the computer screen.

### Digital potential

Digitalization paves the way for new and more efficient working methods in which AI and machine learning can provide great benefit. We see enormous potential for the use of powerful software to digitally analyze tissue samples and help pathologists to make a diagnosis faster and with more consistent quality.

As pioneers in the market, our first decision support tool for assessment of prostate cancer has laid a solid foundation in a crucial and resource-demanding field. Prostate cancer is the second most common cancer in men worldwide, and every year about 2.3 million prostate biopsy samples are taken in Europe and the US.

### ESTIMATED INCREASE IN PROSTATE CANCER 2018-2025



Source: WHO International Agency for Research on Cancer, Cancer tomorrow

## Faster and more reliable cancer diagnosis with AI in digital workflow

To help manage an ever-increasing workload, the Cannizzaro hospital in Catania, Italy, has digitized its pathology laboratory and implemented AI into the diagnostic process. The ContextVision tool for analysis of prostate biopsies has been integrated into the workflow, where it helps to detect suspected areas of cancer.

” Putting patient needs first also provides economic advantages: Early and correct diagnosis and treatment are much more cost-effective than treating disease at an advanced stage.”

*Interview with Dr. Filippo Fraggetta, Chief Pathologist at Azienda Ospedaliera per l'Emergenza Cannizzaro, Catania, Italy*



### Why did you choose to collaborate with ContextVision?

“We wanted to improve our current diagnostic process and realized that INIFY® Prostate Screening could fit in to the digital workflow that we have gradually been building since 2015. This tool is easy to use and can catch areas of suspected cancer that the human eye would have missed. Pixel accuracy is a unique feature of INIFY® that provides an extra layer of reliability when making a diagnosis.”

### What challenges are associated with the use of AI when making pathology decisions?

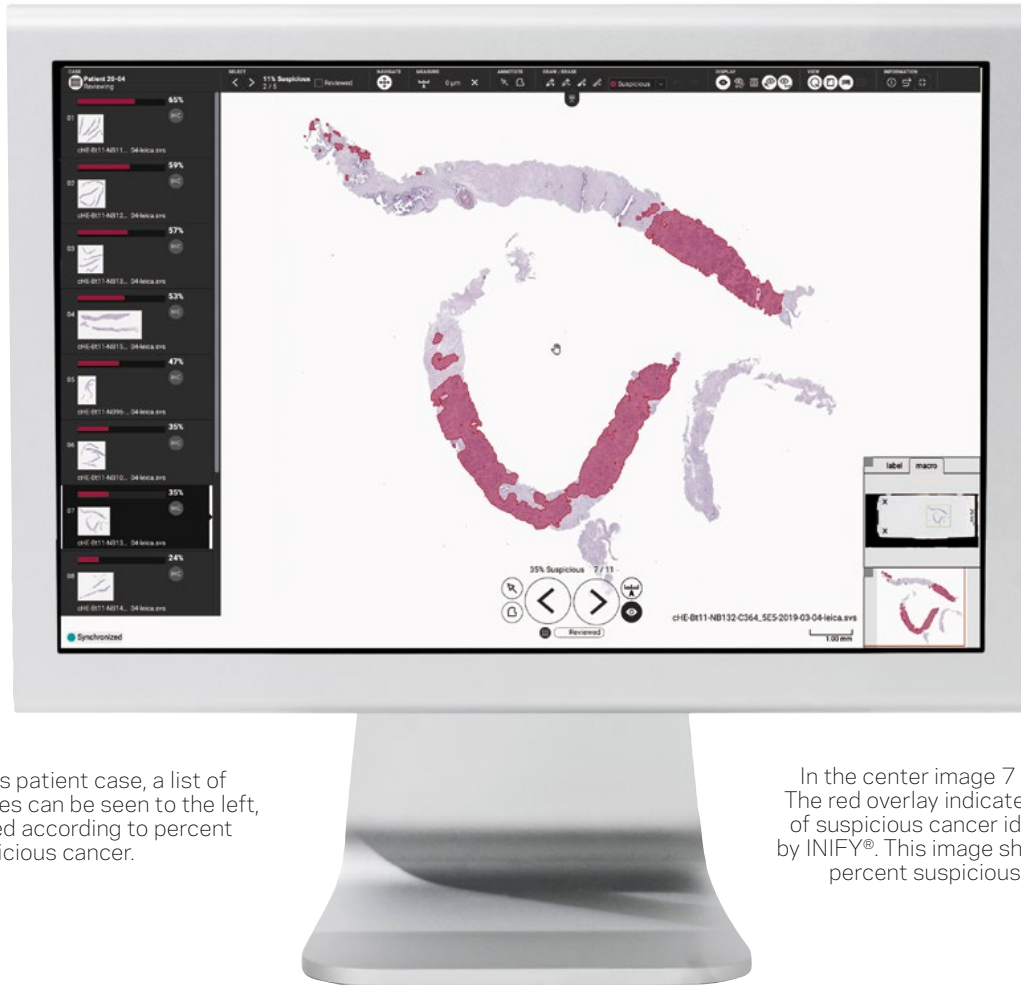
“To derive full benefit, AI tools need to be integrated into the laboratory information system (LIS) so as to allow a smooth workflow. We worked closely with ContextVision and our LIS provider TESI to integrate the systems, and realized that provider support is just as important as the product itself. Just as patients want to feel that their doctors are listening to them, pathologists want to be heard and to influence the technological developers who provide them with tools.”

### How can the new technology change your working methods?

“Before, if you wanted to consult with a colleague you had to go down the hall and show the image. The digital workflow has made the process far more efficient, not just within the hospital, but we have now developed a collaborative approach that unites pathologists all over the world. In a digitalized future, we can work remotely and know that there is a pathologist in another hospital, perhaps in a different country, who also has access to the power of AI and will work together with you on complicated cases.”

### What advantages do you see in this change?

“In a workflow that supports us in obtaining a diagnosis every step of the way, the shortage of pathologists does not necessarily translate to a shortage of resources. Justifying the cost of a digital transition may pose an obstacle at certain hospitals, but the return on the investment is measured in advantages provided to the patient – regarding the speed and quality of the diagnosis. Putting patient needs first also provides economic advantages: Early and correct diagnosis and treatment are much more cost effective than treating disease at an advanced stage.”



In this patient case, a list of images can be seen to the left, sorted according to percent suspicious cancer.

In the center image 7 is open. The red overlay indicates areas of suspicious cancer identified by INIFY®. This image shows 35 percent suspicious cancer.

# INIFY® identifies and marks cancer

**Over the last year ContextVision has CE-marked and introduced INIFY® Prostate Screening (INIFY®) on the European market. This crucial milestone for the company was achieved after years of investing in research and development of software to assist pathologists in identifying and diagnosing cancer.**

Prostate cancer is the most common type of cancer among men in Sweden and biopsies are taken regularly to monitor the course of disease, which is usually slowly progressive, but sometimes devastatingly quick. Prostate biopsies account for a considerable portion of the pathologist’s workload – INIFY® facilitates the process, thereby providing relief for pathologists in their daily work.

INIFY® fits into the workflow at pathology laboratories by being integrated with existing computer systems that manage medical images and patient information.

Before the pathologist even opens the daily list of

patient cases, the images have already been analyzed by INIFY® and areas suspicious for cancer have been identified. The patient cases are presented in ranked order according to the amount of suspicion for cancer, which makes it easier for the pathologist to prioritize the most important cases first. The images from each individual patient are also sorted according to suspicion of cancer. This approach helps the pathologist to efficiently find and focus on the most relevant areas. INIFY® also automatically calculates the quantity of suspected cancer and contains several smart tools to simplify the work.



# New products and working methods

**2020 was an intensive year for the Medical Imaging business unit. New products were released to the market at the same time that work processes were adapted because of the Coronavirus pandemic.**

“We increase the success of our customers by maintaining high quality and being constantly innovative. By doing so, we contribute to better diagnostics, and thereby enabling better treatment for the patient.”



Ola Lindblad, Vice President of business unit Medical Imaging

After a record-breaking start to the year, market conditions changed as the global pandemic spread from March onwards. Nevertheless, we succeeded in maintaining sales on a par with the previous year and improved margins by implementing carefully planned cost-saving measure at an early stage. In-person meetings were replaced by virtual meetings, and technology was developed to be able to deploy software remotely to a greater extent. We have also reviewed our procedures to be able to respond even faster to customer requests for new functions and image enhancement.

### Strong offering

As the market leader in medical imaging we have strengthened our position with new technology developments for radiology and ultrasound. With our most recent product in ultrasound, Rivent, which was released in May, we have managed to enable much stronger image processing, which creates an extraordinarily clear image. In radiology, our AI-based product Altumira, which was released for sale in 2019, continue to be well received with growing demand. We see great opportunities for AI and machine learning in the image enhancement chain and over the next few years we will continue to dedicate considerable resources to research and development in this area.

### Challenging market

In the current pandemic situation, new customer projects have been a challenge. However, we have begun to develop new tools that can be useful to facilitate work even after the pandemic.

During the year, we had somewhat declining sales in ultrasound, as our customers dealt with reduced demand from hospitals, which have been temporarily forced to address other priorities. In radiology, however, sales remained strong and grew by 53 percent. As a

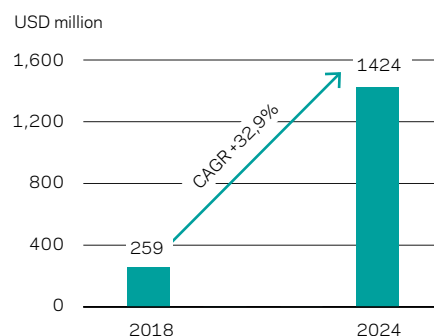
result, the radiology segment now accounts for 27 percent of our total sales, while ultrasound still dominates the product portfolio with 65 percent of sales.

### Global growth

Just over one quarter of revenue currently comes from Europe, where ContextVision has been established for a long time. Geographically, however, Asia is our largest market and now accounts for around 60 percent of sales. That is also where we expect the ultrasound market to recover fastest. We are well positioned to work closely with our customers to meet the growing need in health care for innovative solutions for more efficient workflows and more precise diagnostics.

We see the greatest growth potential in the US, which currently accounts for 13 percent of sales. There are great opportunities in the US to develop together with existing customers and in new collaborative projects focused on our AI-based applications, which have attracted great interest.

### WORLD MARKET FOR MACHINE LEARNING IN MEDICAL IMAGING



Source: Signity Research June 2020

## Detailed digital image enables personalized treatment

**When Dr. Jesper Danielson began his specialist training in radiology 20 years ago, analog x-rays hung in front of a light box were still the dominant work tool. Since then the development of image enhancement technology fundamentally changed the profession – and made it possible to detect small pathological changes that previously could not be seen.**

”Ultrasound imaging aids the doctor in making a more precise and detailed diagnosis, and in providing more injury-specific treatment than was previously possible.”

*Interview with Dr. Jesper Danielson, specialist in radiology at Capio St Görans Hospital in Stockholm*

### **How has digital imaging technology changed how radiologists work?**

“Since I began working in the late 1990s, ultrasound, CT and MRI equipment have all undergone rapid development. New systems are being introduced all the time that allow various methods to be matched and several tools to be used to obtain a more reliable diagnosis. Improved images with greater resolution have enabled us to discover things today that we could never have seen before. Meanwhile, the situation puts higher demands on us radiologists to determine whether a very small change is serious or normal.”

### **What is the importance of image quality for diagnosis and treatment?**

“In regard to tumor size, technological advances over the past decade have decreased the tumor detection limit from five millimeters to one millimeter. This means that we can find tiny metastases that manifest as dots in organs such as lung or liver, crucial information for knowing whether a cancer has spread or remains localized. This knowledge enables oncologists to tailor the treatment that is most effective for the patient.”

### **Are there diseases other than cancer for which imaging technology has improved the patient workup?**

“Injuries to muscles, ligaments, tendon attachment sites and similar structures have traditionally been difficult to assess, which to some extent the MRI has remedied. Today, however, ultrasound, which is a less expensive technology, has become so advanced that it is increasingly being used for diagnosing such structures. This technology is extremely important in sports

medicine, but also in the diagnosis of common ailments in hips, shoulders and wrists. Ultrasound imaging aids the doctor in making a more precise and detailed diagnosis, and in providing more injury-specific treatment than was previously possible.”

### **Why have you chosen to work with ContextVision as a reference doctor?**

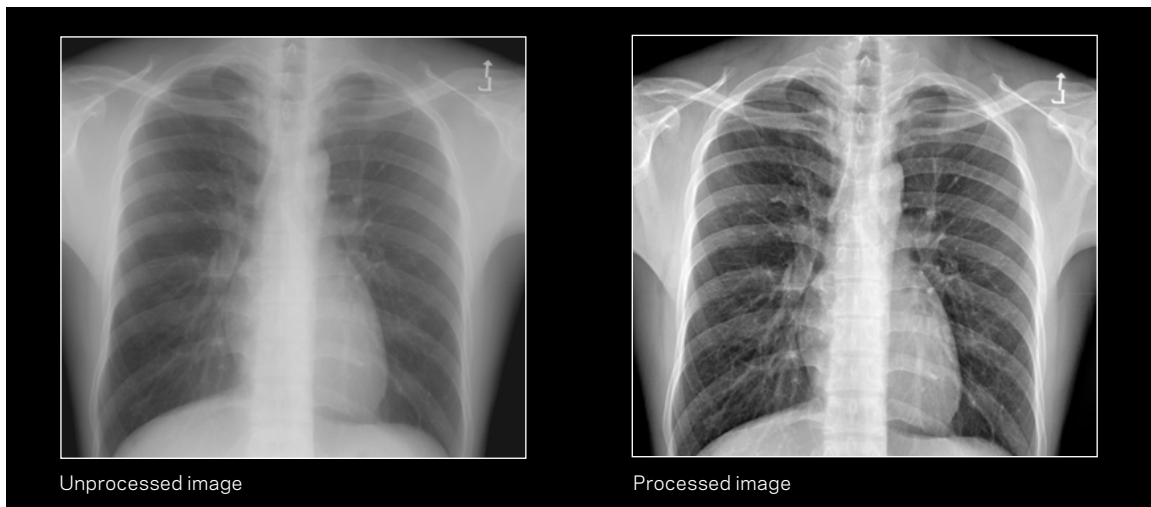
“One of my passions is to constantly advance diagnostic technology, for which reason I am happy to contribute whatever I can to likeminded individuals. The technology developers at ContextVision are highly dedicated and want to make improvements. I have gathered together a number of reference images from real cases for them, so they can work with high-quality materials. Afterwards they provide me with a number of different types of image enhancements and I give them feedback on resolution of details, contrast between sick and healthy tissue, and other parameters that are important in finding what we are looking for.”

### **What potential does the future hold for medical imaging?**

“I believe that AI for cancer detection is going to explode. Digitalization has enabled us to work considerably faster than when using analog imaging, where much of the work is still done manually, and image volume increases in pace with refinements in technology. A lung study may require that I review more than a thousand images of varying slice thicknesses. This is where AI could be of great benefit: allow the machine to suggest suspicious changes that we doctors can later interpret.”

# Medical Imaging products

**ContextVision offers world-leading image enhancement solutions to medical imaging system manufacturers. Our products enable manufacturers to create the best possible image in order to simplify diagnostics for doctors and healthcare staff, thereby contributing to more efficient health care. The software is deployed in over 300,000 installations worldwide.**



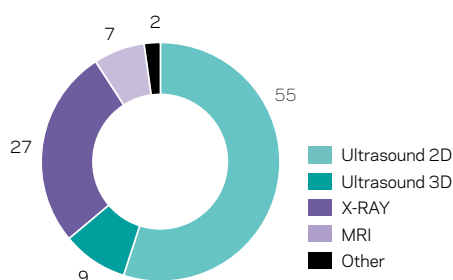
The product portfolio consists of image enhancement software for 2D and 3D ultrasound, static and dynamic X-rays, MRI and mammography. The software is integrated into medical and veterinary equipment and has the task of optimizing images and streamlining diagnostics.

ContextVision's image processing products are based on advanced algorithms and in certain cases even on AI. Based on each customer's specific system, the products are adapted for optimized image quality and performance combined with the customer's preferences. Based on the company's extensive experience and continual research, customers are offered the security of always achieving the best possible image quality.

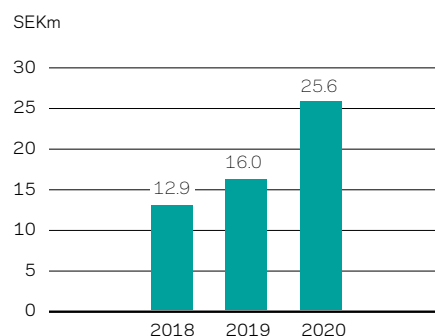
In 2019 Rivent/Rivent Plus was launched on the market. This product, which is our seventh generation of image enhancement software in 2D ultrasound, addresses the need for further processing of images without creating an unnatural appearance or losing any detail. In this way, ultrasound images become clearer, which enables clinicians to more easily interpret them in order to make the correct diagnosis as quickly as possible.

To provide additional flexibility to customers, we also offer tools for most of the products with which customers can make their own modifications to achieve various image appearances, so as to address different markets or varying preferences of end users.

## SALES BY PRODUCT CATEGORY 2020



## SALES GROWTH RADIOLOGY



# For us, sustainability entails streamlining health care

**Long-term and responsible business successes within ContextVision's fields are made possible by our products, which improve the reliability of diagnoses and treatments, and by our dedicated employees.**

ContextVision's sustainability initiatives are directly linked to our business, which creates value for our customers and ultimately, for patients. We also create value for our employees, shareholders and society at large. Our sustainability work is aimed at enhancing customer value and supporting employee personal development, while minimizing our climate footprint and our risks.

## Customer value

Health care is facing major challenges with aging populations and limited resources to manage the influx of patients. Continual productivity improvement is crucial to be able to continue to provide high-quality care. Today ContextVision facilitates the diagnostic process by offering software that improves medical image quality. We invest in technical solutions that can contribute to faster and more reliable diagnoses.

Digitalization has resulted in major productivity gains in radiology, while increased accessibility of ultrasound has improved opportunities to have access to diagnostic images. ContextVision's images have played a major role in this development and our aspiration is for our know-how to be translated into reliable decision support systems for many different types of products moving forward.

In summary, the company's long-term success relies on the application of our extensive knowledge in the field of digital imaging and artificial intelligence in order to develop new methods to streamline health care.

## Code of conduct

The company's code of conduct defines how we behave. It is based on our core values: we act with a focus on the customer and on results, with integrity, innovation and cooperation – and all within the framework of care and respect for others.

In addition to complying with the rules that apply to financial reporting as well as to terms of employment and employee rights, we have set high standards for goals and requirements related to product safety and confidentiality.

Of course, ContextVision respects legislation on competition and insider trading. We do not accept corruption

and actively work to ensure that it does not occur in the company or among our partners. Well-developed procedures for management of relationships with customers, resellers and employees guarantee a high level of social responsibility in all of our relationships.

## Regulations

In accordance with medical device and other regulations, ContextVision has a well-established quality system that is certified to EN ISO 13485:2016

ContextVision delivers software solutions to medical technology equipment manufacturers. This industry is highly regulated and the company handles its business in compliance with current laws and regulations, as well as in line with the wishes of individual customers. Consequently, the company has quality assurance procedures in place that aim to continuously improve product safety and efficiency before, during and after it has been delivered to the customer.

ContextVision's first pathology product, INIFY® Prostate screening, was CE-labeled in 2020 under the In-Vitro Diagnostic Directive (IVDD). Beginning in May 2022, the IVDD will transition from an EU directive to an EU regulation (IVDR), which places even higher demands on safety and quality documentation. ContextVision has allowed for this: our Notified Body, the German TÜV-SÜD, is one of few Notified Bodies that are currently accredited for the IVDR. CE-labeling documentation for INIFY® Prostate Screening and future products from the Digital Pathology business unit are already documented according to the IVDR.

Each year, ContextVision's quality efforts are assessed to determine how well they live up to standards and regulations. Both internal and external certification auditors draw our attention to any deficiencies that need to be remedied.

## Climate footprint

Our products are completely software-based, which means that resource consumption is mainly related to business travel and offices. We always try to minimize the resource consumption in our offices and choose climate-smart solutions as much as possible when we travel. The pandemic has revealed new opportu-



nities to grow our business while minimizing resource consumption. During the year, we used digital tools to a much greater extent for both internal meetings and customer contacts; we intend to further develop this practice even after the Coronavirus pandemic restrictions have been lifted.

**Risks**

Awareness and proactive management of risk is an important aspect of our work. ContextVision uses a systematic approach to risk identification and reduction. The risk assessment process includes risk

identification, analysis of risk factors, identification of risk owners and assessment of potential effect on the business, probability, trends and level of acceptance. Preventive measures are identified and initiated.

We adhere to the regulatory requirements of most markets, but go beyond them to remain one step ahead in our processes. Our risk analysis also includes handling problems associated with the use of products.



# Our success is based on a collaborative culture

At ContextVision, we constantly develop our skills. With the company’s common goals in view, we combine different abilities and create a dynamic that promotes a goal focused and creative workplace. In our distinctive collaborative culture, knowledge is created and disseminated.

### Continuous skills development

The company’s ambition is to maintain world-class standards. We must therefore attract new stars at the same time that we constantly nurture those we already have. We constantly work to expand our network with clinical expertise. Within the research department time is allocated for self-study and experiments, as well as for seminars and group discussions. We see the importance of creating a good understanding between technical and clinical expertise, and work with an agile approach to handle the rapid developments in AI technology.

### Our culture

Working at ContextVision entails independent work, while belonging to a team with common goals and a strong commitment. We have a strong collaborative culture in which we stimulate learning, with a strong focus on customers and results. Sharing knowledge and experience is central to our corporate culture. It inspires innovative development of the product portfolio of the future. We encourage new thinking, listen



curiously and discuss ideas regardless of where or from whom the idea comes.

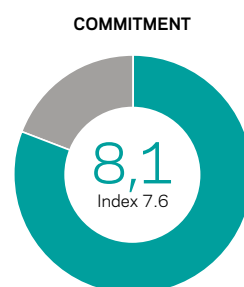
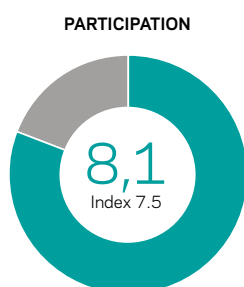
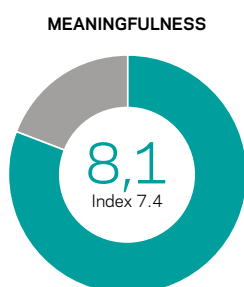
### Multinational teams

We have the ability to attract talent from many different parts of the world, with about ten nationalities currently represented on our teams. It is fabulous that time after time, we find new employees who are willing to move to Sweden to work at ContextVision and we are committed to helping them integrate into both the organization and society. Our multinational nature is one of our strengths, especially in our interactions with customers and partners.

### Communication

We attach great importance to good internal communication and continuous learning, which allows rapid implementation of changes. Our ability to work in cross-functional teams is directly linked to our successes and results. Forums at which different teams share new experience and knowledge with everyone in the company are regularly offered, both from internal work and external knowledge acquisition at trade fairs and congresses. For us, communication involves both

## VERY GOOD RESULTS IN THIS YEAR’S EMPLOYEE SATISFACTION SURVEYS (eNPS)





sharing and receiving. During the pandemic era, knowledge acquisition has essentially taken place entirely through digital meetings with experts, participation in webinars and virtual trade fairs and congresses. While this solution has worked relatively well, it is clear that the physical meeting will continue to be an important part of knowledge sharing and relationship building.

**Continuing education**

Our organization is under constant development and we will continue to recruit new employees to be able to grow. As one of the pioneers in a new market, we also need to gradually add new skills. We do so not just by hiring, but also by engaging experts who can temporarily belong to our teams and build up our skills. When we hire employees we are careful to find not just the right skill set, but also the right person for our teams. Values and the right personality are therefore key components when we recruit talent.



**Max Zigliara**  
project manager Digital Pathology

”Feedback from users provides energy

I enjoy working with medical technology that benefits society and is on the cutting edge of development. Participation in an area that is still in its fledgling stage is both exciting and challenging. The purpose of our product is to help pathologists in their everyday work of analyzing biopsies. Before they even have a chance to assess the samples, our product has already pinpointed the tissue in which cancer is suspected.

Just a couple of years ago there was no approved decision support tool for digital pathology. There were no recipes, models or practices to serve as a foundation. Now we are among the first few companies to deliver a CE-marked AI-based product for cancer detection. The biggest challenge is to gather the right data to train the algorithms used in our AI-based products.

The industry is rapidly changing and the need within health care is great. This is why it is especially pleasing to get direct feedback from pathologists who find that our product performs well, and is both easy to use and intuitive.”



**Max Zigliara**

Born: 1974 in France.  
Employed: October 2019.  
Education: Master of Science in Mechanical Engineering from INSA in Lyon (France) and KTH in Stockholm.  
Leisure activities: Practices martial arts and climbing.



**Sofia Mårtensson**

Born: 1988 in Sweden.  
 Employed: November 2017.  
 Education: Master’s degree in marketing from the School of Business, Economics and Law at the University of Gothenburg.  
 Leisure activities: Exercise a lot, recently started playing tennis, listen to podcasts and read.

**Sofia Mårtensson**  
 market coordinator Medical Imaging

” Multifaceted job in a meaningful market

It is highly inspiring to work for a high-tech company that is the market leader in medical imaging. The global nature of the company and the many different customers worldwide make the job both fun and multifaceted. We are a small department with just two people. As market coordinator, I am responsible for everything from marketing materials for our products and the company to the website, social media, trade fairs and PR.

The biggest change - but also the biggest challenge - in 2020 has been finding new ways to reach out to our customers and create a stronger digital presence. The restrictions of the Coronavirus pandemic have affected us greatly at the marketing department, since trade fairs and other events where we usually meet our global customers have been canceled. To replace the physical meeting places, we have had to become increasingly digitized. Almost all of our communication now takes place through digital channels, so it has been a huge learning experience.”

**Walter de Back**  
 researcher and AI expert

” We translate research into practical use

I was attracted to ContextVision by the opportunity to conduct innovative research into deep learning and digital pathology. I lead a small team that develops and tests new methods in statistics, machine learning and AI for image analysis. Development in the field is proceeding extremely rapidly and we strive to keep up with the latest advances in order to identify the most relevant innovations that have the potential to contribute to our future product line.

The opportunity to work together with talented colleagues in a multifaceted team is what I appreciate most about my job. It is extremely rewarding to see our work with basic issues in machine learning transformed into practical use, both as new functions and to optimize product development.

The 2020 pandemic fundamentally changed the way we work. Fortunately, ContextVision has a long history of working remotely, for which reason the transition to working from home has been incredibly smooth and even entailed new opportunities. For example, our research group welcomed two new colleagues who work exclusively on a remote basis. Now the team consists of three people with different nationalities (Indian, Iranian, Dutch) who work closely together while spread out in three different countries (Sweden, the Netherlands, Germany).”



**Walter de Back**

Born: 1978 in the Netherlands.  
 Employed: October 2019.  
 Education: Master of Science in Artificial Intelligence (AI) from Utrecht University (Netherlands), Junior Fellow at Collegium Budapest (Hungary), PhD from TU Dresden (Germany), Postdoctoral Fellow at Uniklinikum Dresden (Germany).  
 Leisure activities: The family with three children, gardening, running, cycling - and beginner in furniture making.

# Administration Report

The Board of Directors and the CEO of ContextVision AB (Publ), registration number 556377-8900, hereby submit the Annual Report and the consolidated accounts for the fiscal year Jan 1, 2020 - Dec 31, 2020. All figures are in SEK if not stated differently. ContextVision is based in Linköping, Sweden and listed on the Oslo Stock Exchange since 1997.

ContextVision is a medical technology software company specializing in image analysis and imaging for medical systems. ContextVision is the global market leader in image enhancement and a software partner for leading medical image technology manufacturers worldwide. Its groundbreaking technology helps doctors accurately interpret medical images, a crucial foundation for better diagnosis and treatment decisions. Already an industry pioneer more than 30 years ago, ContextVision has over the past years invested heavily in research and development to develop new applications based on state-of-the-art artificial intelligence technology, in order to expand into the new, fast-growing digital pathology market. The first product within the area, a decision support tool for prostate cancer diagnosis (INIFY® Prostate Screening), was launched and CE marked during 2020. These major investments in research and development create new conditions for success during the coming years.

## Significant events during the year

2020 turned out to be a very different year that presented most companies with completely new challenges, and so also ContextVision. At an early stage in the pandemic, the company's board and management decided to take a number of precautionary measures. Of course, practical solutions and restrictions were implemented to protect employees, but other support and help was also offered to the organization in a time characterized by working from a distance. Work routines were adapted and more digital aids were provided to streamline remote working. Management also decided on financial measures with the intention to responsibly guide the company through the pandemic while maintaining sound finances, which is reflected in the positive results.

The first product for the business unit Digital Pathology (INIFY® Prostate Screening) was CE marked and launched to the market - an important milestone for the company. During the year, the product was installed at a number of reference sites, for performance evaluation as well as clinical evaluation and follow-up in the workflow in accordance with the regulatory requirements. The product is the first in a planned product portfolio of decision support tools for cancer and is aimed at the growing market within digital pathology.

The business unit Medical Imaging also completed and launched a new product (Rivent) during 2020, developed for the ultrasound segment. Ultrasound is the product group that represents the largest share of revenues for the company, and the new product further strengthens the portfolio and will provide a basis for continued growth. The product serves as further proof of ContextVision's ability to develop new innovative products for an important product area. The product was well-received in the market and is expected to generate revenue as early as in 2021.

Both business units have experienced a degree of slow-down effect in their respective markets, partly due to difficulties in visiting customers and thereby completing new installations. New working methods and smart solutions, for instance regarding remote installations, have supported business and allowed it to drive forward in a positive way, although not at its usual speed. Sales for 2020 reached SEK 94.7 million (95.3), which adjusted for currency effects is in line with the record year 2019. All sales during the year derive from the business unit Medical Imaging, where the largest product groups in terms of sales are ultrasound and X-ray. X-ray sales represent the largest increase in percentage, but ultrasound is still the company's largest product area in terms of both number of licenses sold and sales. In terms of regions, Asia is the company's largest market, followed by Europe and the USA.

Operating profit for 2020 amounted to SEK 15.5 million (10.1) and will form the basis for future investments in expansion as well as research and development. The positive result is an effect of strong sales in combination with reduced costs, originating in a high level of financial awareness.

ContextVision's share price had a very positive development during 2020. From an opening price of NOK 10.40 at the turn of 2019 (recalculated due to share split in 2020), ContextVision's share at the turn of 2020 had a closing price of NOK 22.10 (+ 113%). The highest quotation during the year, seen in July 2020, was NOK 28.00. At an Extraordinary General Meeting held in August 2020 the Meeting resolved that the number of shares in the company should be increased by dividing each share into 10 shares (share split 10: 1). Following the split of shares, the number of shares in the company increased from 7,736,750 to 77,367,500. At the same Extraordinary General

Meeting, it was also decided to amend ContextVision's Articles of Association to adjust the limits for the total number of shares.

### Board and management

At the Annual General Meeting in May 2020, Erik Danielsen, Martin Hedlund, Sven Günther-Hanssen and Magne Jordanger were re-elected as board members, while Martin Ingvar was elected as new member of the board. The board has had 5 members during 2020, all of which were men. There have been 13 board meetings during the year.

Fredrik Palm served as CEO during 2020, a position that he has held since 2019. Palm has been present at all board meetings, informing the board of the operations of the company. As per 2020.12.31, Palm owns 28,200 shares in the company.

Board member	No. of meetings	Holding 2020.12.31
Erik Danielsen (Chairman)	12	45,000 through ORCA Ventures AG
Martin Hedlund	11	8,316,660
Sven Günther-Hanssen	13	8,516,670
Magne Jordanger	12	23,000,000
Martin Ingvar	8	0

### Annual General Meeting

On the 6th of May 2020, ContextVision held its ordinary Shareholders' Annual General Meeting in Stockholm.

- The annual financial report regarding 2019 was presented and approved by the AGM.
- Disposition of financial results according to the proposal of the Board of Directors was approved.
- The Managing Director and the Board of Directors were discharged from liability.
- Board compensation was determined.
- The audit fee was decided to be based on current account.
- Erik Danielsen, Martin Hedlund, Sven Günther-Hanssen and Magne Jordanger were re-elected as members of the Board and Martin Ingvar was elected as new member of the Board
- E&Y was re-elected as auditor for the coming year.

### Legal proceedings

ContextVision has not been involved in any legal processes during 2020.

### Current receivables and bad debt loss

ContextVision's products within the business unit Medical Imaging are sold worldwide to OEM (Original Equipment Manufacturer) customers, and the company has a strong and wide customer base characterized by long-term relationships with most customers. Within the business unit Digital Pathology, there were no accounts receivable at year end 2020.

The Group's total current receivables at year end

amounted to SEK 26.7 million (22.1). No bad debt losses have been recorded for 2020.

### Intangible assets

Only product developments that meet the requirements for capitalization are recorded as intangible, fixed assets. Product development expenses related to two different projects have been capitalized during 2020, and the related expenses that have been capitalized totaled SEK 8.1 million (22.6).

Development of the seventh-generation ultrasound product Rivent was completed during the first half of 2020. The product has been well received by the market and revenues were already booked during the introduction year.

The first product for the business unit Digital Pathology, INIFY® Prostate Screening, was completed and received CE marking during the first half of 2020. The product is a decision support tool for pathologists when diagnosing prostate cancer. INIFY® Prostate Screening was installed at several reference clinics during the second half of the year and is expected to generate revenues in 2021.

A write-down of SEK 91 thousand regarding an ultrasound product was recorded in 2020, after carrying out an impairment test.

### Government grant

During 2020, ContextVision participated in a research project eligible for government grants. No grants have been received by the company, but other project participants have received some grants.

### Employees

The ContextVision Group had in total 47 (44) permanent employees at year end, whereof 45 were located in Sweden and 2 were employed abroad. Average number of employees in the Group during 2020 was 44 (43). Out of the 47 employees, 21 are allocated to R&D, 16 to sales, marketing and customer support and 10 to management, administration and regulatory issues. ContextVision's office for research and development is situated in Linköping, Sweden, and the office for sales and marketing is situated in Stockholm, Sweden. The Group has local presence in the USA and in China, as well as local partners in Japan, Korea and Russia. On average, 25 percent of the company's employees were female, and 75 percent were male. Personnel costs for research and development during the year, not capitalized, amounted to SEK 13.7 million (11.3).

### Incentive program

In 2011, the board and management of ContextVision introduced an incentive program through the creation of a profit-sharing foundation for its employees. The program is intended to streamline the focus and efforts of all employees by allocating a part of the company's net profits to the foundation, under the circumstances that certain defined objectives are reached. The objectives are related to sales, customer

relations, product development and new research projects. The allocated funds will then be used to purchase ContextVision's common stock on the Oslo Stock Exchange.

Following results during the period 2016–2019, the foundation holds 306,100 shares as of December 31, 2020. For 2020, the allocation is SEK 202 thousand and shares will be purchased at the beginning of 2021. According to the foundation's rules, shares related to 2015 results (a total of 30,500 shares) were sold at the beginning of 2020, and the outcome of SEK 2,899 thousand from the sale was distributed among the staff. Henceforth, shares from the earliest year will be sold annually. The foundation's total holding during the previous years has been around 1 percent of the company's total shares.

### Cashflow 2020

The company's cash position has increased by SEK 10.0 million during the year. Cash position on December 31, 2020 was SEK 46.4 million (36.3). Cash flow from operating activities amounted to SEK 22.3 million (25.1), and cash flow from investing activities amounted to SEK -8.7 million (-23.0). The majority of the investments related to intangible assets. Cash flow from financing activities amounted to SEK -3.6 million (3.7)

### Currency effects

The company is dependent on trends in the EUR, JPY and USD exchange rates against the SEK, since invoicing is mainly carried out in those currencies, while most costs are incurred in SEK, followed by USD and EUR. During 2020 the currency exchange rates had an average negative effect of -0.9 percent on revenues. A financial policy adopted by the board of directors constitutes the framework for how the company manages financial risks. Refer to note 21 for details regarding the sensitivity analysis.

### The Group and the Parent Company

The Group consists of the Parent Company ContextVision AB (publ) and the wholly owned American subsidiary ContextVision Inc.

The Parent Company ContextVision AB (publ) has its registered office in Linköping, Sweden, where the R&D department is located. Sales, marketing and company management are managed from the office in Stockholm. All external sales are generated by the Parent Company.

The subsidiary ContextVision Inc had one employee at year-end, and its office is located in Naperville/Chicago, Illinois, USA. The employee is responsible for sales and customer support to US customers, thereby maintaining the company's local presence. The subsidiary represents a limited part of the Group's operations. No external sales are generated by the subsidiary.

### Significant events after the balance sheet date

No significant events have occurred after the balance sheet date.

### Outlook for 2021 and onward

2020 came to be a year characterized by adjustments, adaptation and ingenuity. Thanks to great financial awareness and a high focus on stable finances, the company has a good foundation for the coming years. The management sees good conditions for further growth, which will be supported by the new products launched by the company's two business units. At year-end, a number of research projects were ongoing and are expected to lead to new product development projects during the coming years, eventually creating a foundation for further market expansion and growth.

One can expect that the organization needs to be further adapted to meet new demands, especially as it is now about to establish and create awareness in a new target group in a growing market. Activities in marketing and sales will therefore most likely increase during the coming years.

In the business unit Medical Imaging, the management sees continued growth opportunities, and future investments in research and product development within the business area will focus on meeting expected market needs. The company has a strong focus on new development and enhancement of its product portfolio, which contributes to ContextVision being able to maintain its position as market leader in the area.

### Proposed Appropriation of Earnings

At the General Meeting's disposal (SEK)	2020
Retained earnings and fair value reserve	23,314,568
Profit/loss for the year	9,737,597
<b>Total</b>	<b>33,052,165</b>

The Board proposes that SEK 33,052,165 is carried forward to the 2021 accounts.

# Five Year Summary

SEK THOUSAND	2020	2019	2018	2017	2016
<b>Consolidated income statement</b>					
Net sales	94,746	95,312	90,903	80,512	81,917
Operating profit/loss	15,471	10,072	-1,299	-1,972	5,769
Profit/loss after financial items	15,241	9,763	-1,291	-1,978	5,767
<b>Net result</b>	<b>12,080</b>	<b>7,398</b>	<b>-1,179</b>	<b>-1,706</b>	<b>4,253</b>
<b>Consolidated balance sheets</b>					
Intangible fixed assets	23,720	20,822	11,681	10,778	14,628
Fixed assets	2,221	2,677	3,353	3,742	527
Right-of-use assets	5,879	9,461	-	-	-
Financial assets	394	522	323	376	323
Current assets	73,806	59,330	61,476	64,169	63,820
<b>Total assets</b>	<b>106,020</b>	<b>92,812</b>	<b>76,833</b>	<b>79,065</b>	<b>79,299</b>
Equity	79,782	66,136	58,562	59,346	61,426
Long-term liabilities	2,875	1,560	968	1,122	1,508
Non-current lease liabilities	1,593	4,734	-	-	-
Short-term liabilities	18,281	16,476	17,303	18,597	16,365
Current lease liabilities	3,489	3,906	-	-	-
<b>Total equity and liabilities</b>	<b>106,020</b>	<b>92,812</b>	<b>76,833</b>	<b>79,065</b>	<b>79,299</b>
<b>Cash flow statements</b>					
Operating activities	22,315	25,076	5,119	1,948	9,527
Investment activities	-8,731	-23,029	-7,501	-4,532	-2,260
Financing activities	-3,557	-3,663	-	-	-
<b>Change in cash and cash equivalents</b>	<b>10,027</b>	<b>-1,616</b>	<b>-2,382</b>	<b>-2,584</b>	<b>7,266</b>
<b>Key ratios</b>					
Equity ratio, %	75.3	71.3	76.2	75.1	77.5
Operating margin, %	16.3	10.6	-1.4	-2.5	7.0
Profit margin, %	16.1	10.2	-1.4	-2.5	7.0
Return on equity, %	16.6	11.9	-2.2	-2.8	7.2
EBITDA	25,471	28,241	5,399	2,906	10,593
Average no. of shares	77,367,500*	77 367 500*	77 367 500*	77 367 500*	77 367 500*
Result per share	0.16	0.10**	-0.02**	-0.02**	0.06**
Result per share after dilution	0.16	0.10**	-0.02**	-0.02**	0.06**
Share price (NOK) Dec 31	22.10	104.00	55.20	57.50	49.50

\* Increase in the total number of shares due to a share split (10:1) in August 2020

\*\* The numbers have been re-calculated for the comparison periods due to a share split

ContextVision presents certain financial measures in the financial statements that are not defined under IFRS. The Company believes that these measures provide useful supplementary information to investors and the Company's management as they allow for evaluation of the Company's performance. Because not all companies calculate the financial figures in the same way, these are not always comparable to measures used by other companies. These financial measures should therefore not be considered to replace those by IFRS.



CALCULATION OF KEY RATIOS	2020	2019
<b>Equity ratio</b>		
Equity at period end (SEK thousand)	79,782	66,136
Total assets (SEK thousand)	106,020	92,812
<b>Equity ratio</b>	<b>75.3</b>	<b>71.3</b>
<b>Operating margin</b>		
Operating income (SEK thousand)	15,471	10,072
Non-recurring items (SEK thousand)	0	0
Net sales (SEK thousand)	94,746	95,312
<b>Operating margin</b>	<b>16.3</b>	<b>10.6</b>
<b>Profit margin</b>		
Result after financial items (SEK thousand)	15,241	9,763
Net sales (SEK thousand)	94,746	95,312
<b>Profit margin (%)</b>	<b>16.1</b>	<b>10.2</b>
<b>Return on equity</b>		
Net results (SEK thousand)	12,080	7,398
Average equity	72,959	62,349
<b>Return on equity (%)</b>	<b>16.6</b>	<b>11.9</b>
<b>EBITDA</b>		
Net results (SEK thousand)	12,080	7,398
Interests (SEK thousand)	229	308
Taxes (SEK thousand)	3,162	2,365
Depreciation and write-down (SEK thousand)	10,000	18,170
<b>EBITDA (SEK thousand)</b>	<b>25,471</b>	<b>28,241</b>
<b>Earnings per share</b>		
Net results (SEK thousand)	12,080	7,398
Average number of shares	77,367,500	77,367,500*
<b>Earnings per share (SEK)</b>	<b>0.16</b>	<b>0.1**</b>

\* Increase in the total number of shares due to a share split (10:1) in August 2020.

\*\* The numbers have been re-calculated for the comparison periods due to a share split.

Key figures	Definitions	Purpose
Equity ratio	Equity as a percentage of total assets.	The equity ratio shows the company's long-term ability to pay its debts and is a complement to other key figures. It helps investors assess the possibility of dividends.
Operating margin	Operating income excluding non-recurring items as a percentage of annual net sales.	The operating margin is helpful for investors when assessing the company's potential for dividends.
Profit margin	Result after financial items as a percentage of annual net sales.	The profit margin shows the company's results per SEK revenue, and is of interest for both the company and for investors.
Return on equity	Net results as a proportion of average equity, where average equity is calculated as equity at the beginning of the period plus equity at the end of the period, divided by two.	Return on equity shows the company's results in relation to equity, and provides investors with additional information regarding the company's profitability.
EBITDA	Earnings before interest, taxes, depreciation and amortization.	EBITDA shows the company's underlying development, which is valuable as an indication of the company's underlying cash-generating capacity.
Earnings per share	Net result for the year as a percentage of the average equity.	Earnings per share is a measure of the company's earnings per share during the reported period and facilitates comparisons between periods.

# The ContextVision share

The company had in total 77,367,500 shares by December 31, 2020. There has been no repurchase of shares or other changes of the share capital during 2020. ContextVision does not hold any own shares in stock. In August 2020 an extraordinary General Meeting was held, where it was decided to increase the number of shares by dividing each share into 10 shares (share split 10:1). After the split of shares, the number of shares in the Company will increase from 7,736,750 to 77,367,500.

There are three individual shareholders, representing 10 percent or more each of the company. The shareholder "Monsun AS" is controlled by Board member Magne Jordanger with family.

## Freely negotiable shares

There is no form of restriction of the negotiability of the shares in the company's articles of association.

## Equity and dividends

The company is to have an equity capital at a level appropriate to its objectives, strategy and risk profile. Presently the strong cash balance is appropriate to fund the future growth ambitions. The Board of Directors is regularly informed of the equity capital to ensure it is on an appropriate level.

Since the company is in a very intense phase with large investments in new research, the Board of Directors does not propose any dividend.

## Performance over the year

The ContextVision share has had a very positive development during 2020. From a price of NOK 10.40 at year-end 2019 (re-calculated due to the share split in 2020), it increased to a value of NOK 22.10 at year-end 2020 (+113%). The highest listing price during the year, in July 2020, was NOK 28.00.

## Shareholder information

Information from ContextVision is distributed through stock exchange notices, press releases, reports and presentations. This information is available on the Oslo Stock Exchange's web site [www.euronext.com](http://www.euronext.com) and/or on the company's website [www.contextvision.se](http://www.contextvision.se)

Following the publishing of the company's quarterly reports, there is usually a video presentation released on the day after.

For queries, please use e-mail address: [shareholderinfo@contextvision.se](mailto:shareholderinfo@contextvision.se)

## Ownership

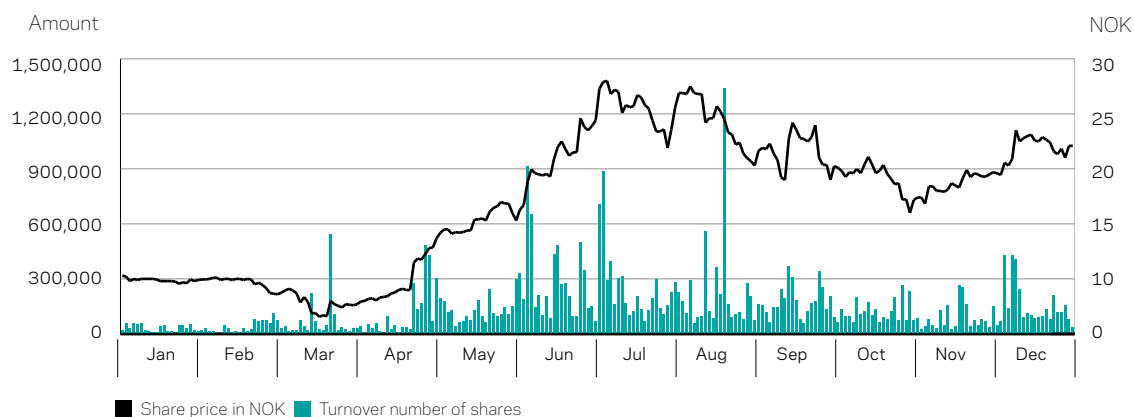
The Company is listed on the Oslo stock exchange since 1997, ticker code CONTX.

## Share information

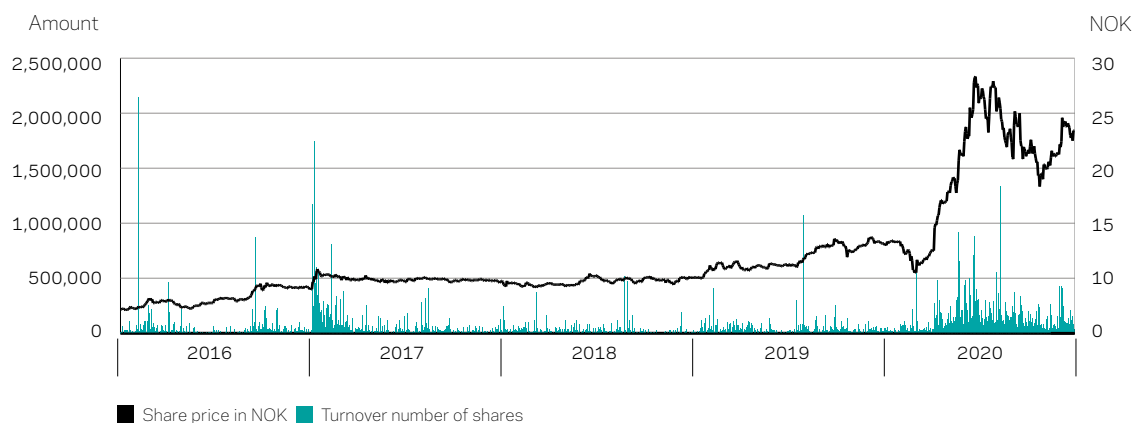
Ticker	CONTX
Market name	Oslo Stock Exchange
Year of listing	1997
Market capitalization (year-end)	SEK 1,632 million
ISIN	SE0014731154
Number of shares	77,367,500
Trading currency	NOK
Sector	Health Care
GICS	35103010
LEI-kod	549300DGJB24U1VKHC98

Shareholders with more than 1 percent of the votes as per December 31, 2020	No of shares	Share (%)
Monsun AS	23,000,000	29.73
Günther Hanssen, Sven	8,516,670	11.01
Hedlund, Martin	8,316,660	10.75
Tauri AS	3,729,075	4.82
MP Pensjon PK	3,708,240	4.79
Stavland, Bernt	2,530,000	3.27
Bras Kapital AS	2,500,000	3.23
Stavland, Anders	1,930,000	2.49
Danske Bank A/S	1,726,970	2.23
Stavland, Per	1,272,030	1.64
Swedbank AB	1,198,423	1.55
Other	18,939,432	24.48
<b>Total outstanding shares</b>	<b>77,367,500</b>	<b>100.00</b>

### The ContextVision share and turnover 2020



### The ContextVision share and turnover 2016-2020



# Risks and uncertainties

ContextVision's major risk factors include business risks connected to the general global financial situation, to the level of healthcare investment on different markets, currency exchange risks, the company's ability to recruit and keep qualified employees and the effect of political decisions.

Consolidations within the medical industry occur on a regular basis which may change the customer's situation. Besides consolidations, new players enter the market and challenge the established actors. The trends above represent both threats and opportunities for ContextVision.

## Operational risks

The operational risks are mainly identified as a dependency on major customers, where 70 percent of the company's revenue is generated from about 10 different customers.

## Seasonal or productional variations

The company is in general not affected by seasonal variations, but highly dependent of the production rate and product cycles of its customers. If the customers for example have a delay in the launch of a new product/system there will be a corresponding delay in their purchase of software licenses.

The sales process for new products and upgrades are usually very long, as the process for integration of a new product into the customer's production line must be adapted to the customer's overall plans and resource allocation.

## Product Development

ContextVision develops advanced and specialized software for medical image enhancement, and the company assumes the risk during the research and product development phase. The management performs a continuous project follow-up and quality assurance to minimize the associated risks. The ability to follow the market trends and identify new market needs is crucial. This is continuously being analyzed within the product teams as well as the management. Close collaborations with customers also contribute to identify and analyze upcoming needs and trends.

During the year, the company launched its first product for digital pathology, thereby becoming a player in the new, emerging market. The market is establishing, and the external expectations of product and quality requirements are therefore difficult to assess. Management monitors the development and conducts continuous market and competitor analyses.

## Personnel

The company is dependent on highly qualified employees, which is identified as a risk factor. Since ContextVision during the latest years have invested in new business areas and developing new technology, the company is dependent on its ability to recruit and develop skilled employees.

## Financial risks

A financial policy adopted by the Board of Directors constitutes the framework for how the company manages financial risks. The company has clear mandates and limits for financial activities.

The Group's financial instruments consist of cash and bank deposits, accounts receivable (trade), accounts payable, other short-term liabilities relating to operations and derivatives (primarily forward exchange contracts). See note 21.

## Interest rate risk

The Group's market risk exposure relates only to holdings at bank accounts, the company has no loans or other obligations that can implicate an interest rate risk.

## Currency risk and Transaction exposure

During 2020 the invoicing in EUR represented 67 percent (60) of total invoicing, the invoicing in USD represented 19 percent (21), and the invoicing in JPY represented 14 percent (20). The company does not foresee any major changes in the distribution between currencies during the coming year compared with 2020.

Since all sales are invoiced in foreign currencies, while the main part of the costs is in SEK, the company is sensitive to currency exchange rates.

The Group hedges its foreign currency exposure on a regular basis, in order to minimize the risk.

Please refer to note 21 for further details regarding the sensitivity analysis.

## Credit risk

In connection with the signing of an agreement with a customer, an individual assessment of the solvency of that customer is conducted. When there is some concern as to a customer's solvency, a letter of credit or pre-payment is used. Existing customers' solvency is regularly monitored and evaluated to detect any changes in credit risks well in advance.

# Corporate Governance Report

ContextVision AB is registered in Sweden and is controlled by its Articles of Association according to the Companies Act in Sweden and Swedish law. Since 1997, the company has been listed on the Oslo Stock Exchange under the ticker CONTX and operates under Oslo Stock Exchange rules & regulations. ContextVision complies with the majority of applicable guidelines and procedures, which are stipulated in the Norwegian Code of Practice for Corporate Governance, issued October 17, 2018. The deviations to the previous code are explained in this document. This report was adopted by the Board of Directors in April 2021.

This Corporate Governance Report includes the measures implemented for the efficient management of and control over ContextVision's operations. The Board of Directors and the executive management of ContextVision are dedicated to managing shareholders' and other stakeholders' demands for effective business operations, which shall be run independently by the Board of Directors and the executive management.

## Business

The company shall carry on the development, production, marketing and sales of products for digital images, aiming at increasing the value of the images or sequences of images through image enhancement or image analysis. Corporate values and ethical guidelines have been updated and documented. In general, being a company providing products and solutions in the health care market, we are driven by the patients' best interests. If there are reasons to believe that certain actions do not follow our corporate values or involve other unethical behavior related to the company's activities, there are procedures in place to address such issues.

## Equity and dividends

The company is to have an equity capital at a level appropriate to its objectives, strategy and risk profile. Presently the strong cash balance is appropriate to fund the future growth ambitions. The Board of Directors is regularly informed of the equity capital to ensure it is on an appropriate level.

## Equal treatment of shareholders and transactions with close associates

ContextVision has only one share class, whereby all shares have equal voting rights. Transactions carried out in own shares are managed by a third party through the stock exchange. The company is using the services of Norne Securities AS who is acting as market maker for the company's shares. The function of the market maker is to ensure that there is liquidity maintained in the company's shares. The market

maker guarantees to buy or sell shares within certain limits, according to sales orders and purchase orders on the market, without affecting the market pricing of the share. The operation of the market maker is surveyed by the Oslo Stock Exchange.

Executive management and the Board of Directors are instructed and obliged to notify the Board if they have any material interest in any transactions entered by the company.

There are three individual shareholders, representing 10 percent or more each of the company, please see the table on page 29 for details. The shareholder "Monsun AS" is controlled by Board member Magne Jordanger with family.

## Freely negotiable shares

There is no form of restriction of the negotiability of the shares in the company's articles of association.

## General Meeting

The Articles of Association stipulates and the Swedish Companies Act regulates the Annual General Meeting according to Swedish law. These rules govern the guidelines as they are stated in the code of practice for corporate governance.

The auditor shall be present at the Annual General Meeting upon request and motivation from a shareholder that announces attendance at the General Meeting. The chairman of the General Meeting is elected by the General Meeting; this is considered sufficient to ensure the independence of the chairman. The shareholders are given the opportunity to vote individually for each candidate to the Board. Notice of General Meeting is distributed four to six weeks before the date of the meeting by announcement at the stock exchange and in Swedish press, along with e-mailed invitations to shareholders. Enclosed is the procedure a shareholder must observe in order to participate and vote at the General Meeting. All information related to the General Meeting is kept available at the company's offices and is also provided on the company's website.

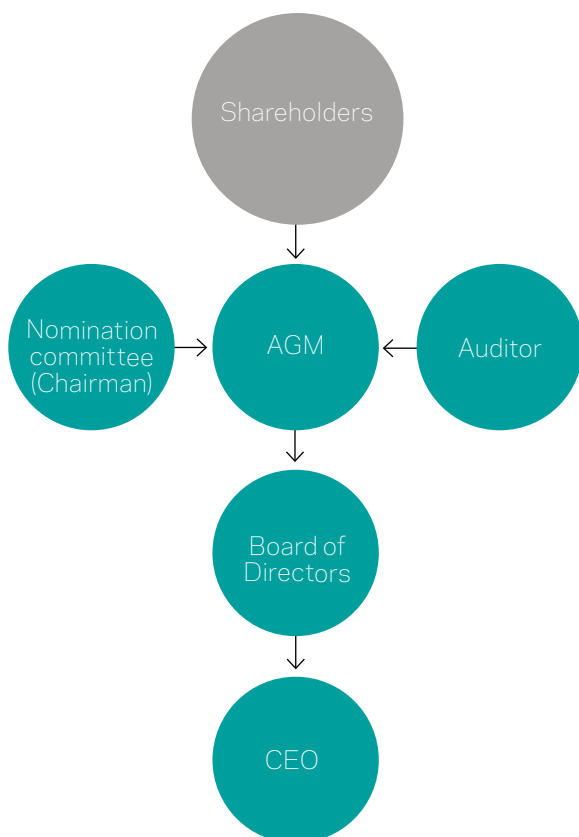
There are no specific rules in the company's articles of association for the procedure of electing or dismissing Board members, or for changing the articles of association. In these cases, the company is following the Swedish Company Act.

There are no restrictions in the rights of a shareholder to vote for the full number of shares owned.

## Nomination committee

The code of practice recommends the use of a nomination committee, which the Board does not intend

**ContextVision's Corporate Governance structure**



to do. Because of the relatively strong shareholder concentration, a nomination committee is considered ineffective. In ContextVision nomination of members of the Board is handled by the chairman of the Board.

**Corporate assembly and Board of Directors: composition and independence**

According to its Articles of Association, the Board of Directors should have three to seven members, with a maximum of four deputies. The present Board consists of five members. Members of the Board of Directors serve for a term of one year and are elected at the Annual General Meeting.

The Norwegian Code of Practice for Corporate Governance states that at least two of the members of the Board should be independent of the company's main shareholder (s). The Board consists of three large shareholders, together with the chairman and one more Board member who are both independent.

**The work of the Board of Directors**

The Board of Directors' principal obligations include providing strategic guidance for ContextVision, monitoring the executive management to ensure its effectiveness, controlling and monitoring the company's financial situation, ensuring the company's accountability towards its shareholders and providing appropriate communication to its shareholders and other interested parties. The rules of procedure for

the Board of Directors control the scope and proceedings of the body's obligations.

The rules of procedure govern that an annual plan for the work of the coming year shall be settled at the last meeting of the fiscal year. The same meeting shall include an evaluation of the work performed by the Board of Directors during the fiscal year. The rules of procedure are reviewed at the Board meeting directly following the Annual General Meeting. The rules of procedure for the CEO are likewise reviewed on a yearly basis at this meeting. The rules of procedure emphasize the clear internal allocation of responsibilities and duties. The company has a general system of internal control with descriptions of work processes and procedures in its quality system.

The Board of Directors ensures its internal control through regular written reporting by the executive management. The CEO is present and reports at all Board meetings. There are generally one to two Board meetings per quarter. There are no specific committees within the Board, such as audit committee or remuneration committee. Such committees are regarded as not efficient, taking account of the small size of the company.

To comply with the rules of the Swedish Companies Act, the company has chosen to let the Board as a whole fulfill the requirements to be performed by the Audit Committee.

**Risk management and internal control**

The purpose of the company's risk management and internal control procedures is to manage, not to eliminate, the risks associated with the environment in which the company operates. The established procedures aim to manage risk aspects that are not only related to the actual operation but also commercial and financial risks. Management updates the Board of Directors continuously on important current events and potential risks. Included in the internal control procedures is also the assurance of producing accurate financial statements. For further details regarding financial risks, see note 21.

**Remuneration of the Board of Directors**

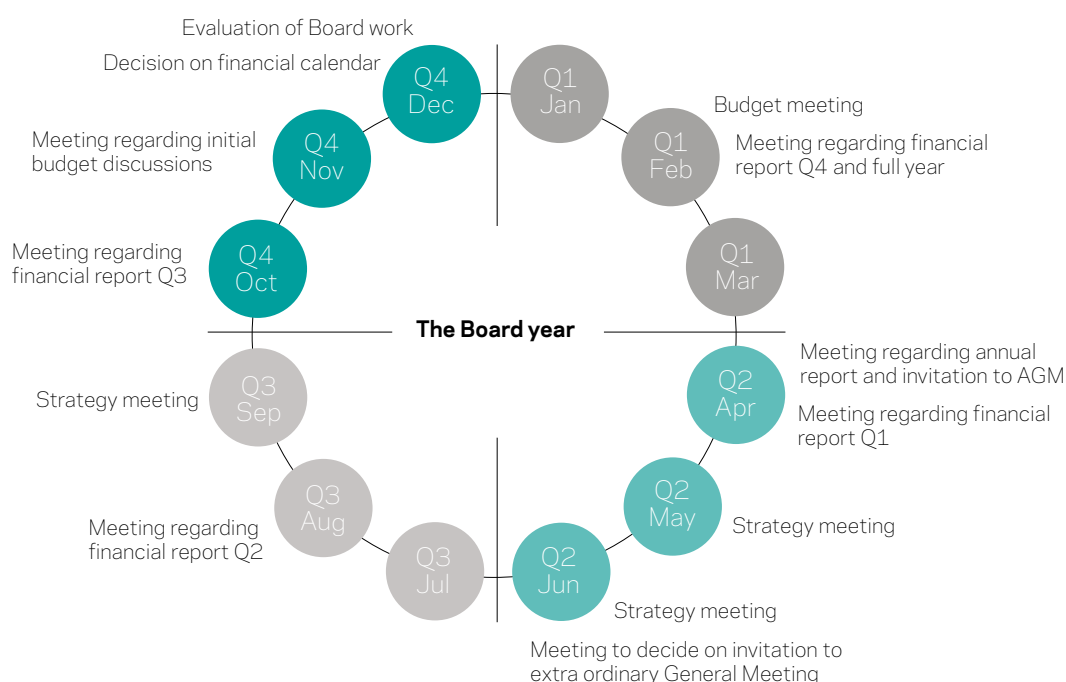
Remuneration for the Board of Directors is determined by the Annual General Meeting and is disclosed in the Annual Report. The annual results should not reflect the level of remuneration. As of December 2020, all members of the Board hold shares in the company at a total of 51 percent of the company value.

**Remuneration of executive management**

At ContextVision, "executive management" is the CEO of the company.

ContextVision shall offer its executive management competitive remuneration based on current market standards, company and individual performance. The remuneration program shall ensure that the executive personnel and shareholders share common interest. The remuneration consists of a basic fixed salary and a performance-based variable salary.





The company has, in 2011, set up a foundation. The idea of the foundation is to build a long-term incitement program for all employees in the company. Each year the company will form strategic and operational goals, and the yearly transfer to the foundation will be based on the fulfillment of these goals. Every employee, including executive management, has a share of the foundation based on nothing else than working hours during the year. The transfer to the foundation in the beginning of each year is based on achievements the previous year. The CEO has currently a 2 percent participation in the foundation, based on working hours.

For details on the remuneration of executive management, please see note 5.

**Information and communication**

The Board endeavors to provide equal, timely and accurate communication to all shareholders. The primary channels for communication are the Annual Reports, the quarterly interim reports, press releases and presentations for shareholders and investors. Public company information is disclosed on the web site of the Oslo Stock Exchange [www.euronext.com](http://www.euronext.com), as well as ContextVision's own website, [www.contextvision.com](http://www.contextvision.com). A video presentation is generally organized in connection with the release of quarterly reports. The dates for such presentations are announced on the company's web site.

**Take-overs**

The Board of Directors shall not seek to hinder or obstruct take-over bids for the company's activities of shares unless there are particular reasons for doing so. In the event of a takeover bid for the company's shares, the company's Board of Directors shall not exercise mandates or pass any resolutions that obstruct the take-over bid unless such actions are approved by the General Meeting following the announcement of the bid.

**Auditor**

The auditor serves for a period of one year at a time, and is elected at the Annual General Meeting. The auditor participates in a yearly Board meeting in February. This occasion allows a review of any material changes in the company's accounting principles and a report on any disagreement that may have occurred between the executive management and the auditor concerning the annual accounts. The meeting shall also include a review of the company's internal control procedures and give the auditor the opportunity to discuss matters without any member of the executive management present.

Any performance of non-audit services and payments related thereto by the auditor are monitored by the Board of Directors. The Board shall advocate for the auditor to present the framework of the company's audit to the Board on an annual basis and for the auditor to provide a yearly written statement as to whether the auditor continues to satisfy the requirements for independence.

# Board of Directors



**Erik Danielsen**

Chairman  
Danielsen (born 1963) was elected to the Board in 2004 and appointed chairman in 2010.

As of Dec 31, 2020, Danielsen owns 45,000 shares in ContextVision through ORCA Ventures AG, a closely held investment company.



**Sven Günther-Hanssen**

Günther-Hanssen (born 1954) is one of the founders of ContextVision and he has previously served as CEO for the company, as well as Board member. He was re-elected to the Board in 2011.

As of Dec 31, 2020, Günther-Hanssen owns 8,516,670 shares (11 percent) in ContextVision.



**Martin Hedlund**

Hedlund (born 1952) is one of the founders of ContextVision. Hedlund has been a member of the Board since the company went public in 1997.

As of Dec 31, 2020, Hedlund owns 8,316,660 shares (10.7 percent) in ContextVision.



**Martin Ingvar**

Ingvar (born 1963) was elected to the Board in 2020.

As of Dec 31, 2020, Ingvar owns 0 shares in ContextVision.



**Magne Jordanger**

Jordanger (born 1953) was elected to the Board in 2002.

As of Dec 31, 2020, Jordanger owns 23,000,000 (29.7 percent) in ContextVision through Monsun AS.

# Management team



**Fredrik Palm**  
CEO



**Ann-Charlotte Linderoth**  
CFO



**Magnus Aurell**  
Vice President business unit  
Digital Pathology



**Ola Lindblad**  
Vice President business unit  
Medical Imaging



**Arto Järvinen**  
CTO



**Johanna Karling**  
Director of Regulatory Affairs  
and QA

# Financial Reports

## Consolidated Income Statement

SEK thousand	Note	2020	2019
<b>Operating income</b>			
Revenue	2, 3	94,746	95,312
<b>Total operating income</b>		<b>94,746</b>	<b>95,312</b>
<b>Operating expenses</b>			
Goods for resale		-2,151	-2,289
Other external costs	3, 4, 7	-17,795	-21,435
Personnel costs	5	-49,330	-43,347
Depreciation of intangible and tangible assets	7, 8, 9	-9,909	-8,170
Write-downs of intangible and tangible assets	7, 8, 9	-91	-10,000
<b>Total operating expenses</b>		<b>-79,275</b>	<b>-85,241</b>
<b>Operating result</b>		<b>15,471</b>	<b>10,072</b>
<b>Financial items</b>			
Interest income		2	25
Interest costs and similar items		-231	-333
<b>Total</b>		<b>-229</b>	<b>-308</b>
<b>Result after financial items</b>		<b>15,241</b>	<b>9,763</b>
Tax on profit/loss for the year	6	-3,162	-2,365
<b>Net result</b>		<b>12,080</b>	<b>7,398</b>
Of which attributable to equity holders of the Parent Company		12,080	7,398
Average no. of shares before/after dilution		77,367,500	77,736,750*
Earnings per share before/after dilution		0.16	0.10**

\* Average number of shares have been re-calculated due to a share split in August 2020.

\*\* The earnings per share have been re-calculated for the comparison period due to a share split in August 2020.

## Consolidated Statement of Comprehensive Income

SEK thousand	Note	2020	2019
Net result for the period		12,080	7,398
<b>Other comprehensive income</b>			
<i>Items that will be returned to the profit</i>			
Effect of currency hedging		2 154	176
Tax effect of currency hedging		-461	-38
Translation difference		-127	38
<b>Total other comprehensive income</b>		<b>1,566</b>	<b>176</b>
<b>Total comprehensive income for the period</b>		<b>13,646</b>	<b>7,574</b>
Of which attributable to equity holders of the Parent Company		13,646	7,574

## Consolidated Balance Sheets

SEK thousand	Note	2020	2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Capitalized expenditure for development work	8	23,720	20,822
<b>Total</b>		<b>23,720</b>	<b>20,822</b>
<b>Tangible assets</b>			
Equipment, tools and furniture	9	2,221	2,677
<b>Total</b>		<b>2,221</b>	<b>2,677</b>
<b>Right-of-use assets</b>			
Right-of-use assets	7	5,879	9,461
<b>Total</b>		<b>5,879</b>	<b>9,461</b>
<b>Financial &amp; other non-current assets</b>			
Other long-term receivables	11, 18	394	522
<b>Total</b>		<b>394</b>	<b>522</b>
<b>Total non-current assets</b>		<b>32,214</b>	<b>33,482</b>
<b>Current assets</b>			
Inventories	12	768	884
<b>Total</b>		<b>768</b>	<b>884</b>
<b>Current receivables &amp; current investments</b>			
Accounts receivable	13	16,118	20,426
Other receivables	13	4,589	942
Tax receivables	6	1,285	-
Derivatives	21	3,578	446
Prepaid expenses and accrued income	14	1,112	303
<b>Total</b>		<b>26,682</b>	<b>22,117</b>
Cash and bank balances	21	46,356	36,329
<b>Total current assets</b>		<b>73,806</b>	<b>59,330</b>
<b>TOTAL ASSETS</b>		<b>106,020</b>	<b>92,812</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	15	2,084	2,084
Other contributed capital		2,864	2,864
Other reserves		2,319	754
Retained earnings		72,515	60,434
<b>Total equity</b>		<b>79,782</b>	<b>66,136</b>
<b>LONG TERM LIABILITIES AND PROVISIONS</b>			
Deferred tax	6	2,875	1,560
Non-current lease liabilities	7	1,593	4,734
<b>Total</b>		<b>4,468</b>	<b>6,294</b>
<b>SHORT TERM LIABILITIES AND PROVISION</b>			
Accounts payable and other debts	16	4,599	6,448
Tax liabilities	6, 16	2,492	501
Accrued expenses	17	11,191	9,527
Derivatives	21	-	-
Current lease liabilities	7	3,489	3,906
<b>Total</b>		<b>21,771</b>	<b>20,382</b>
<b>Total liabilities</b>		<b>26,239</b>	<b>26,676</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>106,020</b>	<b>92,812</b>

## Consolidated Statement of Changes in Equity

SEK thousand	Share capital	Other contributed capital	Other reserves	Retained earnings and result for the year	Total
January 1, 2019	2,084	2,864	578	53,036	58,562
Total comprehensive income for the period	-	-	176	7,398	7,574
December 31, 2019/January 1, 2020	2,084	2,864	754	60,434	66,136
Total comprehensive income for the period	-	-	1,565	12,080	13,646
December 31, 2020	2,084	2,864	2,319	72,514	79,782

All equity is attributable to the Parent Company's shareholders

## Specification of other reserves

SEK thousand (definitions, see note 15)	Translation difference	Currency hedging	Tax effect on currency hedging	Total
January 1, 2019	441	177	-39	578
Change during the year	37	176	-38	176
December 31, 2019/January 1, 2020	478	353	-77	754
Change during the year	-127	2,154	-461	1,565
December 31, 2020	351	2,507	-538	2,319

## Consolidated Statement of Cash Flow

SEK thousand	Not	2020	2019
<b>Operating activities</b>			
Result after financial items		15,242	9,763
<b>Adjustment of items not included in the cash flow</b>			
Depreciation and write-downs	8,9	6,106	14,365
Depreciation of right-of-use assets	7	3,893	3,805
Other non cash flow items		1,693	138
Income tax paid		-2,583	-6
<b>Cash flow from operating activities before changes in working capital*</b>		<b>24,351</b>	<b>28,065</b>
<b>Changes in working capital</b>			
Change in inventories		116	-170
Change in current receivables		-1,902	-1,526
Change in current liabilities		-251	-1,293
<b>Cash flow from operating activities</b>		<b>22,315</b>	<b>25,076</b>
<b>Cash flow from investing activities</b>			
Investments in intangible assets	8	-8,091	-22,583
Investments in tangible assets	9	-457	-247
Other financial assets		-183	-199
<b>Cash flow from investing activities</b>		<b>-8,731</b>	<b>-23,029</b>
<b>Cash flow from financing activities</b>			
Leasing liabilities paid	7	-3,557	-3,663
<b>Cash flow from financing activities</b>		<b>-3,557</b>	<b>-3,663</b>
<b>Cash flow for the year</b>		<b>10,027</b>	<b>-1,616</b>
Cash and cash equivalents at beginning of year		36,329	37,945
<b>Cash and cash equivalents at year end</b>		<b>46,356</b>	<b>36,329</b>

\*During the year, interest of SEK 2 thousand (25) has been received and interest of SEK 231 thousand (333) has been paid.



## Parent Company Income Statement

SEK thousand	Note	2020	2019
<b>Operating income</b>			
Net sales	2, 3	94,746	95,312
<b>Total</b>		<b>94,746</b>	<b>95,312</b>
<b>Operating expenses</b>			
Goods for resale		-2,151	-2,289
Other external costs	3, 4, 7	-24,383	-28,117
Personnel costs	5	-46,978	-40,827
Depreciation of intangible and tangible assets	8, 9	-6,016	-4,365
Write-downs of intangible and tangible assets	8, 9	-91	-10,000
Other income			-
<b>Total</b>		<b>79,619</b>	<b>-85,598</b>
<b>Operating result</b>		<b>15,127</b>	<b>9,713</b>
<b>Financial items</b>			
Dividends from Group company	10	0	0
Interest income		2	25
Interest costs and similar items		-2	-2
<b>Total</b>		<b>0</b>	<b>23</b>
<b>Result after financial items</b>		<b>15,127</b>	<b>9,736</b>
<b>Appropriations</b>			
Tax allocation reserve	19	-2,930	-2,525
<b>Total</b>		<b>-2,930</b>	<b>-2,525</b>
<b>Result before tax</b>		<b>12,197</b>	<b>7,211</b>
Tax on results for the year	6	-2,460	-1,619
<b>Net result</b>		<b>9,738</b>	<b>5,592</b>
Dividend per share (SEK)		0*	0*

\* Proposed dividend

## Parent Company Statement of Comprehensive Income

SEK thousand	Note	2020	2019
Net result for the year		9,738	5,592
<b>Other comprehensive income</b>			
<i>Items that will be returned to the profit</i>			
Effect of currency hedging		2,154	176
Tax effect of currency hedging		-461	-38
<b>Total other comprehensive income</b>		<b>1,693</b>	<b>138</b>
<b>Total comprehensive income for the period</b>		<b>11,431</b>	<b>5,730</b>

## Parent Company Balance Sheets

SEK thousand	Note	2020	2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Capitalized expenditure for development work	8	23,720	20,822
<b>Total</b>		<b>23,720</b>	<b>20,822</b>
<b>Tangible assets</b>			
Equipment, tools and furniture	9	2,221	2,677
<b>Total</b>		<b>2,221</b>	<b>2,677</b>
<b>Financial &amp; other non-current assets</b>			
Shares in Group companies	10	217	217
Deferred tax asset	6	-	-
Other long-term receivables	11, 18	394	522
<b>Total</b>		<b>611</b>	<b>739</b>
<b>Total non-current assets</b>		<b>26,552</b>	<b>24,238</b>
<b>Current assets</b>			
Inventories	12	768	884
<b>Total</b>		<b>768</b>	<b>884</b>
<b>Current receivables</b>			
Accounts receivable	13	16,118	20,426
Other receivables	13	4,589	942
Tax receivables	6	1,285	-
Derivatives	21	3,578	446
Prepaid expenses and accrued income	14	2,075	1,266
<b>Total</b>		<b>27,645</b>	<b>23,080</b>
Cash and bank balances	21	46,078	35,450
<b>Total current assets</b>		<b>73,723</b>	<b>59,413</b>
<b>TOTAL ASSETS</b>		<b>101,043</b>	<b>83,651</b>

## Parent Company Balance Sheets, cont.

SEK thousand	Note	2020	2019
<b>EQUITY AND LIABILITIES</b>			
Equity	15, 2		
<b>Restricted equity</b>			
Share capital		2,084	2,084
Statutory reserves		15,243	15,243
Reserve related to R&D expenses		23,383	19,593
<b>Total</b>		<b>40,710</b>	<b>36,920</b>
<b>Non-restricted reserves</b>			
Fair value reserve		1,968	276
Retained earnings		19,249	17,447
Profit/loss for the year		9,738	5,592
<b>Total</b>		<b>30,955</b>	<b>23,315</b>
<b>Total equity</b>		<b>71,665</b>	<b>60,235</b>
<b>Tax allocation reserves</b>			
Tax allocation reserve	19	9,655	6,725
<b>Total</b>		<b>9,655</b>	<b>6,725</b>
<b>Provisions</b>			
Deferred tax liability	6	766	95
<b>Total</b>		<b>766</b>	<b>95</b>
<b>Liabilities</b>			
<b>Current liabilities and provisions</b>			
Advance payment from customers	16	1,398	1,738
Accounts payable	16	2,301	3,815
Payable to Group companies	16	507	557
Tax liabilities	6	2,683	339
Other liabilities	16	877	812
Accrued expenses and deferred income	17	11,191	9,275
<b>Total liabilities</b>		<b>18,957</b>	<b>16,596</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>101,043</b>	<b>83,651</b>

## Parent Company Statement of Changes in Equity

SEK thousand	Share capital	Statutory reserve	Reserves related to R&D expenses	Retained earnings	Currency hedging, net	Result for the year	Total
<b>Jan 1, 2019</b>	2,084	15,243	8,405	28,810	138	-176	54,505
Total comprehensive income for the period	-	-	-	-	138	5,592	5,730
Reserve related to R&D expenses	-	-	11,187	-11,187	-	-	-
Appropriation of profits 2018	-	-	-	-176	-	176	-
<b>December 31, 2019 / January 1, 2020</b>	<b>2,084</b>	<b>15,243</b>	<b>19,593</b>	<b>17,447</b>	<b>276</b>	<b>5,592</b>	<b>60,235</b>
Total comprehensive income for the period	-	-	-	-	1,692	9,738	11,430
Reserve related to R&D expenses	-	-	3,790	-3,790	-	-	-
Appropriation of profits 2019	-	-	-	5,592	-	-5,592	-
<b>December 31, 2020</b>	<b>2,084</b>	<b>15,243</b>	<b>23,383</b>	<b>19,249</b>	<b>1,968</b>	<b>9,738</b>	<b>71,665</b>

## Parent Company Statement of Cash Flow

SEK thousand	Note	2020	2019
<b>Operating activities</b>			
Result after financial items		12,198	7,211
<b>Adjustment of items not included in the cash flow</b>			
Depreciation and write-down	8, 9	6,106	14,365
Other		5,964	2,766
Income tax paid		-2,843	-2
<b>Cash flow from operating activities before changes in working capital*</b>		<b>21,425</b>	<b>24,340</b>
<b>Changes in working capital</b>			
Change in inventories		116	-170
Change in current receivables		-1,839	-1,544
Change in current liabilities		17	-1,878
<b>Cash flow from operating activities</b>		<b>19,719</b>	<b>20,748</b>
<b>Investing activities</b>			
Investments in intangible assets	8	-8,091	-22,583
Investments in tangible assets	9	-457	-247
Other financial assets		-542	-251
<b>Cash flow from investing activities</b>		<b>-9,090</b>	<b>-23,081</b>
Repurchase of own shares		0	0
<b>Cash flow from financing activities</b>		<b>0</b>	<b>0</b>
<b>Cash flow for the year</b>		<b>10,628</b>	<b>-2,333</b>
Cash and cash equivalents at beginning of year		35,450	37,783
<b>Cash and cash equivalents at year's end</b>		<b>46,078</b>	<b>35,450</b>

\* During the year, interest of SEK 2 thousand (25) has been received and interest of SEK 2 thousand (2) has been paid.

# Notes

All amounts in SEK thousand unless otherwise stated.

## Note 1 - Supplementary Disclosures

### Company information

The consolidated statements for ContextVision AB (publ) for 2020 have been approved for publication in accordance with a Board decision on April 7th, 2021. The consolidated financial statements will be submitted for adoption at the General Meeting on May 5th, 2021. ContextVision AB (publ), corporate ID No. 556377-8900, is a corporation with its registered office in Linköping, Sweden. The Group's principal business is described in the Administration Report.

### Basis for the preparation of the financial statements

The consolidated statements have been prepared in accordance with the acquisition value method, except for revaluations of financial assets valued at fair value through profit or loss and financial liabilities (including derivative instruments) valued at fair value through profit or loss.

### Statement on compliance with applied regulations

These consolidated statements have been prepared according to International Financial Reporting Standards (IFRS) together with interpretations issued by IFRS Interpretations Committee (IFRIC), approved by the EC Commission for application within the EU.

The recommendation RFR 1 (Supplementary Accounting rules for Groups) by the Swedish Financial Reporting Board has also been applied. The accounts of the Parent Company have been prepared according to the recommendation RFR2 (Accounting for Legal Entities) by the Swedish Financial Reporting Board.

### Standards, amendments and interpretations effective from 2020

In the 2020 Annual Report, the Group and Parent Company have applied, for the first time, the amended standards and interpretations effective for annual periods beginning on January 1, 2020. Among other things, the amendments to IFRS 9 and IFRS 7 attributable to the reference rate reform is applied. This amendment, as well as other amendments, have not had any material impact on the Group's or the Parent Company's financial reports.

### Standards, amendments and interpretations effective on or after January 1, 2021

A number of new and amended IFRSs have not yet entered into force and have not been adopted early in preparing the Group's and the Parent Company's financial reports. These new or amended standards and interpretations published by the IASB are not expected to have any material impact on the Group's or the Parent Company's financial reporting.

### Requirements on the preparation of the Parent Company and Group financial reporting

#### Consolidated statements

##### Grounds for consolidation

Consolidated accounting includes the Parent Company and

its subsidiaries. The financial reports for the Parent Company and the subsidiaries that are included in the consolidated statements relate to the same period as those of the Group, and are prepared according to the same accounting principles that apply to the Group.

Group companies are consolidated from the day the Group has control, or for associated companies, significant influence over the company and divested Group companies are included in the Group's accounts until the day the Group still controls, or for associated companies, significant influence over the company. Normally, the power to control a subsidiary is obtained through the holding of more than 50 percent of the voting shares, but may also be obtained in some other way, such as through a contract.

Subsidiaries are reported in consolidated accounts according to the acquisition method. According to the acquisition method, the purchase price of the shares is divided between assets acquired and obligations assumed at the time of acquisition on the basis of their actual value at that point. If the purchase price exceeds the actual value of the acquired company's net assets, the difference is posted as goodwill. If the purchase price is less than the actual value of the acquired company's net assets, the difference is posted directly to the income statement.

#### Translation of foreign operations

A foreign operation is one that is operated in an economic environment having a currency (the functional currency) different from the Group's presentation currency, which is the Swedish krona (SEK). Assets and liabilities from foreign operations are translated into the presentation currency at the exchange rate on the balance sheet date. Foreign operation income statements are translated at an average exchange rate. Exchange rate differences that result from conversion are posted to statement of comprehensive income.

#### Translation of receivables and liabilities in foreign currency

Foreign currency transactions are translated at the exchange rate on the transaction sheet date. Monetary receivables and liabilities in foreign currency are translated at the exchange rate that applied on the balance sheet date, with exchange rate differences posted to the income statement.

#### Revenue recognition

ContextVision's revenues mostly consist of license fees. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, which is in conjunction with the transfer of the license to the customer. After the transfer of the license, ContextVision has no further obligations related to the delivery. Revenue is measured at the fair value of the consideration received, excluding discounts.

The Company's customers are manufacturers (OEM) of medical imaging equipment such as ultrasound devices. Customers purchase a license for each unit they deliver. The com-

**Note 1 cont.**

pany issues invoices continuously based on the customer's use of licenses. This means that the company's sales are dependent on the customers' production rate.

Revenue from the sale of services consists of services such as service and customization of products, these are reported during the period of service.

Some contracts contain several commitments. For the contracts that contain several components, the revenue is distributed proportionally to the different components of the contract.

**Sales of licenses**

Revenue is reported when the control of the license is transferred to the customer, which is in conjunction with the delivery of the license to the customer and ContextVision has proof that the customer has approved the license. Revenues are reported to the amount stated in the contract, excluding discounts. There is no financing component in the contract because the credit period is at most 90 days, which is consistent with practice. The Group's licenses are classified as a license that grants the right to use the intangible asset as it is issued (right-to-use). Revenues from the sale of licenses that are classified as licenses that gives entitlement to use are reported when the license is transferred to the customer. Revenue from the sale of services consists of services such as service and customization of products, these are reported during the period of service. Some contracts contain several commitments. The parts of a contract not related to the sale of licenses consist of service. The total transaction price of the contract is allocated to the separate performance commitments based on its relative independent selling prices. Revenues from respective performance commitments are recognized when the performance commitment has been met.

**Financing component**

The Group does not have any contracts with customers in which the period between the transfer of goods and services to the customer and payment from the customer exceeds one year. As a consequence, the Group does not adjust transaction prices for the money's time value.

**Segment reporting**

The result of the Group is viewed as a whole and in segments. Sales are viewed on a geographical level and at product level. ContextVision reports its sales, costs and results in two separate segments/business units; the Business unit Medical Imaging and the business unit Digital Pathology. Reported operating segments correspond to the internal reporting to the chief operating decision maker, who is responsible for allocating resources and assessing the operating segments' results. In ContextVision, this function has been identified as the CEO who, on behalf of the Board, handles day-to-day administration and governance. The segment reporting follows the same accounting principles as in the Group.

The business unit Medical Imaging comprise research, product development and OEM sales within medical imaging. The product portfolio consists of products developed for a variety of modalities, such as Ultrasound, X-ray, MRI, Mammography, CT and iRV.

The business unit Digital Pathology includes research, product development and sales of products to customers within the growing digital pathology market. The first product for the business unit, a decision support tool for prostate cancer, was launched during 2020. No revenue was recognized for the segment during 2020.

**Tangible and intangible fixed assets with limited useful lives**

Tangible and intangible fixed assets are valued at their acquisition value less accumulated depreciation and write downs. Depreciation is based on an asset's useful life.

The reported value of fixed assets is reviewed continuously for impairment when events or changes in circumstances indicate that the posted value may not be recoverable. Ongoing R&D projects are tested for impairment twice every year. If these kinds of indications are present, and if the balance sheet value is greater than the expected recovery, the assets or the cash-generated units will be written down to the recoverable amount. The recoverable amount for fixed assets equals the greater of the asset's net fair market value and its value in use. The value in use is calculated by discounting expected cash flows to their present value, using a discount factor prior to taxes that reflect the market's current estimate of the time value of money and the risks that relate to supply. The write-down is reported in the income statement.

**Development expenses**

Expenses related to research undertaken with the prospect of gaining new scientific or technical knowledge in the Group's operations are expensed as incurrent.

Development projects where knowledge and understanding gained from research and clinical experience are directed towards producing new products, are recognized as intangible assets, when they meet the criteria for capitalization.

Development expenses may be capitalized if, and only if, the company can demonstrate the technical feasibility of completing the intangible asset, the intention and ability to complete the asset and use or sell it, the probability that the asset will generate future economic benefits, the availability of adequate resources to complete the development and to use or sell the asset and the ability to reliably measure the costs attributable to the asset during its development.

The reported value includes all directly attributable costs, such as those for materials, salaries and compensation to employees engaged in R&D activities.

Other development costs are expensed in the profit and loss account for the period in which they arise. Individual assessment is made of all ongoing research and development projects to find any indications of impairment.

Amortization of capitalized development expenses is started when the respective development project is completed, normally when it begins generating revenue. Capitalized expenses are amortized on a straight-line basis over the estimated useful life, which is five years

**Inventory**

Inventory is valued as the lower of acquisition value and actual value.

Acquisition value is determined according to the first in, first out (FIFO) method, which means that assets in inventory at the end of the year shall be considered to be those most recently acquired.

**Financial instruments**

Financial instruments that is reported in the balance sheet includes cash and cash equivalents, accounts receivable, accounts payable, other liabilities and derivatives that consists of forward exchange contracts.



**Note 1 cont.****Recognizing in and removal from the balance sheet**

A financial asset or liability is recognized in the balance sheet when the company becomes a party according to the instrument's contractual terms. A contractual receivable is recognized when the company has performed its commitments and a contractual obligation for the counterparty to pay exists, even if the invoice not yet has been sent.

Accounts receivables is recognized in the balance sheet when an invoice has been sent. A contractual liability is recognized when the counterpart has performed its commitments and a contractual obligation to pay exists, even if an invoice not yet has been received. Accounts payable is recognized when an invoice has been received.

A financial asset is removed from the balance sheet when the rights in the contract has been realized, expired or if the company loses control over them. The same applies to a part of a financial asset. A financial obligation is removed from the balance sheet when the obligation in the contract has been performed or otherwise is expired. The same applies to a part of a financial obligation.

A financial asset and a financial obligation are paired up and recognized as a net amount in the balance sheet only when a legal right to pair up the amounts exists, and there also exists an intention to regulate the items with a net amount or at the same time realize the asset and regulate the obligation.

Acquisition and sales of financial assets is recognized on the transaction date. The transaction date is the day that the company is obliged to acquire or sell the asset.

**Classification and valuation of financial assets**

Classification of financial assets that are debt instruments, is based on the Groups' business model for asset management and the character of the assets contractual cash flows.

The instrument is either classified at accrued acquisition value, fair value against other comprehensive income or fair value over the income statement.

The Groups' assets in terms of debt instruments is classified at accrued acquisition value. Financial assets classified at accrued acquisition value is initially valued at fair value with addition of transactions costs. Accounts receivable is initially recognized at the invoiced value.

After the first date of recognition it is valued at accrued acquisition according to the effective interest rate approach. Assets classified at accrued acquisition value is held according to the business model to collect contractual cash flows that are payments of capital amounts and interest on the outstanding capital amount. The assets are included in a reservation for expected credit losses. Derivative instruments are valued at fair value over the income statement, except in the cases hedging contracts are applied.

**Classification and valuation of financial obligations**

Financial obligations are classified at accrued acquisition value with exception for derivatives. Financial obligations recognized at accrued acquisition value is initially valued at fair value including transaction costs. After the first date of recognition it is valued at acquisition value according to the effective interest rate approach. Derivative instruments valued at fair value over the income statement, except in the cases hedging contracts are applied.

**Recognition of derivative instruments and hedge accounting**

Derivative instruments comprise forward hedging contracts that is used to minimize the transaction exposure from foreign currencies. Derivative instruments are not used for spec-

ulative purposes. All derivative instruments are recognized at fair value in the balance sheet.

Derivatives that has been entered with the purpose to ensure the currency risk in probable future commercial payments in foreign currency, meaning cash flow from sales, and that meet the requirement for hedging accounting, is recognized according to the principles for hedge accounting for cash flow hedges in the Group. The Group applies hedging accounting in accordance with IFRS 9. That means that the effective part of changes in fair value of the derivative instruments are recognized in the fair value reserve under other comprehensive income. The gain or loss that is related to the ineffective part is recognized over the income statement under other operating expenses. Fair value of the derivatives is calculated using current market prices for foreign currency and interest rates on the balance sheet date.

Accumulated amounts in other comprehensive income is returned to net sales in the income statement in the periods that the hedging contract is affecting the results, meaning in combination with settlement of the result. When a hedging instrument expires or is realized or when the hedging contract no longer meet the requirements for hedging accounting, and accumulated gains or losses referring to the hedging contract is recognized in other comprehensive income, these gains/losses remains in other comprehensive income and is recognized at the same time as the prognosticated transaction is finally recognized in the income statement. The effective part is recognized against net sales if the hedged item affects the result, while the ineffective part is recognized under other operating expenses. When a prognosticated transaction no longer is expected to be realized, the accumulated gain or loss that has been recognized under other comprehensive income, is immediately transferred to the income statement under other operating expenses.

When hedging transactions are entered into, the relationship between the hedging instrument and the hedged risk is documented, as well as the purpose of the risk management and the strategy for taking different hedging measures. The Group also documents its assessment, both when entering the hedge and thereafter continuously, of whether the hedging instruments that are used in hedging transactions are effective when it comes to equalizing changes in cash flows or valuation. Changes in the fair value reserve and the translation reserve are shown under other comprehensive income.

**Write-down of financial instruments**

The Groups financial assets, except for those that is classified at fair value through profit or loss, is subject to write-down of expected credit losses.

A provision for credit losses is calculated and initially reported for expected credit losses for a period of twelve months. If the credit risk has increased significantly since the financial asset first was recognized, the provision for expected credit losses is calculated and reported based on expected credit losses for the entire remaining term of the asset. The calculation of expected credit losses is mainly based on an individual assessment of the current claim in combination with information on historical losses for similar assets and counterparties. The historical information is evaluated and adjusted continuously depending on the current situation and the expectation of future events.

The financial assets are recognized in the balance sheet at accrued acquisition value, meaning the net of gross value and provision for expected losses. Any changes in the provision for expected losses is recognized over the income statement.

Note 1 cont.

### Provisions

Provisions are reported on the balance sheet when the Group has an obligation (legal or informal) due to an occurrence, satisfying the obligation will probably mean an expenditure of economically valuable resources, and the amount can be calculated in a reliable manner.

### Compensation to employees

#### Pensions and other obligations to supply benefits after the end of employment

Obligations relating to old-age pensions for salaried employees in Sweden are secured by insurance. This insurance is secured by defined contribution plans that are expensed on an ongoing basis. Pension payments to employees outside Sweden are handled according to local regulations. There are no defined benefit plans in the Group.

All employees of the company are part of an incentive program, represented by a profit-sharing foundation. The foundation receives funds if the company successfully reaches specified objectives, related to sales and operations. The foundation invests in COV shares, purchased on the stock market. The employees' share of the foundation is based on hours worked during the year.

### Taxes

#### Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Group operates and generates taxable income. Current income tax relating to items recognized directly in equity is recognized in equity and not in the income statement.

#### Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognized for deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

#### Cash flow statement

The cash flow statement is prepared according to the indirect method used for operations. In addition to cash and cash equivalent, liquid funds also include short-term investments for which the original term is less than three months.

#### Government contributions

Government contributions are recognized in the income statement when it is secured that it will be submitted and that the conditions surrounding it will be fulfilled. When the

contribution is associated with a specific cost, the revenue is systematically recognized to periodically match the cost.

### Leases

IFRS 16 replaces IAS 17 from January 1, 2019. According to the standard, the lessee must report the obligation to pay leasing fees as a lease liability in the balance sheet. The right to use the underlying asset during the lease period is reported as an asset. Depreciation of the asset is reported in the income statement as well as interest on the lease liability. Remaining leasing fees are reported partly as payment of interest and partly as amortization of leasing debt. The standard excludes leases with a lease term of less than 12 months (short-term lease agreements) and leases for low value assets.

IFRS 16 have mostly had effect on the leasing agreements for office facilities. These agreements are reported in the balance sheet as a debt for future leasing payments and an asset for the right to use the offices. According to previous standards, these agreements were reported as operational leasing. ContextVision have applied the exception for short term leases and leasing agreements when the underlying asset has a low value. These leasing agreements are not included in the value of the asset or debt.

The implementation of IFRS16 had an effect on the balance sheet on December 31st, 2020 with SEK 5.9 million in right of use assets and SEK 5.1 million in leasing liabilities. The difference between assets and liabilities depends on prepayments of leasing costs. An interest rate of 3 percent has been used for leasing of offices and 5 percent for leasing of office equipment.

In the Parent Company, the exception in RFR 2 regarding lease agreements has been applied. This means that the Parent Company's principles for accounting of leases is unchanged.

### Important judgments and estimates associated with accounting

Judgments and estimates related to accounting are continuously evaluated. They are based on historical knowledge and other factors as well as expected events that are likely to occur. Judgments and estimates made for accounting purposes may deviate from the actual outcome.

#### Impairment test of intangible assets

ContextVision evaluates on a regular basis if there are any indications of impairment for capitalized R&D. The company regularly analyses the need for write-down of development expenses for research and development. The evaluation means that the management makes assumptions that includes estimates and assessments on each product's expected future sales and profitability level.

The used assumptions are based on historical experiences from development of similar products as well as expectations on the future. See the section on Tangible and intangible fixed assets above for further details. During 2020, write down of one intangible asset has been recorded.

#### Capitalization of development expenses

The assessment of whether and when a development project meets the criteria for capitalization as an intangible asset includes a number of different judgements from the management. See section Development expenses above for further details. The company has internal routines and processes to determine when the criteria for capitalization is met.

Note 1 cont.

### Parent Company accounting

The Parent Company complies with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Reporting for Legal Entities. Application of RFR 2 entails that the Parent Company, in the Annual Report for the legal entity must comply with all EU-endorsed IFRSs and pronouncements as far as possible within the framework of the Annual Accounts Act, the Pension Protection Act and considering the relationship between reporting and taxation. The recommendation indicates which exceptions from and amendments to IFRS are to be made. The differences between the Parent Company's and Group's accounting policies are described below.

### Subsidiaries and associates

Shares in subsidiaries are recognized in the Parent Company using the cost method.

### Taxes

In the Parent Company, untaxed reserves are reported including deferred tax liability. In the consolidated financial statements, however, untaxed reserves are divided into tax liability and shareholders' equity.

### Reserve related to R&D expenses

The Parent Company capitalizes R&D expenses in the balance sheet. From 2016 a restricted reserve is presented for internally generated R&D expenses, where an amount equal to this year's capitalization is transferred from free reserves to restricted reserves. The restricted reserve dissolves in line with amortizations.

### New and changed accounting principles from 2021 and onward

See changed accounting principles for the Group above.

## Note 2 - Income from customer contracts / Segment reporting

All income is related to the business unit Medical Imaging and sales of licenses.

Net sales by region	GROUP		PARENT COMPANY	
	2020	2019	2020	2019
Asia	57,101	55,915	57,101	55,915
Europe	25,464	26,884	25,464	26,884
America	12,181	12,513	12,181	12,513
<b>Total</b>	<b>94,746</b>	<b>95,312</b>	<b>94,746</b>	<b>95,312</b>

Net sales by product	GROUP		PARENT COMPANY	
	2020	2019	2020	2019
XR	25,590	16,680	25,590	16,680
US 2D	52,245	56,750	52,245	56,750
US 3D	8,993	10,898	8,993	10,898
MR	6,170	8,740	6,170	8,740
Others	1,748	2,244	1,748	2,244
<b>Total</b>	<b>94,746</b>	<b>95,312</b>	<b>94,746</b>	<b>95,312</b>

The Executive Management views the result of the Group as a whole. Sales are viewed on a geographical level and at product level. Since 2018 the company reports its sales, costs and results in two separate business units.

There are 3 (2) individual customers representing more than 10 percent each of the total revenue during the year. The first two customers representing 11 percent each (12 respective 13 percent in 2019) and the third one representing 10 percent (0 percent in 20219) of the total revenue during 2020.

Asia is the largest region, saleswise, and represented 60 percent of the total revenue for the year. In that region sales from China, Japan and Korea is included.

All sales income is generated outside Sweden.

The product names XR, US and MR refer to different imaging technologies, which are manufactured and sold by the company's OEM customers. XR refer to X-ray products, US means Ultrasound (two dimensional or volumetric) and MRI stands for Magnetic Resonance Imaging.

Business unit /Operating segment (SEK million)	BUSINESS UNIT MEDICAL IMAGING		BUSINESS UNIT DIGITAL PATHOLOGY		GROUP	
	2020	2019	2020	2019	2020	2019
Net sales	94,7	95,3	0	0	94,7	95,3
Operating expenses	-46,9	-61,0	-32,3	-24,2	-79,2	85,2
<b>Operating result</b>	<b>47,8</b>	<b>34,3</b>	<b>-32,3</b>	<b>-24,2</b>	<b>15,5</b>	<b>10,1</b>

ContextVision reports its sales, costs and results in two separate operating segments; business unit Medical Imaging and business unit Digital Pathology. This reflects how the management review and measure the results. The business unit Medical Imaging comprise research, product development and OEM sales within Medical Imaging. The product portfolio consists of

products developed for a variety of modalities, such as Ultrasound, X-ray, MRI, Mammography, CT and iRV. The business unit Digital Pathology includes research and product development of products for the growing digital pathology market. The first product for the business unit, a decision support tool for prostate cancer, was launched during 2020.

## Note 2 cont.

Contractual balances	2020-12-31	2019-12-31
Contractual receivables	16,118	20,426
Contractual liabilities	1,398	1,738

Receivables relate to accounts receivables of SEK 16,118 thousand (20,426) and accrued income of 0 (0). Both accounts receivables and accrued income relate to receivables from customers where ContextVision have fulfilled its performance commitment and has an unconditional right to payment.

Contract liabilities relates to prepayments from customers. All contractual liabilities at beginning of each fiscal year relates to performance commitments that has been fulfilled during the current fiscal year.

## Note 3 • Intra-group purchases and sales

Sales and marketing is handled by the Parent Company as well as by the foreign subsidiary. All R&D investments are concentrated to the Parent Company in Sweden. Total compensation from the Parent Company to the subsidiary amounts to SEK

2,916 thousand (3,537). There have been no other transactions with associates during 2020 and 2019 except from the transactions mentioned under note 5.

## Note 4 • Auditor's fees

Audit work involves the audit of the Annual Report and financial accounting as well as the administration by the Board and the CEO, as well as further work or consultation related to the du-

ties of the company's auditors and resulting from observations noted during such examinations or implementation of such other tasks. All other tasks are defined as other work.

Ernst & Young AB	GROUP		PARENT COMPANY	
	2020	2019	2020	2019
Audit work	596	500	596	500
Audit work except from assignment	22	12	22	12
Tax advisory	-	-	-	-
Other work	43	25	43	25
<b>Total</b>	<b>661</b>	<b>537</b>	<b>661</b>	<b>537</b>

## Note 5 • Personnel

Average number of employees	GROUP		PARENT COMPANY	
	2020	2019	2020	2019
Men	33	29	31	27
Women	11	14	11	14
<b>Total</b>	<b>44</b>	<b>43</b>	<b>42</b>	<b>41</b>

Salaries and other remuneration	GROUP		PARENT COMPANY	
	2020	2019	2020	2019
Board Members and CEO	2,380	3,896	2,380	3,896
of which the CEO	(1,880)	(1,786)	(1,880)	(1,786)
Other employees	33,754	32,984	31,595	30,792
<b>Total</b>	<b>36,134</b>	<b>36,880</b>	<b>33,975</b>	<b>34,688</b>

Social security expenses	GROUP		PARENT COMPANY	
	2020	2019	2020	2019
Pension costs for Board Members and CEO	382	398	382	398
Pension costs for other employees	4,805	4,747	4,787	4,628
Statutory and contractual social security expenses	10,631	11,512	10,493	11,378
<b>Total</b>	<b>15,818</b>	<b>16,657</b>	<b>15,662</b>	<b>16,404</b>

All pension plans are defined contribution plans and no outstanding obligations exists towards employees nor to the Board of Directors. During the year capitalized development expenses of personnel costs have been recorded with total SEK 4.5 million.

## Note 5 cont.

Salaries and remuneration for executive management and the Board 2020	Directors' remuneration <sup>1</sup>	Fixed salary	Variable salary	Pension	Other remuneration	Total
CEO Fredrik Palm	-	1,752	275 <sup>a</sup>	382	112	2,521 <sup>a</sup>
Erik Danielsen, chairman <sup>1</sup>	300	-	-	-	-	300
Martin Ingvar, member of the Board	200	-	-	-	-	200
Martin Hedlund, member of the Board	-	-	-	-	-	-
Sven Günther-Hanssen, member of the Board	-	-	-	-	-	-
Magne Jordanger, member of the Board	-	-	-	-	-	-
<b>Total</b>	<b>500</b>	<b>1,752</b>	<b>275</b>	<b>382</b>	<b>112</b>	<b>3,021</b>

Salaries and remuneration for executive management and the Board 2019	Directors' remuneration <sup>1</sup>	Fixed salary	Variable salary	Pension	Other remuneration	Total
CEO Anita Tollstadius <sup>3</sup>	-	483	-	106	-	589
CEO Fredrik Palm <sup>4</sup>	-	1,294	-	292	8	1,594
Erik Danielsen, chairman <sup>1</sup>	300	-	-	-	-	300
Karin Bernadotte, member of the Board	200	-	-	-	-	200
Martin Hedlund, member of the Board / CTO <sup>2</sup>	-	1,588	-	-	23	1,611
Sven Günther-Hanssen, member of the Board	-	-	-	-	-	-
Magne Jordanger, member of the Board	-	-	-	-	-	-
<b>Total</b>	<b>500</b>	<b>3,365</b>	<b>-</b>	<b>398</b>	<b>31</b>	<b>4,294</b>

1) The Chairman's remuneration is decided by the AGM, in 2020 the level was set at SEK 300 thousand (300). At the same meeting, it was decided that the remuneration to other Board members, who are not also main shareholders, should be SEK 200 thousand (200)

There are 5 (5) members of the Board, 5 are men and 0 women.

2) Salary, remuneration and pension to Board member Martin Hedlund, who previously also has worked operationally in the company. Hedlund retired during fall 2019.

3) Former CEO Anita Tollstadius retired during 2019, which is why reported remuneration relate to part of the year. Tollstadius was entitled to 6 months of notice, both in case of termination by the company, or if she terminated her employment herself. Tollstadius had no individual bonus arrangements or variable salary. The company runs a general incentive program, by yearly payments to a profit-sharing foundation. Tollstadius had the same share of the general incentive program (approximately 2.5%) as all other full-time employees.

Pension payments for Tollstadius has been SEK 248 thousand (412) during 2019, which is in line with the pension policy of the company.

The age of retirement of the CEO is 65 years.

4) CEO Fredrik Palm was elected in April 2019, which is why reported remuneration relate to part of the year. Palm is entitled to 6 months of

notice, both in case of termination by the company, or if he terminates his employment himself. Palm has a fixed salary and an individual, performance-based bonus. The company runs a general incentive program, by yearly payments to a profit-sharing foundation. Palm has the same share of the general incentive program (approximately 2.5%) as all other full time employees. From the date of appointment, Palm does not earn any new shares in the foundation.

Pension payments for Palm has been SEK 382 thousand (292) during the year, which is in line with the pension policy of the company. The age of retirement of the CEO is 65 years.

5) Whereof SEK 16 thousand refers to compensation paid during 2020 and SEK 259 thousand refers to reserved but unpaid compensation. The Board used the possibility to depart from the guidelines regarding variable remuneration to the CEO during 2020.

All the employees of the company are part of an incentive program, represented by a profit-sharing foundation. The foundation receives funds if the company successfully reaches specified objectives, related to sales and operations. The foundation invests in COV shares, purchased on the stock market. The employees share of the foundation is based on hours worked during the year. Funds for the Foundation have been reserved for 2020 with SEK 202 thousand.

### Remuneration to the Board of Directors and senior executives

At the AGM in May 2020 the following guidelines regarding remuneration to executive management in ContextVision was approved. These guidelines should include the CEO. The guidelines do not include remuneration decided by the AGM. Determination of salary and other remuneration to the Board is decided by the AGM. The guidelines shall apply to remuneration that is agreed upon, and changes made to already agreed remuneration, after the date when the guidelines were adopted by the AGM and thus have no effect on previously agreed commitments. The board of directors proposes no changes in the guidelines to the AGM in 2021.

### Guidelines for promoting the company's business strategy, long-term interests and sustainability

Successful implementation of the company's business strategy and assuring of the company's long-term interests, including its sustainability, requires the company to be able to recruit and retain qualified employees. Therefore, the company need to offer competitive compensation. These guidelines enable senior executives to be offered a competitive total remuneration. The company's business strategy is further described in the Annual Report.

### Remuneration

Remuneration to senior executives may consist of fixed salary, variable remuneration, pension and other conventional benefits such as health insurance, life insurance and company car. The total cost of benefits may not exceed 15 percent of the fixed salary. The fulfillment of criteria for payment of variable compensation must be measurable over a period of one or more years. The variable remuneration shall be limited to a maximum annual payment and shall not exceed 10 per cent of the fixed annual salary. Variable remuneration must be linked to predetermined and measurable criteria that can be financial or non-financial. They can also be individualized quantitative or qualitative goals. The criteria must be designed so that the main company's business strategy and long-term interests are met, including its sustainability.

### Pension

Pension benefits for senior executives must comply with the company's general pension plan, must be a defined contribution and amount to a maximum of 30 percent of the annual salary. The retirement age for the CEO is 65 years.

### Termination of employment

If the company terminates the employment, a notice period of six months applies. In addition, the CEO is entitled to severance pay corresponding to a maximum of six monthly salaries.

## Note 5 cont.

**Salary and terms of employment for employees**

When preparing the proposal for guidelines, salaries and terms of employment for the Group's employees have been taken into account and formed part of the decision basis.

**Decision-making process for establishing, reviewing and implementing the guidelines**

The guidelines shall apply until new guidelines have been adopted by the AGM, but no longer than until the AGM 2024. The Board is responsible for creating proposals for new guidelines at least every four years and submitting the proposal for resolution

at the AGM. The Board shall follow up and evaluate the application of the guidelines and shall prepare a remuneration report for each financial year which shall be made available on ContextVision's website no later than three weeks before the AGM.

**Deviation from guidelines**

The Board of Directors may deviate from these guidelines for remuneration to senior executives, if there are special reasons for this in an individual case and a deviation is necessary to meet the company's long-term interests.

**Note 6 ■ Tax on result for the year**

	GROUP		PARENT COMPANY	
	2020	2019	2020	2019
Current tax	-2,517	-1,825	-2,460	-1,619
Deferred tax	-645	-540	-	-
<b>Total tax on profit for the year</b>	<b>-3,162</b>	<b>-2,365</b>	<b>-2,460</b>	<b>-1,619</b>

The difference between recorded tax costs and tax costs based on the applicable tax rates consists of:

	GROUP		PARENT COMPANY	
	2020	2019	2020	2019
Pre-tax profit/loss	15,242	9,763	12,197	7,211
Tax according to the applicable tax rates	-3,262	-2,089	-2,610	-1,542
Non taxable income	-	-	-	-
Non deductible cost	-52	-83	-52	-83
Effect from different tax rates in the Group	-32	-169	-	-
Income on tax allocation reserve	-7	-5	-7	-5
Other	209	9	209	9
Tax referring to previous periods	-18	-28	-	2
<b>Recorded tax expense</b>	<b>-3,162</b>	<b>-2,365</b>	<b>-2,460</b>	<b>-1,619</b>

The applicable tax rate for the Group is 21.4% (21,4) and for the Parent Company 21.4% (21,4)..

Deferred tax receivables/tax liabilities	GROUP		PARENT COMPANY	
	2020	2019	2020	2019
Deferred tax liability on fair valuation on currency hedging	-	-	-	-
Deferred tax liability on reserves	-2,109	-1,465	-	-
Deferred tax receivable on fair valuation on currency hedging	-766	-95	-766	-95
<b>Total deferred tax</b>	<b>-2,875</b>	<b>-1,560</b>	<b>-766</b>	<b>-95</b>

**Note 7 ■ Leasing agreements**

Leasing is reported in accordance with IFRS 16 Leasing agreements, see Note 1 Accounting principles.

The transition method that the Group has chosen to apply in the transition to IFRS 16 means that the comparative information has not been restated to reflect the new requirements.

Since ContextVision is a lessee, the leasing assets are reported as a right of use in the statement of financial position, while the future obligation to the lessor is reported as a liability in the report on financial position. The Group mainly has lease agreements for office premises. The agreements normally have maturities between 3 to 5 years, with opportunities for extension and termination to create flexibility. Management continuously assesses whether it is likely that the extension or termination conditions will be utilized. ContextVision uses the exception rule for short-term leases and leases where the

underlying asset has a low value, such as certain office equipment where the amounts have been assessed is not significant.

ContextVision is not a lessor and does not sub-lease. In the Parent Company, the exception in RFR 2 regarding leasing agreements has been applied. This means that the Parent Company's principles for accounting for leases are unchanged.

Right-of-use assets per asset category (SEK thousand)	2020-12-31	2019-12-31
Office and storage premises	5,606	9,176
Office equipment	273	285
<b>Total right-of-use assets</b>	<b>5,879</b>	<b>9,461</b>



## Note 7 cont.

In 2020, the Group had costs for short-term leasing contracts and leasing of low-value assets amounting to SEK 31 thousand.

No write-downs of right-of-use assets have been made during 2020.

Change in right-of-use assets (SEK thousand)	Offices	Equipment	Total
Opening balance, Jan 1, 2020	9,176	285	9,461
New leasing agreements	-	311	311
Terminated leasing agreements	-	-	-
Depreciation	-3,570	-323	-3,893
Write down	-	-	-
<b>Closing balance, Dec 31, 2020</b>	<b>5,606</b>	<b>273</b>	<b>5,879</b>

Leasing liabilities (SEK thousand)	2020-12-31	2019-12-31
Current leasing liabilities	-3,489	-3,906
Non-current leasing liabilities	-1,594	-4,734
<b>Total leasing liabilities</b>	<b>-5,083</b>	<b>-8,640</b>

Interest expenses relating to leasing liabilities of total SEK 230 thousand have affected the results for 2020.

During 2020, the Group had cash flow-affecting leasing and rental expenses amounting to SEK 4,242 thousand (4,294).

Change in leasing liabilities (SEK thousand)	Offices	Equipment	Total
Opening balance, Jan 1, 2020	-8,365	-275	-8,640
New leasing agreements	-	-311	-311
Amortization	3,539	329	3,868
Write down	-	-	-
<b>Closing balances, Dec 31, 2020</b>	<b>-4,826</b>	<b>-257</b>	<b>-5,083</b>

Amounts reported in Report on income and other comprehensive income	2020	2019
Depreciation of right-of-use assets	-3,893	-3,663
Interest on leasing liabilities	-230	-331
Cost for short-term leases and leases of low value	-31	-55
<b>Total</b>	<b>-4,154</b>	<b>-4,049</b>

## Leasing agreements 2020

	GROUP		PARENT COMPANY	
	Equipment	Premises	Equipment	Premises
Fees due in 2021	239	3,777	239	3,777
Fees due 2022 - 2024	125	2,086	125	2,086
Fees due 2025 or later	-	-	-	-
<b>Total</b>	<b>364</b>	<b>5,863</b>	<b>364</b>	<b>5,863</b>

## Note 8 ■ Capitalized expenditure for development work

	GROUP		PARENT COMPANY	
	2020	2019	2020	2019
Opening balance acquisition value	77,202	54,619	77,202	54,619
Investments for the year	8,092	22,583	8,092	22,583
<b>Closing balance accumulated acquisition value</b>	<b>85,293</b>	<b>77,202</b>	<b>85,293</b>	<b>77,202</b>
Opening balance depreciation	-44,711	-41,269	-44,711	-41,269
Depreciation for the year	-5,102	-3,442	-5,102	-3,442
<b>Closing balance accumulated depreciation</b>	<b>-49,813</b>	<b>-44,711</b>	<b>-49,813</b>	<b>-44,711</b>
Opening balance write-downs	-11,669	-1,669	-11,669	-1,669
Write-downs of the year	-91	-10,000	-91	-10,000
<b>Closing balance accumulated write-downs</b>	<b>-11,760</b>	<b>-11,669</b>	<b>-11,760</b>	<b>-11,669</b>
<b>Closing balance according to plan residual value</b>	<b>23,720</b>	<b>20,822</b>	<b>23,720</b>	<b>20,822</b>

Capitalized development expenses during 2020 refer mainly to 2 different projects.

In Q2 2020, the development of a new generation of AI-based ultrasound product was completed, which was ongoing at year end 2019. The product, Rivent, has been launched to the market during 2020 and depreciation has started.

The product development of the first product for the business unit Digital Pathology, a product for decision support in prostate cancer, was completed in Q2, 2020. The product, INIFY® Prostate Screening, has been launched to the market and depreciation has started.

Capitalized costs from previous years refer to various products related to the company's core technology GOP View, mainly within Ultrasound.

Depreciation of R&D is 5 years. Straight line depreciation is applied from the product launch to the end of the period. Fair values are estimated for all capitalized expenses, to make sure that the fair value of any product does not fall below book value. Out of this year's capitalized R&D costs, SEK 4.5 million (12.3) refers to personnel costs.

In mid 2020 management decided upon a full write-down of one separate product within the business unit Medical Imaging, as it was assessed that the market conditions for the product had changed. The write-down of SEK 91 thousand effected the year's results.

## Note 9 ■ Equipment

	GROUP		PARENT COMPANY	
	2020	2019	2020	2019
Opening balance acquisition value	10,474	10,227	10,474	10,227
Investments for the year	457	247	457	247
<b>Closing balance accumulated acquisition value</b>	<b>10,931</b>	<b>10,474</b>	<b>10,931</b>	<b>10,474</b>
Opening balance depreciation	-7,797	-6,874	-7,797	-6,874
Depreciation for the year	-913	-923	-913	-923
<b>Closing balance accumulated depreciation</b>	<b>-8,711</b>	<b>-7,797</b>	<b>-8,711</b>	<b>-7,797</b>
<b>Closing balance residual value according to plan</b>	<b>2,221</b>	<b>2,677</b>	<b>2,221</b>	<b>2,677</b>

The period of use for equipment is 5 years. Depreciation is linear.

## Note 10 ■ Shares in group companies

Subsidiaries	Corporate registration no.	Share capital/ Voting rights, %	Number of shares	Recorded value
ContextVision Inc, State of Illinois, USA	36-4333625	100/100	1 000	217
<b>Total</b>				<b>217</b>

The subsidiary has during the year paid a dividend of SEK 0 thousand (0) to the Parent Company.

## Note 11 ■ Other long-term receivables

	GROUP		PARENT COMPANY	
	2020	2019	2020	2019
Depositions	394	522	394	522
<b>Total</b>	<b>394</b>	<b>522</b>	<b>394</b>	<b>522</b>

## Note 12 ■ Inventories

	GROUP		PARENT COMPANY	
	2020	2019	2020	2019
Inventories (hardware)	768	884	768	884
<b>Total</b>	<b>768</b>	<b>884</b>	<b>768</b>	<b>884</b>

Expense of goods for resale, totals to SEK 2,098 thousand (2,199) for both the Parent Company and the Group.

## Note 13 ■ Accounts receivable and other receivables

	GROUP		PARENT COMPANY	
	2020	2019	2020	2019
Accounts receivable	16,415	20,426	16,415	20,426
Less: reservation for expected bad debt losses	-297	0	-297	0
Other receivables	4,589	942	4,589	942
<b>Total</b>	<b>20,707</b>	<b>21,368</b>	<b>20,707</b>	<b>21,368</b>

During the year, the accrual for bad debt loss decreased to SEK 297 thousand (0)  
See note 21 for additional information on accounts receivables.

## Note 14 ▪ Prepaid expenses and accrued income

	GROUP		PARENT COMPANY	
	2020	2019	2020	2019
Prepaid rent	0	0	1,038	462
Other items	1,112	303	1,037	804
<b>Total</b>	<b>1,112</b>	<b>303</b>	<b>2,075</b>	<b>1,266</b>

## Note 15 ▪ Equity

The company's number of shares is 77,367,500 (7,736,750). The quota value is SEK 0.03 (0.27). All shares carry equal voting rights.

Total shares and share capital	Total shares	Total share capital (SEK thousand)
2020-12-31	77,367,500	2,084
2020-12-31	77,367,500	2,084

Additional paid in capital – Refers to additional paid in equity from shareholders, reduced with repurchased shares and dividends.

Translation difference – Contains all currency translation differences arising from the translation of financial statements of foreign subsidiaries not reporting in SEK.

Currency hedging – Contains the effective part of the accu-

mulated net change in the fair value of cash flow hedging related to transactions that has not yet occurred.

Retained earnings and net result for the year – Contains retained earnings in the Parent Company and its subsidiary.

Reserve related to R&D expenses - Refers to the reserve equal to the capitalization and depreciation, that is transferred from free reserves to restricted reserves.

## Note 16 ▪ Accounts payable and other debts

	GROUP		PARENT COMPANY	
	2020	2019	2020	2019
Advance payment from customers	1,398	1,738	1,398	1,738
Accounts payable	2,324	3,839	2,301	3,815
Liabilities to subsidiaries	-	-	507	557
Other debts	3,369	1,373	3,560	1,211
<b>Total</b>	<b>7,091</b>	<b>6,950</b>	<b>7,766</b>	<b>7,321</b>

## Note 17 ▪ Accrued expenses and deferred income

	GROUP		PARENT COMPANY	
	2020	2019	2020	2019
Salaries, vacation pay and payroll overhead	9,243	7,467	9,243	7,467
Other accrued cost	1,948	2,060	1,948	1,808
<b>Total</b>	<b>11,191</b>	<b>9,527</b>	<b>11,191</b>	<b>9,275</b>

## Note 18 ▪ Pledged assets and contingent liabilities

	GROUP		PARENT COMPANY	
	2020	2019	2020	2019
Mortgage	2,000	2,000	2,000	2,000
Depositions	394	522	394	522
<b>Total</b>	<b>2,394</b>	<b>2,522</b>	<b>2,394</b>	<b>2,522</b>

The company has a mortgage of SEK 2 million in favor of Svenska Handelsbanken as a security for currency hedging contracts. Depositions refer to amounts deposited as a security for salary payments to employees abroad.

## Note 19 ▪ Tax allocation reserve

	PARENT COMPANY	
	2020	2019
Tax allocation reserve Tax 2015	0	900
Tax allocation reserve Tax 2016	1,700	1,700
Tax allocation reserve Tax 2017	1,600	1,600
Tax allocation reserve Tax 2020	2,525	2,525
Tax allocation reserve Tax 2021	3,830	0
<b>Total</b>	<b>9,655</b>	<b>6,725</b>

## Note 20 ▪ Proposed appropriation of earnings

Proposed Appropriation of Earnings 2020  
At the General Meeting's disposal SEK

Retained earnings and fair value reserve	23,314,568
Profit/loss for the year	9,737,597
<b>Total</b>	<b>33,052,165</b>

The Board proposes that SEK 33,053,168 is carried forward to the 2021 accounts.

## Note 21 ▪ Financial risks

A financial policy adopted by the Board of Directors constitutes the framework for how the company manages financial risks. The Group's financial instruments consist of cash and bank deposits, accounts receivable (trade), accounts payable, other short-term liabilities relating to operations and derivatives (primarily forward exchange contracts).

The following is a summary of the company's financial risks:

### Interest rate risk

The Group's market risk exposure relates only to holdings at bank accounts, why the interest rate risk is limited to changes in the market interest rate.

## Note 21 cont.

Reported and fair value is included in the balance sheet according to the below:	Derivate instrument used in the accounting of currency hedging	Loan and trade receivables	Financial debts valued at accrued acquisition value	Total reported value	Total fair value
<b>Group 2020</b>					
Other long-term receivables		394		394	394
Accounts receivables and other receivables		16,118		16,118	16,118
Right-of-use assets		5,879		5,879	5,879
Derivates	3,578			3,578	3,578
Cash		46,356		46,356	46,356
Leasing liabilities			-5,083	-5,083	-5,083
Accounts payable and other debts			-4,599	-4,599	-4,599
<b>Total</b>	<b>3,578</b>	<b>68,747</b>	<b>-9,682</b>	<b>62,643</b>	<b>62,643</b>

Reported and fair value is included in the balance sheet according to the below:	Derivate instrument used in the accounting of currency hedging	Loan and trade receivables	Financial debts valued at accrued acquisition value	Total reported value	Total fair value
<b>Group 2019</b>					
Other long-term receivables		522		522	522
Accounts receivables and other receivables		20,426		20,426	20,426
Right-of-use assets		9,461		9,461	9,461
Derivates	446			446	446
Cash		36,329		36,329	36,329
Leasing liabilities			-8,640	-8,640	-8,640
Accounts payable and other debts			-6,448	-6,448	-6,448
<b>Total</b>	<b>446</b>	<b>66,738</b>	<b>-15,088</b>	<b>52,096</b>	<b>52,096</b>

The categories "Financial assets valued at fair value through the income statement" and "Financial debts valued at fair value through the income statement" is not represented in the Group's financial accounts during 2019 and 2020.

Change in liabilities from financing activities	GROUP	PARENT COMPANY
Opening balance January 1, 2019	-12,303	-
Cash flow	-	-
Leasing liabilities	3,663	-
Currency exchange rate differences	-	-
Closing balance December 31, 2019 / Opening balance January 1, 2020	-8,640	-
Cash flow	-	-
Leasing liabilities	3,557	-
Currency exchange rate differences	-	-
Closing balance December 31, 2020	-5,083	-

Interest-bearing liabilities	2021		2022-2023		2024 or later		Total	
	Capital	Interest	Capital	Interest	Capital	Interest	Capital	Interest
Liabilities to credit institutions								
Leasing liabilities	-3,489	-110	-1,594	-25	-	-	-5,083	-135
<b>Total liabilities to credit institutions</b>	<b>-3,489</b>	<b>-110</b>	<b>-1,594</b>	<b>-25</b>	<b>-</b>	<b>-</b>	<b>-5,083</b>	<b>-135</b>
Other interest-bearing liabilities	-	-	-	-	-	-	-	-
<b>Total interest-bearing liabilities</b>	<b>-3,489</b>	<b>-110</b>	<b>-1,594</b>	<b>-25</b>	<b>-</b>	<b>-</b>	<b>-5,083</b>	<b>-135</b>

Age analysis of reported assets past due date but not written-down	GROUP		PARENT COMPANY	
	2020	2019	2020	2019
Non past due	10,693	14,337	10,693	14,337
< 30 days	3,743	818	3,743	818
30-90 days	771	466	771	466
91-180 days	1,208	4,805	1,208	4,805
<b>Total</b>	<b>16,415</b>	<b>20,426</b>	<b>16,415</b>	<b>20,426</b>

## Note 21 cont.

## Change in expected bad debts

	GROUP		PARENT COMPANY	
	2020	2019	2020	2019
<b>Provision for expected bad debts</b>				
Opening balance	0	134	0	134
Provision for expected bad debt	297*	0	297*	0
Provisions written off	0	-134	0	-134
<b>Closing balance</b>	<b>297</b>	<b>0</b>	<b>297</b>	<b>0</b>

\* Provision for expected bad debt

The Group's write-down of accounts receivable is carried out in accordance with the simplified approach for reporting expected credit losses. This means that a provision for expected credit losses is booked for the remaining term, which is expected to be less than one year for all receivables above. The Group books a provision for expected credit losses based on individual assessments of receivables where known information about the counterpart and forward-looking information is taken into consideration. ContextVision writes off a receivable when it no longer can be expected to receive payment and when active measures to receive payment have been finalized.

Most of these receivables were settled shortly after the year end.

**Customers**

There are 3 (2) individual customers representing more than 10 percent each of the total revenue during the year. The two largest customers representing 11 percent each and the other one representing 10 percent of the total revenue during 2020.

By year end, there were 4 individual customers that each represented 10 percent or more of the accounts receivable. These 4 customers together represented 60 percent of the accounts receivable. The company has had a long relation with most of the customers and consider them financially stable. The creditability of the accounts receivable is considered high.

**Fair value and reported value**

IFRS 13 Valuation at fair value contains a valuation hierarchy regarding input data for the valuations. This valuation hierarchy is divided into three levels:

Level 1: according to prices quoted on an active market for the same financial instrument.

Level 2: based on directly or indirectly observable market data that is not included in level 1.

Level 3: based on input data that is not observable in on the market.

The company applies level 2 according to the valuation hierarchy, when valuing derivatives (forward exchange contracts) at fair value by using current market prices and currencies on the balance sheet date.

**Currency risk***Transaction exposure*

During 2020 the invoicing in EUR represented about 67 percent (60 percent) of total invoicing, the invoicing in USD represented about 1.9 percent (20 percent), and the invoicing in JPY represented 14 percent (20 percent). The Group hedges its foreign currency exposure on a regular basis. By Dec 31, 2020, there were currency hedging contracts for EUR 3,850 thousand to an average exchange rate of 10.58 SEK/EUR, currency hedging contracts for USD 860 thousand to an average exchange rate of 9.01 SEK/USD and currency hedging contracts for JPY 132,150 thousand at an average exchange rate of 0.084 SEK/JPY.

**Sensitivity analysis**

	2020	2019
A 1% change in interest rates on liquid funds, is estimated to affect the calculated result after tax/affect equity per December 31 2020 by:	+/-464	+/-360
A change in the exchange rate EUR / SEK with 5% is expected to affect the recalculated result after tax/affect equity at December 31 2020 with:	+/-590	+/-695
A change in the exchange rate of USD / SEK by 5% is expected to affect the recalculated result after tax/affect equity at December 31 2020 with:	+/-95	+/-125
A change in the exchange rates JPY / SEK by 5% is expected to affect the recalculated result after tax/affect equity at December 31 2020 with:	+/-115	+/-165

*Translation exposure balance sheet*

Translation exposure arises on consolidated statements when the net assets in the Group are converted to SEK. The translation differences relating to net assets in currencies other than SEK reported in other comprehensive income during 2020 were SEK 345 thousand (478).

Net translation exposure per currency (thousand)	2020-12-31	Whereof currency hedged %
EUR	1,171	64
USD	234	56
JPY	28,998	69
NOK	-15	0
CHF	-5	0

*Translation exposure*

Only a small part of the Group's operations are conducted abroad. Therefore, the exposure to translation differences is considered limited.

**Credit risk**

In connection with the signing of an agreement with a customer, an individual assessment of the solvency of that customer is conducted. When there is some question as to a customer's solvency, a letter of credit or pre-payment is used.

**Note 22** ■ Significant events after the balance sheet date

Effects from the ongoing pandemic are continuously analyzed and the company is closely following the developments, but the situation is still considered uncertain.

# Signatures

The undersigned hereby assure that the Group financial statement and the Annual Report is prepared in accordance with international accounting standards, IFRS, as approved by EU, and generally accepted accounting principles.

Hence giving a true and fair description of the Company's financial status and result, as well as a directors report fairly describing the business, financial condition, result, risks and uncertainties associated with the company.

Linköping on April 7, 2021

(Signatures on original document)

**Erik Danielsen**  
Chairman of the Board

**Martin Hedlund**  
Member of the Board

**Sven Günther-Hanssen**  
Member of the Board

**Martin Ingvar**  
Member of the Board

**Magne Jordanger**  
Member of the Board

**Fredrik Palm**  
CEO

Our audit report was rendered on April 7, 2021.

**Ernst & Young AB**

(Signatures on original document)

**Andreas Troberg**  
Authorized Public Accountant



# Auditor's Report

To the General Meeting of the shareholders of ContextVision AB (publ),  
corporate identity number 556377-8900

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of ContextVision AB (publ) except for the corporate governance statement on pages 31-35 for the year 2020. The annual accounts and consolidated accounts of the company are included on pages 23-57 in this document.

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 2020 and its financial performance and cash flow 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 2020 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 31-35. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the General Meeting of shareholders adopts the income statement and balance sheet for the Parent Company and the Group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the Parent Company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its Parent Company or its controlled companies within the EU.

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

### Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do

not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

### Capitalized development costs

#### Description

Capitalized development costs amount to SEK 23.7 million in the balance sheet for the Parent Company and the Group as per 31 December 2020 corresponding to 23 % of total assets for the Parent Company and 22 % for the Group. Capitalized development costs during 2020 amount to SEK 8 million. The company's accounting principles for development costs are described in note 1 on page 44.

Note 1 describes judgements and estimates necessary to assess if the conditions for capitalization are met. Judgments and estimates are based on historical knowledge from similar products as well as assumptions on the product's expected future sales and profitability levels. Furthermore, the company assess each product's useful life in order to determine amortization period. Applied amortization periods are described in note 8. The company evaluates, on a regular basis, if there are indications of impairment for capitalized costs. If indications of impairment exist, an impairment test is prepared to determine if value in use are below carrying value.

Judgments and estimates needed to determine whether development costs are to be capitalized, which amortization periods to use for products and if indications of impairment exist are of significant importance for financial position for the Parent Company and the Group. Consequently, we have assessed accounting and valuation of development costs as a key audit matter in the audit.

#### How our audit addressed this key audit matter

Our audit procedures in order to address this area, included, but are not limited to:

- Review of the company's process to analyze and assess accounting for development costs, including determination of the timing for capitalization of development projects.
- Review of the company's routines and reassessment of project development compared to the original project plan.
- Review of the company's judgments that form the basis of applied depreciation periods for capitalized development costs as well as recalculation of posted depreciations.
- Review and evaluation of the company's assumptions and estimates when determining if impairment indications exist or not.
- Review of disclosures in the financial statements.

### **Other information than the annual accounts and consolidated accounts**

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-22. The remuneration report also constitutes other information. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they 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.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

### **Auditor's responsibility**

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted

in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

#### Report on other legal and regulatory requirements Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of ContextVision AB (publ) for the year 2020 and the proposed appropriations of the company's profit or loss.

We recommend to the General 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.

#### Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

#### 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. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the Group's type of operations, size and risks place on the size of the Parent Company's and the Group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous

assessment of the company's and the Group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

#### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

#### The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 31-35 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement 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. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Ernst & Young AB, PO BOX 7850, SE-103 99 Stockholm, was appointed auditor of ContextVision AB (publ) by the General Meeting of the shareholders on the 6 May 2020 and has been the company's auditor since the 26 April 2001.

Stockholm April 7, 2021  
Ernst & Young AB

**Andreas Troberg**  
Authorized Public Accountant

# Glossary

## **ALTUMIRA**

ContextVision's next generation image enhancement for X-ray systems. Altumira is designed with AI (deep learning) technology in combination with ContextVision's leading GOP technology.

## **Artificial Intelligence (AI)**

Artificial Intelligence is the intelligence exhibited by machines or software.

## **Biopsy**

A small tissue sample taken with a hollow needle.

## **Deep Learning**

Deep learning is the latest very powerful technology within machine learning; machine learning with deep neural networks

## **Digital Pathology**

Digital pathology refers to the digital images of histopathology samples. The digitalization is achieved by scanning the prepared samples.

## **GOP®**

ContextVision's methodology and technology base for image analysis and image enhancement, detecting structures in an image and relating them to their wider context in order to increase visualization accuracy.

## **GOPiCE®**

ContextVision's real-time 3D volumetric image enhancement product, for OEM embedded software.

## **GOPView®/ PlusView®**

The family names for ContextVision's 2D product lines of OEM-embedded software.

## **Handheld ultrasound**

A small ultrasound unit that can be held in the hand when performing the examination, e.g. smartphones and tablet-based systems.

## **Hematoxylin & Eosin staining (H&E staining)**

In order to see important structures in a tissue sample, it is stained with Hematoxylin & Eosin (blue and pink coloring).

## **Image analysis**

Processing a digital image in order to describe/classify its contents or to extract quantitative measurements.

## **Image processing**

A generic term used to describe the computation of digital images, typically to enhance or analyze them.

## **Image enhancement**

To improve the visual quality of a digital image by increasing the visibility of relevant structures, as in edge/contrast enhancement and the suppression of noise or artifacts.

## **INIFY®**

The brand name of ContextVision's digital pathology products, with the first product INIFY® Prostate Screening recently CE-marked.

## **INIFY® Prostate Screening**

ContextVision's AI-based and CE-marked decision support tool that suggests and outlines suspected cancer areas in digital H&E whole-slide images of prostate biopsy samples.

## **Machine Learning**

Machine learning is the study of computer algorithms that improve automatically through experience

## **Mammography**

An X-ray method used to examine the human breast.

## **Modality**

A device that generates internal images of the body, such as X-ray, ultrasound, magnetic resonance imaging, and computed tomography.

## **MRI (Magnetic Resonance Imaging)**

A non-invasive procedure, generated by variations in strong magnetic fields, to visualize internal organs or structures.

## **OEM**

The acronym for Original Equipment Manufacturer.

## **REALiCE™**

REALiCE is a rendering and visualization product package for 3D/4D ultrasound.

## **RIVENT™**

ContextVision's new image enhancement product for 2D ultrasound with extended processing possibilities.

## **US (Ultrasound)**

An imaging procedure where images are created from echoes of high-energy sound waves (ultrasound).

## **VolarView™**

ContextVision's image enhancement product for handheld ultrasound units.

## **XR (X-ray)**

An imaging technique that uses electromagnetic radiation to visualize the internal structures of the body.

# Financial calendar and Annual General Meeting

## Financial calendar 2021

The annual general meeting will be held on Wednesday, May 5, 2021. With respect to the extraordinary situation that prevails as a result of the covid-19 pandemic and with regard to ContextVision's employees, shareholders, board of directors and management, the Annual General Meeting will only be conducted by advance voting (postal voting) with the support of temporary statutory rules. There will be no opportunity to attend the Annual General Meeting in person or by proxy.

1:st quarter 2021 Report	April 22
2:nd quarter 2021 Report	August 12
3:rd quarter 2021 Report	October 21
4:th quarter and 12 months 2021	February 17, 2022

## Ordering financial information

The Annual Report and other financial reports can be found on the company's website, or can be ordered by e-mail: [finance@contextvision.se](mailto:finance@contextvision.se)

## Dividend

The Board of Directors proposes that no dividend shall be paid.

## Participation and notification

Shareholders who wish to participate in the Annual General Meeting with the right to vote shall

- be recorded as shareholder in the share register kept by Euroclear Sweden AB as of April 27, 2021, temporary registration for shareholders registered at Norska Verdipapirsentralen (VPS) is made by DNB Bank ASA, see below; and
- give notice of attendance with the company by casting their advance vote in accordance with the instructions under the heading "Advance voting" below, so that the advance vote is received by the company no later than May 4, 2021 (via e-mail: [finance@contextvision.se](mailto:finance@contextvision.se) or by post: Klara Norra Kyrkogata 31, 111 22 Stockholm, Sweden).

Shareholders whose shares are registered in the name of a nominee through the trust department of

a bank or similar institution in Sweden must, in order to participate in the annual general meeting, request that their shares are temporarily re-registered in their own names. Such registration must be completed by Euroclear Sweden AB on April 29, 2021 in order to be taken into account in the preparation of the share register. This means that shareholders who need to make such registration must notify the nominee thereof well in advance of this date.

## Particular for shareholders registered at Norska Verdipapirsentralen (VPS)

- Shareholders registered at Norska Verdipapirsentralen (VPS) who are not registered at Euroclear Sweden AB, Sweden, and wish to be entitled to vote at the annual general meeting must give notice of attendance to DNB Bank ASA at the latest on April 23, 2021, at 12:00 (noon) local time. The notice of attendance is made on a specific application form which will be sent by post to the shareholders and also be available on the company's website. The notice of attendance shall be sent to DNB Bank ASA, Verdipapirservise, PB 1600 Sentrum, N-0021 Oslo, or by e-mail to [vote@dnb.no](mailto:vote@dnb.no)
- DNB Bank ASA will temporarily record the shares at Euroclear Sweden AB in the name of the shareholder. Shareholders recorded at VPS must also, as described above, give notice of attendance to the company in order to obtain the right to vote at the annual general meeting.

## Distribution policy

Notice to attend the Annual General Meeting will be published four to six weeks before the meeting in Post och Inrikes Tidningar as well as on the company's website: [www.contextvision.se](http://www.contextvision.se)

There will also be a notification in Svenska Dagbladet that notice to attend the AGM has been published.

## Contact person for investor relations

Fredrik Palm, CEO  
[fredrik.palm@contextvision.se](mailto:fredrik.palm@contextvision.se)

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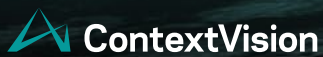
### SALES JAPAN

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Produced by ContextVision in co-operation with Sthlm Kommunikation & IR

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ContextVision is a medical technology software company specialized in image analysis and artificial intelligence. As the global market leader within image enhancement, we are a trusted partner to leading manufacturers of ultrasound, X-ray and MRI equipment around the world.

Our expertise is to develop powerful software products, based on proprietary technology and artificial intelligence for image-based applications. Our cutting-edge technology helps clinicians accurately interpret medical images, a crucial foundation for better diagnosis and treatment.

ContextVision is now entering the fast-growing digital pathology market. We are re-investing significantly in our product portfolio of decision support tools and we are dedicated to becoming a leading resource for pathologists to radically develop cancer diagnosis and improve patient care.

The company, established in 1983, is based in Sweden with local representation in the U.S., Japan, China and Korea. ContextVision is listed on the Oslo Stock Exchange under the ticker CONTX.

 **FOR MORE INFORMATION, PLEASE VISIT [WWW.CONTEXTVISION.COM](http://WWW.CONTEXTVISION.COM)**