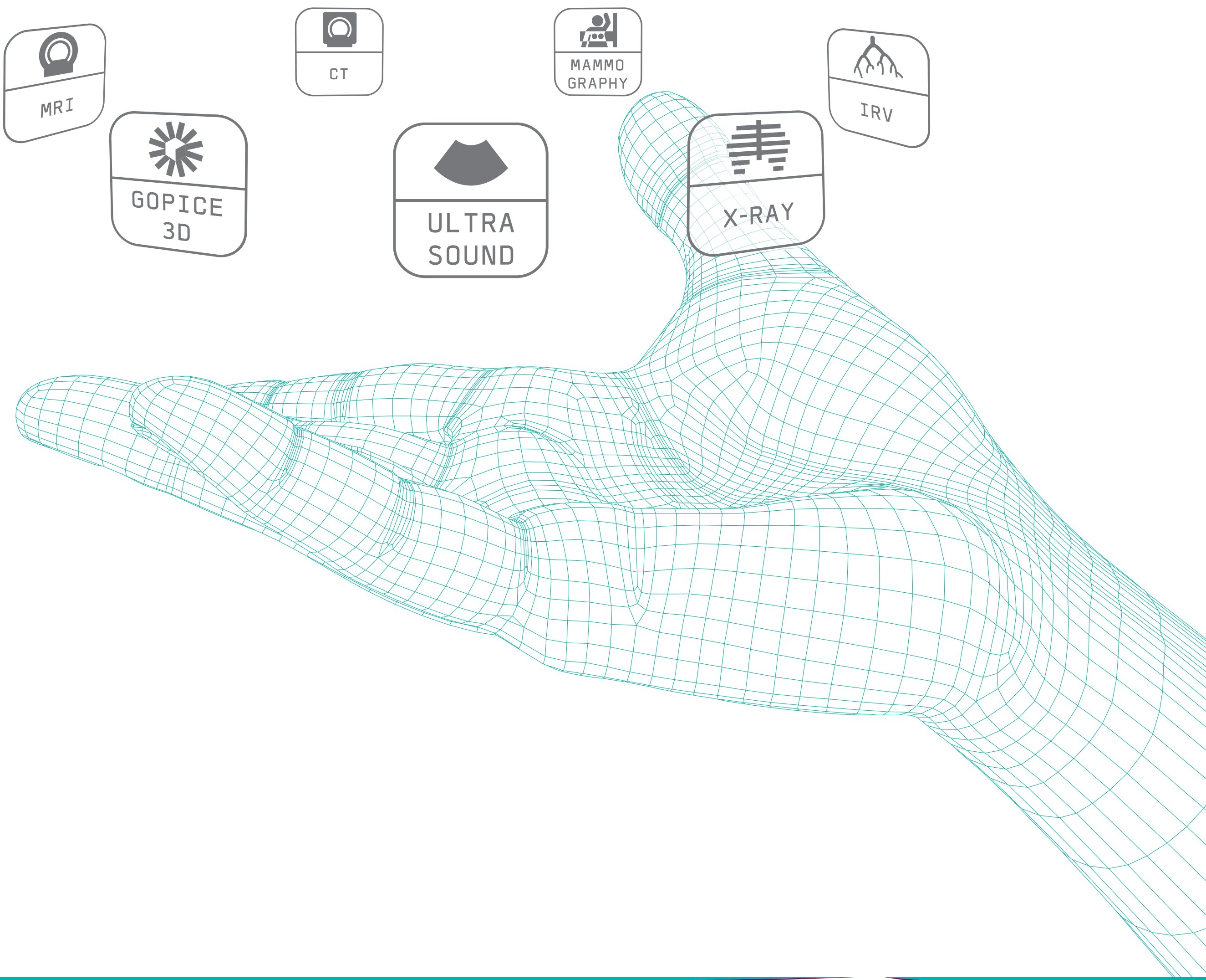
CONTEXTVISION
IMAGE IS EVERYTHING



ANNUAL REPORT 2012

HIGHLIGHTS 2012

- Significant sales growth
- Strengthened position in Ultrasound; sales increase by 27%
- Increased pace for product upgrades; new upgrades for Ultrasound XR, MRi and iRV
- Increased customer service through new customer portal

FINANCIAL HIGHLIGHTS 2012

- Net sales of MSEK 67.1 (58.4)
- Operating income of MSEK 0.6 (4.7) generating an operational margin of 0.9% (8%)
- MSEK 5.0 (2.7) in cash flow for the year
- Equity ratio 75% (83%)
- Earnings per share SEK 0.08 (0.46)

CONTEXTVISION – PROVIDING THE GOLD STANDARD OF MEDICAL IMAGE ENHANCEMENT

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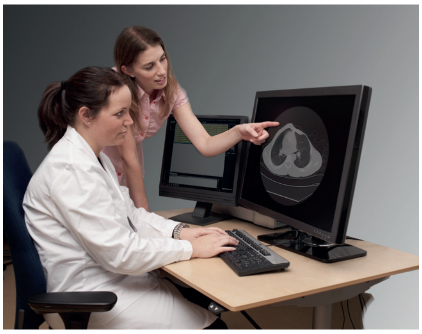
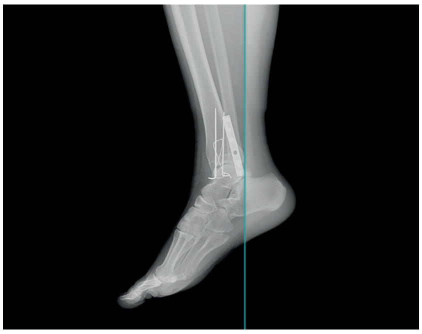
CONTEXTVISION IN BRIEF

ContextVision is a leading provider of image enhancement software to manufacturers all over the world. This eminent global position results not only from unsurpassed software qualities, but also from our approach to business: we always put the customer at the center of our actions, providing the best products and the best technical expertise in the industry. By combining the two, ContextVision delivers customized solutions that allow manufacturers to offer the best possible image quality to clinicians for a given hardware configuration.

Today, ContextVision has thirty-eight highlyqualified employees in Sweden, the US and China, as well as partners in Japan, Korea and Russia. Our global coverage plus local presence allows us to work closely with customers around the world and to support them whenever needed. This demonstrated capability makes us a truly unique and trusted partner to numerous equipment manufacturers, and it allows us to participate in growth markets around the world.





PARTNERSHIP AND CUSTOMIZATION

Our unique expertise and experience, combined with the flexibility of modular technology, forms the basis of our success.

We provide a unique technical and clinical perspective to our customers and thus help them optimize device performance to their target markets.

OUR IMAGE ENHANCEMENT PRODUCTS

After thirty years in the business, ContextVision continues to lead the market. We provide the latest imaging enhancement software within most imaging modalities, including ultrasound, x-ray, magnetic resonance imaging, mammography, interventional radiology and computed tomography.

OUR TECHNOLOGIES

We develop all our software and algorithms at our R&D department in Linköping. Continuous innovation has allowed us to develop ground-breaking technologies and to pioneer the markets for 2D/3D/4D image enhancement across multiple modalities.

Innovation and flexibility are essential factors for our product development successes. Equally important is our ability to develop very stable and robust software products. They simply work.

WHY SOFTWARE PLAYS A CRUCIAL ROLE IN NEW MEDICAL IMAGING DEVELOPMENT

By Arto Järvinen, ContextVision AB

Today's families interact with photos and videos in ways that would (and do) astonish our grandparents. Fifteen years ago, only professionals with an array of special-purpose workstations could undertake the many complex imaging tasks that we today can perform on a device that fits in our pocket. The same technology advances that changed how we create family albums are now also enabling new medical imaging possibilities.

The main enabler for this development is the exponential increase in computer hardware capabilities mainly driven by the needs of the consumer electronics industry. New inexpensive processors offer opportunities to increase image-processing performance dramatically and at an acceptable cost. This creates great new potential in ultrasound and interventional radiology.

Examples include:

- Advanced image processing, enhancement and analysis capabilities, e.g. real-time spatial-temporal filtering of the high-resolution video stream in fluoroscopy.
- Ultrasound machines with increased diagnostic capabilities now propelling ultrasound to major diagnostic tool status.
- Customizing imaging devices to markets, user preferences, user cases and other circumstances with an ease otherwise not possible in the age of special-purpose hardware.

Real-time adaptive filtering of 3D ultrasound image volumes provides a range of new diagnostic capabilities that will truly revolutionize how we can help more and more patients around the world. Moreover, advanced 3D filtering and rendering software makes possible the 'baby-face' ultrasound images that parents love, thereby adding a whole new chapter to medical imaging history and family photo albums.

ARTO JÄRVINEN
R&D MANAGER

"...new diagnostic capabilities that will truly revolutionize how we can help more and more patients around the world."

WHY 3D/4D ULTRASOUND WILL EVENTUALLY BECOME STANDARD

By Isabelle Wegman-Hachette, ContextVision AB

ISABELLE WEGMAN-HACHETTE
SENIOR APPLICATION MANAGER

Ultrasound has many advantages and is the most frequently used imaging modality. Since the challenge for physicians is to interpret images, higher accuracy is always in great demand. 3D ultrasound imaging makes it possible to acquire the entire anatomy efficiently. Hence, 3D acquisition and enhancement will allow clinicians to acquire more accurate information faster. Moreover, 3D enhancement yields clearer delineation of the size, position, shape and form of the organ or lesion and, consequently, leads to better diagnosis and treatment. For example, applying 3D image enhancement to 3D fetal ultrasound examinations has revealed superior visualization of subtle fetal brain defects and other fetal anomalies.

"3D acquisition and enhancement will allow clinicians to acquire more accurate information faster."

WORDS FROM THE CEO

ContextVision continued to make significant progress on many fronts during 2012. Targeted investments that will drive the company forward, both over the short and longer term, were made.

CONTINUED SALES GROWTH

2012 saw sales increase by 15% to 67.1 MSEK. In a weak world economy characterized by manufacturers striving to find ways to improve their margins, we view this increase as a great testimony to the value we deliver to our customers.

Imaging enhancement software for ultrasound remains by far our most important revenue generator, and we continued to deliver products for growing market segments. Sales for this modality increased by 26% in 2012 as new customers adapted the technology. In addition, existing customers added an increasing number of product lines.

We are working hard to further capitalize on the successes of our ultrasound software by widening our product range. Whereas the majority of today's sales are derived from flexible high-volume 2D imaging enhancement software, we are also gaining momentum in the 'high-end' of our ultrasound offering, e.g. volumetric 3D/4D enhancement techniques (branded US GOPiCE). This segment grew 55% over 2011 and has now become an established and meaningful contributor to sales in this product category.

Another area of considerable growth was the veterinary X-ray business, mainly in the United States. Our image enhancement software and our new customer support tools are today recognized as the industry standard for X-ray imaging.

We are convinced that today we are well positioned in the marketplace – stronger than ever before. The outlook for further growth in 2013 and beyond looks very promising with new customers coming on board plus a number of exciting ongoing customer projects, all helped by an economic recovery in the United States.

STAYING CLOSE TO THE CUSTOMER: CUSTOMIZATION

One key success factor at ContextVision is that we deliver customized image enhancement solutions, which means that we adapt our software to our customers´ individual systems and product lines. In this way, we optimize the imaging output capabilities of a given hardware framework, mainly by reducing image noise and improving edge enhancement. Furthermore, we also deliver settings specific to anatomy and subjective preferences.

Customization will continue to be an important part of our business model. We shall also offer OEM customers new tools that allow them to further adapt and optimize to different needs in different clinical settings.

PRODUCT DEVELOPMENT

The year also saw us start to draw significant operational benefits from new modular software platforms that allow easy reuse of implemented algorithms and features. This reuse shortens the time to market for new products. In addition, our product modularity allows greater flex-

ibility. It is thus much easier to upgrade products on a regular basis and as a result we have improved key products within MRI, interventional (iRV) and X-ray during the year.

Within ultrasound, we have adapted our modular software to a broader range of hardware, thereby increasing our target market and sales potential. As ultrasound is less expensive than other imaging equipment, and is a non-radiation modality, its clinical use is expected to increase even more. There are thus good reasons for us to continue investing in and further broadening our ultrasound product group.

In addition, we have made it easier to access our products and buy licenses. ContextVision customers can now download software and obtain licenses directly through our newly developed online portal. This opportunity has been very well received by many users around the world and we expect the service to become increasingly important in the coming years.

STEPS FORWARD IN OUR TECHNOLOGY

Our traditional core GOP technology incorporates adaptive image filters that reduce noise and enhance edges at the same time. The success of these sophisticated imaging enhancement capabilities is evidenced by their high adoption rates. Today, there are over 100,000 installations around the world.

ContextVision's technical knowledge allows us to work at the leading edge of next-generation technology development and marketing. Referred as 3D/4D technologies, our development effort has focused on ultrasound volumetric filtering. We see that 3D/4D filtering has strong potential because 3D allows the capture of information previously not feasible. Hence, we believe that the clinical value of imaging technologies in general will be enhanced as 3D/4D technologies evolve in the future.

During last year, we also introduced our new technology for adaptive temporal filtering with motion control. This novel technology for real-time imaging is unique since it reduces disturbing noise without blurring, which improves the visualization of vessels and structures during demanding interventional radiography.

INTERNAL DEVELOPMENT

Without compromising our customer focus, we have smoothed our internal workflow by both improving our tools and how we work together. Although we consider such improvements as a natural part of our daily work, we have also invested in key steps towards higher efficiency. For example, we have further refined our product management process, our project management and planning, and our support tools for these processes. A further improvement has broadened our test facilities to increase the amount of automated testing and thus free resources for more innovative work.

COST SITUATION

2012 has also witnessed several extraordinary costs that have affected our profitability.

The increase in other external costs is fully explained by the expense for proceedings regarding the ongoing legal process. We are determined to defend our position by bringing these proceedings to an end, and establish what we regard is fair justice.

We have been engaged in several product development projects directly with customers and, as a consequence, the level of capitalization of development costs is lower than last year.

Personnel costs show a significant increase over the previous year. The majority are related to one-time costs and originate from changes made to optimize the organization, an investment that will strengthen our team and increase our potential to flourish.

PREPARING FOR FUTURE

To ensure the future development of ContextVision, we have strengthened our technology base, improved the use of our resources, and enhanced our potential for developing new ideas. We now have a more effective platform as a test bench for new algorithms, and we have expanded our algorithm team as of January 2013. We have commenced broadening our core technology beyond image enhancement and have begun to develop new concepts. Furthermore, we have started a process to enhance the innovation capacity of the company.

In conclusion, I am very pleased with how we have developed during the year; we have strengthened our position in the market and created a solid platform for the further expansion of ContextVision. We have a very skilled and committed team and we are all looking forward to continuing to work closely with our customers to develop new and innovative products.

ANITA TOLLSTADIUS
CEO // CONTEXTVISION AB

Photography: Alison De Mars von Blixen. By kind permission of Sven-Harry's (Art Museum)

PRODUCT PORTFOLIO

At the core of all ContextVision imaging solutions, groundbreaking GOP® methodology detects structures by examining the significance of each pixel in relation to its wider context. Once the structure is identified and analyzed, noise can be suppressed and the true structure, however weak, can be emphasized and seen more clearly.

The advantages of our basic technology are that it is well proven in a wide range of environments, that we can adapt our products to individual customer systems, and that it allows us to continue to develop new features and applications. Our present product portfolio spans the full scope from static digital X-Ray to real-time imaging in 2D/3D/4D for ultrasound.

ULTRASOUND

US PlusView Family of Products
GOPView USXi // GOPiCE® US

ContextVision offers a broad multi-dimensional ultrasound product range that is configurable for individual systems and probes. This allows customers to select unique enhancement software to optimize the image quality of their products.

US PLUSView, the 3rd generation 2D product, enables high-resolution imaging plus the possibility to focus enhancement on specific features. The modularity and flexibility of US PLUSView facilitates optimal diagnostic quality for various platforms and system configurations.

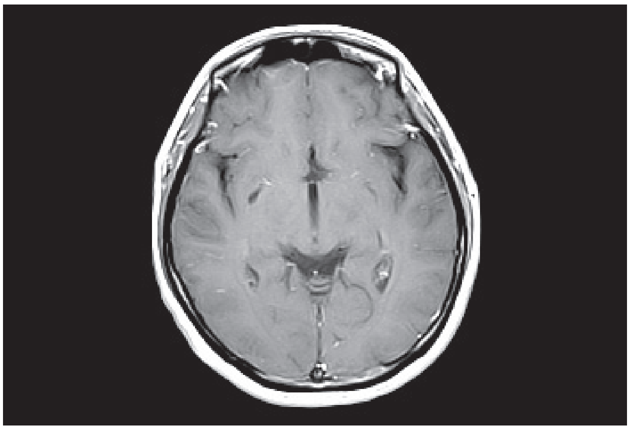
GOPiCE is state-of-the-art 3D enhancement of ultrasound volumes that can be optimized for variations in manufacturers' systems. Clinical evaluations have shown that volumetric enhancement by GOPiCE is crucial for detecting subtle lesions or fetus anomalies, which increases the clinical value of the technology. Multi-dimensional products from ContextVision harmonize and optimize the image quality for each system and probe. Ultimately, this can lead to an improved medical diagnosis.

DIGITAL X-RAY

GOPView XR2^{Plus} // GOPView XR2-ST/AT // GOPView VET
GOPView XR2^{Plus} add-on modules: *Exposure Index Region calculation, EI., Defect Correct Library, DCL and Doctors Interface, DI*

Unsurpassed image enhancement product GOPView XR2^{Plus} is the core of ContextVision's digital X-ray portfolio. During 2012, we expanded this portfolio by adding new features to the base product.

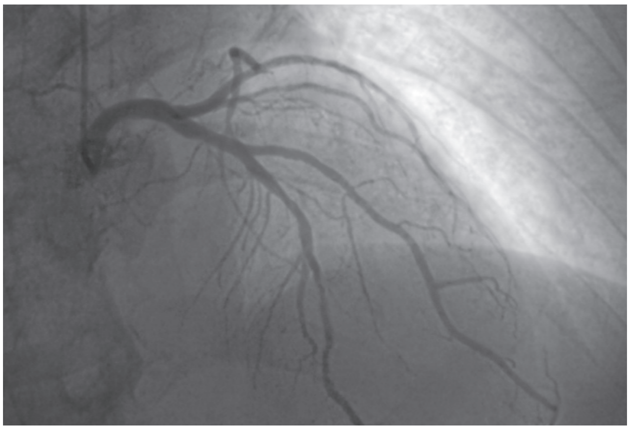
One of the new modules, Exposure Index (EI), monitors radiation dose to ensure an optimal balance between low dose and image quality. Also new in 2012 is the Defect Correct Library (DCL) that monitors and corrects images captured from corrupt pixels, thereby reducing distraction when reading the image. Furthermore, we provide a Doctor's Interface that allows the individual radiologist to control parameters.



MAGNETIC RESONANCE IMAGING

GOPView MRI2

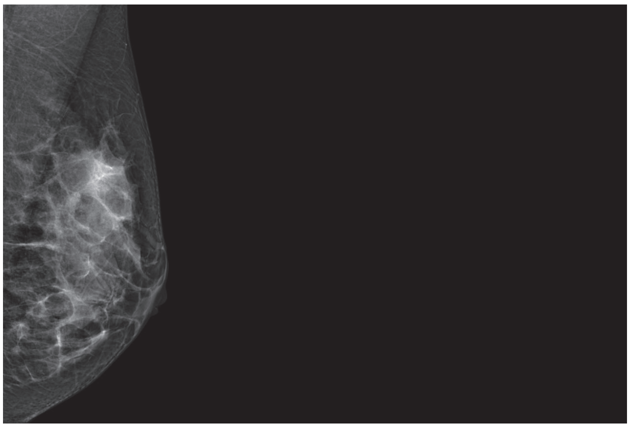
As a pioneer and leading provider of image enhancement products to MRI manufacturers worldwide, ContextVision continues to improve its MRI image enhancement product line. In 2012, we developed GOPView MRI2^{Plus}, an upgraded product with additional new features. GOPView MRI2 is considered the 'gold standard' image enhancement product for the MRI market. New GOPView MRI2^{Plus} significantly reduces noise while simultaneously enhancing edges and fine structures in the image. New features include inhomogeneity correction (IC) as well as a tuning interface for OEM customers.



INTERVENTIONAL RADIOLOGY

GOPView IRV^{ULTRA}

GOPView iRV^{ULTRA} has enjoyed unrivaled success in reducing noise while enhancing fine structures and edges. Newly-developed temporal filtering technology with advanced motion compensation, combined with GOP technology, raises the image quality of interventional radiology to new levels. An unprecedented enhancement, it enables high image quality with reduced patient radiation dose. This helps ContextVision customers deliver the best possible image quality for demanding interventional surgical procedures.

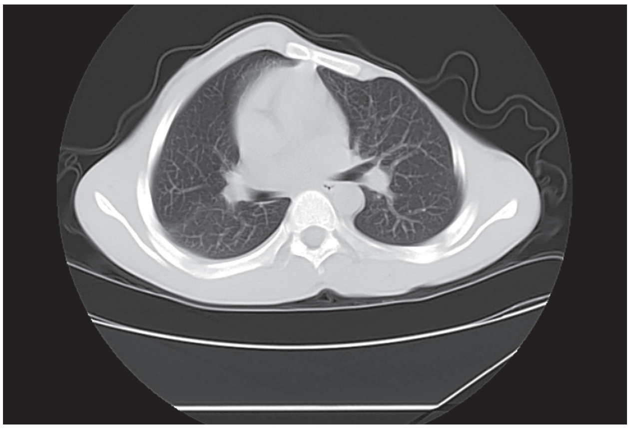


MAMMOGRAPHY

GOPView MAMMO

ContextVision's offering for the Mammography segment consists of an image enhancement product providing a high-contrast image that enables visualization of subtle structures through the parenchyma and that clearly presents micro-calcifications.

This processing reliably improves clinical value by efficiently suppressing noise while simultaneously sharpening diagnostically-significant structures without removing information or introducing artifacts.



COMPUTED TOMOGRAPHY

GOPView CT

GOPView® CT is ContextVision's solution for outstanding enhancement of Computed Tomography (CT) images. It has met with exceptional success in reducing noise while enhancing fine structures and edges. Low-dose images enhanced by GOPView CT show finer details with unchanged noise levels compared to traditional images with normal CT doses. Numerous studies confirm that a 30–70% dose reduction can be achieved with maintained image quality. Dose reduction translates directly into reduced risks from radiation exposure for patients, as well as reduced wear on expensive X-ray tubes.

BOARD OF DIRECTORS AND MANAGEMENT

ERIK DANIELSEN, CHAIRMAN

Danielsen (born 1963) was elected to the Board in 2004. He holds an MBA in Finance and Swiss Business Law from the University of Fribourg in Switzerland, 1987.

Since 1993, he has been acting as an independent health care analyst and consultant, advising both young growth companies as well as private and institutional investors on a variety of subjects, including company evaluations, equity financings and operational and communication strategies. Mr. Danielsen continues to support the activities of Bridge Relations Ltd and Analitika SA, two consulting companies he originally founded. In mid 2012 he assumed the role as CEO of Spring Medical SA, a marketer of next-generation medical device technologies, predominantly in Switzerland and Austria. Mr Danielsen is a co-founder of Spring Medical, which has corporate headquarters in Mezzovico, Switzerland.

Danielsen previously worked as an equity strategist and analyst for Credit Suisse in Zurich and Credit Suisse First Boston in New York. Danielsen is a director of the following companies: Analitika SA, Spring Medical SA and Bridge Relations Ltd.

As of Dec 31, 2012, he owns 4,500 shares in ContextVision through ORCA Ventures AG, a closely held investment company.

MARTIN HEDLUND

Hedlund (born 1952) is one of the founders of ContextVision. He finished his MSc degree of Technology in Linköping followed by further studies and research in image processing and GOP® theory at the University of Linköping. Hedlund was R&D and Local Manager in Linköping until 1999. Since then he has served as a CTO focusing on strategic product and business development.

He has been a member of the Board since the company went public in 1997.

As of Dec 31, 2012, Hedlund owns 831,666 shares (10,7 %) in ContextVision and has no other board assignments.

MAGNE JORDANGER

Jordanger (born 1953) was elected to the Board in 2002. Jordanger holds a BA degree from IMD Lausanne, Switzerland 1981. Throughout his career as an owner-manager, Jordanger has operated various international industries and is presently the chairman or member of the following boards: Autogruppen AS, Autolink AS, Konsmo Fabrikker AS, BNS Holding AS, Creditsafe NV and LUUP NV.

As of Dec 31, 2012, Jordanger controls 2,215,000 shares (28,6 %) in ContextVision through the company Monsun AS.

SVEN GÜNTHER-HANSSEN

Sven 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. During later years he has acted as a venture capitalist and been involved in a number of start-up companies in the medical, industrial and financial sectors in the capacity of investor as well as board member. He holds a Master of Science exam in Industrial Engineering from the Linköping Technical University.

Günther-Hanssen is a deputy board member of Hagun AB and board member of wholly owned Skyhook AB.

As of Dec 31, 2012, Günther-Hanssen holds 851.667 shares (11,0 %) in the company.

KARIN BERNADOTTE

Bernadotte (born 1963) was elected to the Board in 2011. She holds a Master of Science degree in Pharmacy from the University of Uppsala. Bernadotte has more than 20 years of experience from various marketing positions including international ones at the healthcare company MSD/Merck. Between 2006 and 2011 she served as Managing Director of MSD Sweden. Since October 2011 Bernadotte is now Assoc VP Public Policy and Corporate Responsibility Europe and Canada for MSD/Merck.

Bernadotte has also been a board member of Läkemedelsindustriföreningen (LIF), as vice-chair, and American Chamber of Commerce (AMCHAM) in Sweden.

As of Dec 31, 2012, Bernadotte holds 0 shares in ContextVision.

MANAGEMENT

ANITA TOLLSTADIUS

Tollstadius became CEO of ContextVision in September 2010, former member of the company board of directors since 2008. Tollstadius has held numerous management and organizational development roles during her thirty-year career. In addition to serving on the ContextVision board of directors since 2008, Tollstadius has counseled other global medical technology companies on matters such as product research and development, production, and communications. She holds a M.B.A. from the Stockholm School of Economics and a M.Sc. in Pharmacy from Uppsala University.

As per December 31, 2012, Anita Tollstadius owns 10.000 shares in the company, through 100% owned Tollstadius & Co AB.

The Board of Directors and the Chief Executive Officer of ContextVision AB (publ), company registration number 556377-8900, hereby submits the Annual Report for the financial year January 1, 2012 – December 31, 2012. ContextVision AB (publ) has its registered office in Linköping. ContextVision AB (publ) is the parent company of the ContextVision Group.

Administration Report

ContextVision is the global independent leader of image enhancement software for the medical imaging industry. It has been listed at the Oslo Stock Exchange since 1997. The research and development office is located in Linköping, Sweden, and corporate sales and marketing in Stockholm, Sweden. The Company has sales offices in Boston and Beijing, and representatives or distributors in Tokyo, Seoul and St. Petersburg which allows the Company to establish strong, long-term relationships with OEM customers worldwide.

FIVE YEAR FINANCIAL SUMMARY

KSEK	2012	2011	2010	2009	2008
Consolidated Income Statement					
Net sales	67,115	58,366	53,412	54,731	71,091
Operating profit/loss	620	4,670	-2,637	673	24,663
Profit/loss after financial items	861	4,927	-2,564	-7,979	27,437
Net result	620	3,578	-3,298	-8,252	20,197
Consolidated Balance Sheets					
Intangible fixed assets	12,361	13,340	12,458	11,247	11,311
Fixed assets	780	1,178	1,371	1,438	1,574
Financial assets	1,095	50	50	3,476	5,844
Current assets	40,493	34,130	31,236	33,656	48,330
Total assets	**54,729**	**48,698**	**45,115**	**49,817**	**67,059**
Equity	41,045	40,425	36,693	40,678	49,535
Long-term liabilities	–	–	–	1,088	1,488
Short-term liabilities	13,684	8,273	8,422	8,051	16,036
Total equity and liabilities	**54,729**	**48,698**	**45,115**	**49,817**	**67,059**
Cash flow statements					
Operating activities	8,454	7,736	13,180	-9,557	21,964
Investment activities	-3,415	4,968	-6,333	10,661	-3,210
Financing activities	–	–	–	-7,239	-19,087
Change in cash and cash equivalents	**5,039**	**2,766**	**6,847**	**-6,135**	**-333**
Key ratios					
Equity ratio, %	75.0	83.0	81.3	81.7	73.9
Operating margin, %	0.9	8.0	-4.9	1.3	33.7
Profit margin, %	1.3	8.4	-4.8	-14.8	27.6
Return on equity, %	1.5	9.3	-8.5	-18.3	55.8
Average no. of shares	7,736,750	7,736,750	7,736,750	7,837,900	8,106,633
Result per share	0.08	0.46	-0.43	-1.05	2.48
Result per share after dilution	0.08	0.46	-0.43	-1.05	2.48

Definitions

EQUITY RATIO Equity as a percentage of total assets

OPERATION MARGIN Operating income excluding non-recurring items as a percentage of annual net sales.

PROFIT MARGIN Result after financial items as a percentage of annual net sales

EQUITY RATIO Equity as a percentage of total assets

RETURN ON EQUITY Net result for the year as a percentage of the average equity

INTRODUCTION

ContextVision has been a leader within medical image enhancement for over 20 years. Today, the Company helps manufacturers of medical imaging equipment all over the world to deliver high quality images and great clinical value. Context Vision's software contains proprietary algorithms that provide clinicians with sharper images, resulting in quicker diagnoses and improved treatment guidance.

The Company's product lines are adapted to Ultrasound, X-ray including Mammography and Interventional Radiology, Magnetic Resonance Imaging (MRI) and Computer Tomography (CT) modalities. The software is embedded into OEM systems, and therefore the module appears as an integrated part of the system. ContextVision has deep know-how and skilled specialists in image enhancement. This allows the Company to deliver customer adapted software, which the vendors purchase on a license basis.

ContextVision's main customers are the manufacturers (OEM) of medical imaging products. As a specialist in image enhancement, the Company can offer state-of-the-art software to any vendor. The decision to partner with ContextVision provides OEMs with a high quality image and fast time-to-market.

During its more than twenty years in the medical business, ContextVision has continued to improve its product portfolio, based on the versatile core GOP® technology. In order to verify functionality and to provide feedback for product modifications and developments, the Company has a close contact with customers and reference clinicians. During the last few years ContextVision has developed a unique 3D real-time volumetric image enhancement, which means that the Company is a leading independent provider of 2D/3D/4D image enhancement.

SIGNIFICANT EVENTS DURING THE YEAR

Revenue during 2012 ended at MSEK 67.1 (58.4) and operations generated a result of MSEK 0.6 (4.9).

During the year, we have experienced strong sales progress. The last quarter of the year was strong, with a peak of sales in Europe. Our European customers have benefitted from their international expansion efforts in emerging economies around the world. We experienced a 20 % growth in the United States, as the economy seems to have recovered. The Asian market has developed very strongly over the last several years. Demand continues to build, albeit at a slightly lower level.

ContextVision's key market is the ultrasound market, which 2012 increased to almost 70 % of our turnover. Our novel 3D ultrasound filter, GOPiCE®US is now contributing significantly to the sales.

Customization of our technology to our customers' product lines is a key success factor for ContextVision going forward. During the year, we have been successfully engaged in several product development projects with large customers, where our products have been integrated in the customers technology platforms and their product offerings.

The strong sales development did not lead to a corresponding increase of the company's profit level. Several major cost increases have occurred compared to last year. Personnel costs have increased, partly due to one-time cost for reorganizing the work force and also due to a lower level of capitalization of product development.

The increase of "other external cost" is fully explained by non-budgeted costs related to an ongoing legal process, described below.

LEGAL PROCEEDINGS

In the ongoing litigation between ContextVision AB and Sapheneia Commercial Products AB et al. the district court in Linköping has ruled in favour of Sapheneia.

In 2006 five employees left ContextVision. Together with two Americans who had been engaged as consultants to ContextVision, they set up a new company, Sapheneia Commercial Products AB (SCP). Immediately after having left ContextVision, SCP started its business that directly competes with ContextVision.

In 2007 SCP and its American parent company as well as the American consultants and one company belonging to one of the consultants initiated legal proceedings before Linköping District Court requesting a declaratory judgment to the effect that they have not infringed ContextVision's copyrights and that they are not liable in damages to ContextVision as a consequence of any use or disclosure of trade secrets. In return, ContextVision has requested a declaratory judgment to the effect that SCP is liable in damages due to its use and disclosure of trade secrets.

The main hearing in these cases was held in April 2012 and the judgment was rendered by the District Court of Linköping on June 12, 2012.

The district court ruled that ContextVision is to reimburse Sapheneia et al. for their legal cost in amount of TSEK 3,855. The amount has been deposited with the Swedish Enforcement Authority (Kronofogdemyndigheten). ContextVision appealed the judgment (in regard to all three cases) on July 2, 2012. The Göta Court of Appeal will now decide whether to grant leave to appeal or not.

In 2008 ContextVision initiated legal proceedings against SCP at the Stockholm City Court requesting a declaratory judgment to the effect that ContextVision is the owner of a patent application submitted by SCP and which states two of ContextVision's former employees as inventors. The main hearing in this case is scheduled for May 2013.

BOARD AND MANAGEMENT

At the Annual General Meeting in June 2012, all members of the board were reelected.

The board is operating with 5 members, and there have been 9 board meetings during the year.

BOARD MEMBER	N:O OF MEETINGS	HOLDING 2012.12.31
Erik Danielsen (chairman)	8(9)	4,500 through ORCA Ventures AG
Magne Jordanger	1(9)	2,215,000 through Monsun AS
Martin Hedlund	9(9)	831,666
Karin Bernadotte	5(9)	0
Sven Günther-Hanssen	7(9)	851,667

Anita Tollstadius has been serving as CEO during 2012. She has been present at all board meetings, informing the board about the operations of the Company. As per 2012.12.31, Tollstadius owns 10,000 shares in the Company, through Tollstadius & Co AB.

RESEARCH AND DEVELOPMENT

Capitalized costs during 2012, MSEK 2,3 refer mainly to a new product for Mammography, GOPView MAMMO2.

PERSONNEL

Average number of employees in the group was 36 (36), of which 34 employees were located in Sweden and 2 were employed abroad. Out of the 36 employees, 15 are allocated to R&D, 17 to sales, marketing and customer maintenance and 4 employees to administration and regulatory issues.

Personnel costs for research and development not capitalized, amounted to MSEK 15.5 (13.6).

Last year, 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 a foundation that, in turn will use the allocated funds to purchase ContextVision's common stock on the Oslo Stock Exchange.

For 2011, which was the first year of the program, the result was a contribution of total 300,000 SEK, and 16,000 shares were purchased during 2012.

The goals which have been successfully achieved during 2012 are connected to sales, customer relationship and product development, and 511,500 SEK has been allocated to the foundation as per 31 Dec 2012. Shares will be purchased in the beginning of 2013.

THE SHARE

The Company has in total 7,736,750 shares by December 31, 2012.

There has been no repurchase of shares or other changes of the share capital during 2012. ContextVision does not hold any own shares in stock.

CASHFLOW 2012

The Company's cash position has strengthened during the year. Main reason is the strong sales figures.

RISK & UNCERTAINTIES

ContextVision's major risk factors include business risks connected to the general 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 with the general purpose of enhancing technical competence and gaining market shares, while decreasing competition. Besides consolidations, new players enter the market and challenge the established actors. The trends above represent both threats and opportunities for ContextVision.

For financial risks, see note 20.

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 and marketing is managed from the office in Stockholm.

The subsidiary ContextVision Inc has one employee, and its office is located in Naperville/Chicago, Illinois, USA. The subsidiary is representing a limited part of the Group's operations.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

In March 2013, the Göta Court of Appeal decided to grant ContextVision leave to appeal in the ongoing litigation between ContextVision AB and Sapheneia Commercial Products/Sapheneia LLC.

The Court of Appeal simultaneously overturned a previous decision by the District Court and ordered Sapheneia to submit substantial documentation and materials to the court in accordance with ContextVision's request.

OUTLOOK

Looking at 2013, the Company expects a moderate growth of the medical imaging market. However, we expect the ultrasound market to grow more than average, in particular the more affordable mid-end segment. ContextVision is prepared for further growth by significantly strengthening its position on the important ultrasound market, showing strong clinical value and investing in sales and customer support.

OWNERSHIP

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

Shareholders with more than 1% of the votes Dec 31, 2012.

SHAREHOLDER	NUMBER OF SHARES	PER CENT
Monsun AS	2,215,000	28.7
Sven Günther-Hansen	851,667	11.0
Martin Hedlund	831,666	10.7
MP Pensjon PK	778,000	10.1
Auris Holding AS	300,000	3,9
Crown Hill Chartering AS	266,000	3.4
Lars Henrik HØIE	261,000	3.4
Ølja AS	217,310	2.8
Bras Kapital AS	153,400	2.0
Kristian Sveen	136,800	1.8
Skandinaviska Enskilda,		1,5
Clients account	114,150	1.4
Holmen Specialfond	107,000	1,4
Nordnet Pensionsfors	106,171	1,4
Allocation A/S	102,000	1.3
Gunnar Øye	97,000	1.3
Tostø AS	90,000	1,2
Others	1,109,586	14.3
TOTAL	**7,736,750**	**100**

PROPOSED APPROPRIATION OF EARNINGS 2012

AT THE GENERAL MEETING'S DISPOSAL	SEK
Retained earnings and fair value reserve	21,822,028
Profit/loss for the year	467,485
TOTAL	**22,289,513**

The Board proposes that SEK 22,289,513 is carried forward to the 2013 accounts.
No dividend is proposed.

FINANCIAL CALENDAR 2013

25th Apr	Quarterly report Q1 2013
12th June	Annual general meeting
22nd August	Quarterly report Q2 2013
24th October	Quarterly report Q3 2013
20th Feb, 2014	Quarterly report Q4 and annual result 2013

SHAREHOLDER INFORMATION

Information from Contexvision is distributed through stock exchange notices, press releases, reports and presentations. This information is available on the Oslo Stock Exchange's web site *www.ose.no* and/or *www.contextvision.com*.

For queries please use
shareholderinfo@contextvision.se

Corporate governance

CORPORATE GOVERNANCE STATEMENT

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 COV ticker 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 23, 2012. The deviations are explained in this document. This report was adopted by the Board of Directors in March 2013.

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 images, aiming at increasing the value of the images or sequences of images through image enhancement or image analysis. Corporate values and ethical guidelines were defined and implemented during 2006. 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 behaviour 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 (former Terra Markets 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' shares. The market maker guaranties 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 4 individual shareholders, representing more than 10% each of the company, please see the Administration Report 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, along with 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 at 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 amount of shares owned.

NOMINATION COMMITTEE

The code of practice recommends the use of a nomination committee, which the board does not intend to do. Because of the relatively strong shareholder concentration, a nomination committee is considered ineffective.

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 present Board of Directors includes the main shareholder. The ContextVision board does deviate from the recommendations set forth in the Norwegian code in that the technical director holds a position on the board. The technical director is considered to be an asset to the work of the board through his insight into the technical details of a variety of matters, and he is also a major shareholder.

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 the main shareholder and two 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 on its intranet. The Board of Directors ensures its internal control through regular written reporting by the executive management. The CEO is present and report 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 20.

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 2012, members of the board hold shares in the company at a total of 50% of the company value. Members of the Board are not entitled to stock options in ContextVision.

REMUNERATION OF THE EXECUTIVE PERSONNEL

At ContextVision, "executive personnel" is the CEO of the company. ContextVision shall offer its executive personnel 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 salary. There is no individual performance based bonus for the executive personnel.

The company has, in the beginning of 2012, 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 personnel, 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 3% participation in the foundation, based on working hours 2011 and 2012. For details on the remuneration of executive personnel, please see note 4.

INFORMATION AND COMMUNICATIONS

The board endeavours to provide equal, timely and accurate communication to all shareholders. The primary channels for communication are the annual report, 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.ose.no, as well as ContextVision's own website, 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 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 four years 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 at the annual general meeting. 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.

Consolidated Income Statement

KSEK	NOTES	2012	2011	2010
Operating income				
Revenue	1, 2	67,115	58,366	53,412
Total operating income		**67,115**	**58,366**	**53,412**
Operating expenses				
Goods for resale		-2,148	-1,930	-1,420
Other external costs	2, 3, 6	-23,192	-16,870	-17,562
Personnel costs	4	-37,370	-30,618	-28,452
Depreciation and write-downs of intangible and tangible assets	7, 8	-3,785	-4,278	-3,189
Result from associated company	15	-	-	-5,426
Total operating expenses		**-66,495**	**-53,696**	**-56,049**
OPERATING RESULT		**620**	**4,670**	**-2,637**
Financial items				
Interest income		257	258	89
Result from financial assets			-	–
Interest costs and similar items		-16	-1	-16
Total		**241**	**257**	**73**
RESULT AFTER FINANCIAL ITEMS		**861**	**4,927**	**-2,564**
Tax on profit/loss for the year	5	-241	-1,349	-734
NET RESULT		**620**	**3,578**	**-3,298**
Of which attributable to:				
Equity holders of the parent company		620	3,578	-3,298
Minority		–	–	–
Average no. of shares before/after dilution		7,736,750	7,736,750	7,736,750
Result per share before/after dilution		0,08	0,46	-0,43

Consolidated Statement of comprehensive income

KSEK	NOTES	2012	2011	2010
Other comprehensive income				
Effect of currency hedging		224	156	-811
Tax effect of currency hedging		-72	-41	213
Fair value adjustment of asset available for sale		–	–	–
Fair value adjustment of asset available for sale transferred to the income statement during the period		–	–	–
Translation difference		-153	39	-89
Total other comprehensive income		**0**	**154**	**-687**
Net result for the period		620	3,578	-3,298
Total comprehensive income for the period		**620**	**3,732**	**-3,985**

Consolidated Balance Sheets

KSEK	NOTES	2012	2011
ASSETS	**19**		
Non-current assets			
Intangible assets			
Capitalized expenditure for development work	7	12,361	13,340
Total		**12,361**	**13,340**
Tangible assets			
Equipment, tools and furniture	8	780	1,178
Total		**780**	**1,178**
Financial & other non-current assets			
Other long term receivables	10	1,095	50
Total		**1,095**	**50**
TOTAL NON-CURRENT ASSETS		**14,236**	**14,568**
Current assets			
Inventories	11	280	192
Total		**280**	**192**
Current receivables & current investments			
Accounts receivable and other receivables	12	11,927	12,244
Tax receivables		1,828	776
Prepaid expenses		1,227	1,082
Derivatives		512	156
Total		**15,494**	**14,258**
Cash and bank balances		**24,719**	**19,680**
TOTAL CURRENT ASSETS		**40,493**	**34,130**
TOTAL ASSETS		**54,729**	**48,698**

KSEK	NOTES	2012	2011
Equity	14		
Share capital		2,084	2,084
Other contributed capital		2,864	2,864
Other reserves		267	115
Retained earnings		35,830	35,362
Total equity		**41,045**	**40,425**
Long term liabilities			
Deferred tax		113	41
Total		**113**	**41**
Short term liabilities and provision			
Accounts payable and other debts	16	13,571	8,232
Total		**13,684**	**8,273**
TOTAL LIABILITIES		**13,684**	**8,273**
TOTAL EQUITY AND LIABILITIES		**54,729**	**48,698**
Pledged assets	18	2,000	2,000
Contingent liabilities		None	None

Consolidated Statement of Changes in Equity

KSEK	SHARE CAPITAL	OTHER CONTRIB-UTED CAPITAL	OTHER RESERVES	RETAINED EARNINGS AND RESULT	TOTAL
January 1, 2011	**2,084**	**2,864**	**-81**	**31,826**	**36,693**
Total comprehensive income for the period	–	–	154	3,578	3,732
December 31, 2011	**2,084**	**2,864**	**73**	**35,404**	**40,425**
Total comprehensive income for the period	–	–	-1	620	620
December 31, 2012	**2,084**	**2,864**	**72**	**36,025**	**41,045**

Specification of Other Reserves

KSEK	TRANSLATION DIFFERENCE	CURRENCY HEDGING	TAX EFFECT ON CURRENCY HEDGING	FAIR VALUE RESERVE	TOTAL
January 1, 2011	**-81**	**0**	**0**	**0**	**-81**
Change during the year	39	156	-41	–	154
December 31, 2011/January 1, 2012	**-42**	**156**	**-41**	**0**	**73**
Change during the year	-153	224	-72	–	-1
December 31, 2012	**-195**	**380**	**-113**	**0**	**72**

Consolidated Statement of Cash Flow

KSEK	NOTES	2012	2011	2010
Operating activities				
Result after financial items		861	4,927	-2,565
Adjustment of items not included in the cash flow				
Depreciation and write-downs	7, 8	3,785	4,279	3,189
Result from participation in associated company	15	–	–	5,426
Unrealized gain/loss on current investments		-169	-85	–
Income tax paid		-1,361	667	-1,180
Cash flow from operating activities before changes in working capital*		**3,116**	**9,788**	**4,870**
Changes in working capital				
Change in inventories		-88	59	153
Change in current receivables		86	-1,438	7,830
Change in current liabilities		5,340	-675	327
Cash flow from operating activities		**8,454**	**7,734**	**13,180**
Cash flow from investing activities				
Investments in intangible assets	7	-2,304	-4,601	-3,845
Investments in tangible assets	8	-66	-367	-488
Long term investments	15	–	–	-2,000
Other financial assets		-1,045	–	–
Cash flow from investing activities		**-3,415**	**-4,968**	**-6,333**
Cash flow from financing activities		–	–	–
Cash flow for the year		**5,039**	**2,766**	**6,847**
Cash and cash equivalents at beginning of year		19,680	16,914	10,067
Cash and cash equivalents at year end		**24,719**	**19,680**	**16,914**

*During the year, interest of KSEK 256 (258) has been received and interest of KSEK 16 (1) has been paid.

Parent Company Income Statement

KSEK	NOTES	2012	2011	2010
Operating income				
Net sales	1, 2	67,115	58,366	53,412
Total		**67,115**	**58,366**	**53,412**
Operating expences				
Goods for resale		-2,148	-1,930	-1,420
Other external costs	2, 3, 6	-25,707	-19,930	-21,401
Personnel costs	4	-35,036	-27,697	-25,203
Depreciation and write-downs of intangible and tangible assets	7, 8	-3,759	-4,273	-3,184
Result from associated company	15	–	–	-5,426
Total		**-66,650**	**-53,830**	**-56,634**
OPERATING RESULT		**466**	**4,536**	**-3,222**
Financial items				
Interest income		257	258	90
Result from financial assets		–	–	–
Interest costs and similar items		-16	-1	-16
Total		**241**	**257**	**74**
RESULT AFTER FINANCIAL ITEMS		**706**	**4,793**	**-3,148**
Appropriations		–	–	3,324
Tax on results for the year	5	-239	-1,343	-1,320
NET RESULT		**467**	**3,450**	**-1,144**
Dividend per share (SEK)		0*	0	0
* Proposed dividend				

Parent Company Income Statement of Comprehensive Income

KSEK	NOTES	2012	2011	2010
Other comprehensive income				
Effect of currency hedging		224	155	-811
Tax effect of currency hedging		-72	-41	213
Total other comprehensive income		**152**	**114**	**-598**
Net result for the period		467	3,450	-1,144
Total comprehensive income for the period		**619**	**3,565**	**-1,742**

Parent Company Balance Sheets

KSEK	NOTES	2012	2011
ASSETS	**19**		
Non-current assets			
Intangible assets			
Capitalized expenditure for development work	7	12,361	13,340
Total		**12,361**	**13,340**
Tangible assets			
Equipment, tools and furniture	8	780	1,151
Total		**780**	**1,151**
Financial & other non-current assets			
Shares in group companies	9	217	217
Other long term receivables	10	1,095	50
Total		**1,312**	**267**
TOTAL NON-CURRENT ASSETS		**14,453**	**14,758**
Current assets			
Inventories	11	280	192
Total		**280**	**192**
Current receivables			
Accounts receivable		11,862	11,852
Tax receivables		1,872	1,011
Other receivables		1	157
Derivatives		512	156
Prepaid expenses and accrued income	13	1,209	1,028
Total		**15,457**	**14,204**
Cash and bank balances		**24,459**	**19,110**
TOTAL CURRENT ASSETS		**40,194**	**33,505**
TOTAL ASSETS		**54,647**	**48,263**

KSEK	NOTES	2012	2011
Equity and liabilities			
Equity	**14**		
Restricted equity			
Share capital		2,084	2,084
Statutory reserves		15,243	15,243
Total		**17,327**	**17,327**
Non-restricted reserves			
Fair value reserve		267	115
Retained earnings		21,555	18,104
Profit/loss for the year		467	3,450
Total		**22,289**	**21,669**
TOTAL EQUITY		**39,616**	**38,997**
Provisions			
Deferred tax liability		113	41
Total		**113**	**41**
Liabilities			
Current liabilities and provisions			
Accounts payable		2,971	2,094
Payable to group companies		1,411	1,178
Other liabilities		1,073	990
Accrued expenses and deferred income	17	9,463	4,963
Total		**14,918**	**9,225**
TOTAL LIABILITIES		**15,031**	**9,266**
TOTAL EQUITY AND LIABILITIES		**54,647**	**48,263**
Memorandum items			
Pledged assets	18	2,000	2,000
Contingent liabilities		None	None

Parent Company Statement of Changes in Equity

KSEK	SHARE CAPITAL	STATUTORY RESERVE	FAIR VALUE RESERVE	RETAINED EARNINGS	RESULT FOR THE YEAR	TOTAL
December 31, 2010 / Jan 1, 2011	**2,084**	**15,243**	**–**	**19,248**	**-1,144**	**35,431**
Total comprehensive income for the period			115		3,450	3,565
Appropriation of profits 2010				-1,144	1,144	–
December 31, 2011 / Jan 1, 2012	**2,084**	**15,243**	**115**	**18,104**	**3,450**	**38,997**
Total comprehensive income for the period			152		467	619
Appropriation of profits 2011				3,450	-3,450	-
December 31, 2012	**2,084**	**15,243**	**267**	**21,554**	**467**	**39,616**

Parent Company Statement of Cash Flow

KSEK	NOTES	2012	2011	2010
Operating activities				
Result after financial items		706	4,793	-3,148
Adjustment of items not included in the cash flow				
Depreciation and write-down	7, 8	3,759	4,273	3,184
Result from participation in assoicated company		–	–	5,426
Other		-97	155	–
Income tax paid		-1,361	667	-847
Cash flow from operating activities before changes in working capital*		**3,007**	**9,888**	**4,615**
Changes in working capital				
Change in inventories		-88	59	153
Change in current receivables		295	-2,229	7,993
Change in current liabilities		5,589	-229	632
Cash flow from operating activities		**8,803**	**7,489**	**13,393**
Investing activities				
Investments in intangible assets	7	-2,304	-4,601	-3,845
Investments in tangible assets	8	-105	-366	-453
Long term receivables on associated company		–	–	-2,000
Other financial assets		-1,045	–	-2
Cash flow from investing activities		**-3,454**	**-4,967**	**-6,298**
Financing activities				
Cash flow from financing activities		**0**	**0**	**0**
CASH FLOW FOR THE YEAR		**5,349**	**2,523**	**7,095**
Cash and cash equivalents at beginning of year		19,110	16,585	9,490
Cash and cash equivalents at year's end		**24,459**	**19,110**	**16,585**

* During the year, interest of KSEK 257 (258) has been received and interest of KSEK 16 (1) has been paid.

Supplementary Disclosures

COMPANY INFORMATION

The consolidated statements for ContextVision AB (publ) for 2012 have been approved for publication in accordance with a Board decision on April 08, 2013. The consolidated financial statements will be submitted for adoption at the General Meeting on June 12, 2013. 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

These consolidated statements are based on historic acquisition values, except for financial derivatives, marketable financial assets and assets available for sale, which are valued at their actual value. These assets and liabilities are valued at their actual current value.

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.

NEW AND CHANGED ACCOUNTING PRINCIPLES

The accounting principles applied to the Group's financial statements 2012 are consistent with the principles applied for the Annual Report 2011. No changes in the IFRS have affected the Group's accounting or statements.

NEW IFRS AND INTERPRETATIONS COMING INTO EFFECT IN FUTURE ACCOUNTING PERIODS

A number of new or changed standards and interpretations will come into effect in coming financial years but have not been applied in advance when preparing this report. The expected effects on the financial reports of the application of the following new or amended standards and interpretations have been judged to be limited.

IFRS 10 Consolidated Financial Statements. The standard contains uniform rules regarding the units that are to be consolidated and will replace IAS 27 Consolidated Financial Statements and SIC 12, which addresses Special Purpose Entities.

IFRS 11 Joint Arrangements. The standard addresses the recognition of Joint Arrangements and will replace IAS 31 Participations in Joint Ventures.

IFRS 12 Disclosure of Interests in Other Entities. Broader disclosure requirements regarding subsidiaries, joint arrangements and associated companies have been brought together in a standard.

IFRS 13 Fair Value Measurement. The standard contains uniform rules for calculation and disclosure of fair values.

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.

A subsidiary is included in the consolidated statements from the time of acquisition. This is the date on which the parent company acquired the power to control, and continues to be included in the consolidated statements until the day on which the power to control ceases. Normally, the power to control a subsidiary is obtained through the holding of more than 50% 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.

Investment in an associate

The Group's investment in its associate is accounted for using the equity method. An associate is an entity in which the Group has significant influence. Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. The income statement reflects the share of the results of operations of the associate. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity.

Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate. The share of profit of associates is shown on the face of the income statement. This is the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associates. The financial statements of the associate are prepared for the same reporting period as the parent company.

Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the income statement. Upon loss of significant influence over the associate, the Group measures and recognizes any retaining Investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

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 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 consist of license fees. Revenue is recognised 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.

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. 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.

Ongoing R&D projects are tested for impairment on a yearly basis.

DEVELOPMENT COSTS

Costs 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 costs 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 look for any indications of impairment.

Amortization of capitalized development costs is started when the respective development project is completed, normally when it begins generating revenue, and is carried out on a straight-line basis over a period of 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 assets are classified into categories depending on the intent with which each financial asset was acquired. This classification is determined at the original time of acquisition.

Financial assets at fair value through profit or loss

This category refers to assets held for commercial purposes, which means the intent is to sell them within a short time. The assets are valued at their actual value, with any changes in value reported in the income statement.

Loans receivable and accounts receivables

Loan receivables and accounts receivables are financial assets with fixed payments or payments whose amounts can be determined. Accounts receivable are reported at the amount they are expected to realize, after deductions for doubtful receivables, which are evaluated individually.

Available-for-sale financial investments

In the category financial assets that can be sold is included financial assets not categorized in another category or financial assets that the group has chosen to initially include in this category. The assets in this category are continuously valued at fair value with the change in value accounted for in other comprehensive income, excluding those caused by depreciation that is accounted for in the income statement.

FINANCIAL LIABILITIES

ContextVision's financial liabilities include interest-bearing and non-interest bearing financial liabilities that are not held for commercial purposes. Valuation is based on amortized cost.

Liabilities with a remaining term of more than one year are reported as long-term liabilities, while those with shorter terms are reported as current liabilities.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

ContextVision uses forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Forward contracts which meet the criteria for hedge accounting are accounted for as follows: The effective portion of the gain or loss on the hedging instrument is recognised directly as other comprehensive income, while any ineffective portion is recognised immediately in the income statement in other external costs. Amounts

recognised as other comprehensive income are transferred to the income statement when the hedged transaction affects profit or loss.
For forward currency contracts that do not meet the criteria for hedge accounting all gain or loss is recognized in the income statement.

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.

LEASING

Lease agreements in which practically all the risks and advantages associated with ownership do not apply to the group are classified as operational leasing agreements. Leasing fees relating to these agreements are reported as a cost on the income statement, and are allocated on a straight line basis throughout the term of the agreement. Only operational leasing exists in the group.

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 recognised directly in equity is recognised 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 recognised 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 utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised 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.

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 regulary basis if there are any indications of impairment for capitalized R&D. During 2012, one certain R&D project has been partly written off, as it did not in full meet the requirements for capitalized expenses.

Disclosures Relating to Individual Items

ALL AMOUNTS IN KSEK UNLESS OTHERWISE STATED.

NOTE 1 NET SALES

All income are related to sales of licences.

Net sales by region	GROUP			PARENT COMPANY		
	2012	**2011**	**2010**	**2012**	**2011**	**2010**
Asia	28,340	27,939	21,567	28,340	27,939	21,567
Europe	24,879	18,881	20,004	24,879	18,881	20,004
America and Israel	13,896	11,546	11,841	13,896	11,546	11,841
Total	**67,115**	**58,366**	**53,412**	**67,115**	**58,366**	**53,412**

Net sales by product	GROUP			PARENT COMPANY		
	2012	**2011**	**2010**	**2012**	**2011**	**2010**
XR (Digital X-ray)	8,819	8,931	9,099	8,819	8,931	9,099
US (Ultrasound)	46,403	36,517	31,366	46,403	36,517	31,366
MR (Magnetic Resonance Imaging)	7,706	9,861	6,817	7,706	9,861	6,817
Others	4,187	3,058	6,130	4,187	3,058	6,130
Total	**67,115**	**58,366**	**53,412**	**67,115**	**58,366**	**53,412**

The Executive Management views the result of the group as a whole. Sales are viewed on a geographical level and a product level. There are 4 (3) individual clients representing more than 10% each of the total revenue during the year. All sales income is generated outside Sweden.

NOTE 2 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 KSEK 3,236 (4,212). There have been no other transactions with associates during 2011 and 2012 except from the transactions mentioned above and those reported under note 4.

NOTE 3 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 duties 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.

	GROUP			PARENT COMPANY		
Ernst & Young AB	**2012**	**2011**	**2010**	**2012**	**2011**	**2010**
Audit work	237	220	215	237	220	215
Audit work except from assignment	19	–	–	19	–	–
Tax advisory	–	–	–	–	–	–
Other work	36	93	110	36	93	110
Total	**292**	**317**	**325**	**292**	**317**	**325**

NOTE 4 PERSONNEL

	GROUP			PARENT COMPANY		
Average number of employees	**2012**	**2011**	**2010**	**2012**	**2011**	**2010**
Men	24	24	24	23	22	22
Women	12	12	10	12	12	10
Total	**36**	**36**	**34**	**35**	**34**	**32**
Salaries and other remuneration	**2012**	**2011**	**2010**	**2012**	**2011**	**2010**
Board Members and CEO	2,583	2,389	3,525	2,583	2,389	3,525
of which the CEO	(1,462)	(1,346)	(2,557)	(1,462)	(1,346)	(2,557)
Other employees	23,532	20,322	18,056	21,345	17,547	14,959
Total	**26,115**	**22,711**	**21,581**	**23,928**	**19,936**	**18,484**
Social security expenses	**2012**	**2011**	**2010**	**2012**	**2011**	**2010**
Pension costs for Board Members and CEO	516	581	763	516	581	763
Pension costs for other employees	3,576	2,613	2,219	3,576	2,613	2,219
Statutory and contractual social security expenses	8,528	6,927	6,396	8,381	6,781	6,240
Total	**12,620**	**10,121**	**9,378**	**12,473**	**9,975**	**9,222**

All pension plans are defined contribution plans and no outstanding obligations exists towards employees nor to the board of directors.

Salaries and remuneration for executive management and the Board 2012

	Directors' remuneration[1]	Fixed salary	Variable salary	Pension	Other remuneration	Total
CEO Anita Tollstadius[4]	–	1,440	–	349	22	1,811
Erik Danielsen, chairman	200	–	–	–	–	200
Magne Jordanger, member of the board	–	–	–	–	–	–
Karin Bernadotte, member of the board	–	–	–	–	–	–
Martin Hedlund, member of the board/CTO	–	891[2]	–	166[2]	30[2]	1,087
Sven Günther-Hanssen, member of the board	–	–	–	–	–	–
Total	**200**	**2,331**	**–**	**515**	**52**	**3,098**

Salaries and remuneration for executive management and the Board 2011

	Directors' remuneration[1]	Fixed salary	Variable salary	Pension	Other remuneration	Total
CEO Anita Tollstadius[4]	–	1,334	–	415	12	1,761
Erik Danielsen, chairman	142	–	–	–	–	142
Magne Jordanger, member of the board	–	–	–	–	–	–
Karin Bernadotte, member of the board	–	–	–	–	–	–
Martin Hedlund, member of the board/CTO	–	885[2]	-	166[2]	16[2]	1,067
Sven Günther-Hanssen, member of the board	–	–	–	–	–	–
Total	**142**	**2,219**	**–**	**581**	**28**	**2,970**

Salaries and remuneration for executive management and the Board 2010

	Directors' remuneration[1]	Fixed salary	Variable salary	Pension	Other remuneration	Total
Former CEO Jan Erik Hedborg[3]		1,616		477		2,093
CEO Anita Tollstadius[4], member of the board /chairman	60	491		106	390[5]	1,047
Knut Brundtland, chairman Jan 1–June 3	0					0
Magne Jordanger, member of the board	50					50
Erik Danielsen, member of the board, chairman from Sept 10	50					50
Martin Hedlund, member of the board/CTO	50	818[2]		180[2]		1,048
Total	**210**	**2,925**	**–**	**763**	**390[5]**	**4,288**

1. The remuneration for the chairman is decided to be KSEK 200 (200). At the AGM 2011, the remuneration for the chairman of the board was changed from KSEK 60 to 200. The payment for 2011 is calculated as a weighted average between the level for the period before and after the AGM decision.
   Board member Karin Bernadotte is entitled to a remuneration of KSEK 100. Bernadotte has decided to refrain from remuneration.
   Board members Magne Jordanger, Martin Hedlund and Sven Günther-Hanssen, are not entitled to any remuneration.
   There are 5 (5) members of the Board, 4 are men and 1 is a woman.
2. Salary, remuneration and pension to board member Martin Hedlund, who also works operationally in the company.
3. Former CEO Jan Erik Heborg resigned from his position on June 28, 2010.
4. Anita Tollstadius was a member of the board from Jan 1 to Sept 10, 2010. At the AGM June 3, 2010 she was elected chairman of the board. From Sept 10 2010 she has been the CEO of the company. During the time from Hedborgs resignation June 28 to Sept 10, she has acted as executive chairman.
5. Remuneration for the period June 28–Sept 10, 2010, for Tollstadius acting as executive chairman. The remuneration was paid to "Tollstadius & Co AB", 100 % owned by Tollstadius.

Chief Executive Officer (executive management)

CEO Anita Tollstadius is entitled to 6 months of notice, both in case of termination by the company, or if she terminates her employment herself. Tollstadius has no individual bonus arrangements or variable salary. The company runs a general incentive program, by yearly payments to a profit-sharing foundation. Tollstadius has the same share of the general incentive program (approx 3%) as all other employees. Pension payments to the CEO are in line with the pension policy of the company. The age of retirement of the CEO is 65 years.

NOTE 5 TAX ON RESULT FOR THE YEAR

	GROUP			PARENT		
	2012	2011	2010	2012	2011	2010
Current tax	-263	-1,365	-1,062	-222	-1,294	-987
Deferred tax related to provision	–	–	874	–	–	–
Deferred tax related to derivatives	–	–	-213	–	–	–
Correction of tax assessment previous years	–	–	-333	–	–	-333
Other	22	16	–	-16	-49	–
Total tax on profit for the year	**-241**	**-1,349**	**-734**	**-238**	**-1,343**	**-1,320**

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

	GROUP			PARENT COMPANY		
	2012	2011	2010	2012	2011	2010
Pre-tax profit/loss	861	4,927	-2,564	706	4,974	176
Tax according to the applicable tax rates	-226	-1,296	674	-185	-1,308	-46
Non taxable income	22	24	–	22	24	–
Non deductible cost	-59	-57	-927	-59	-57	-927
Correction of tax assessment previous years	–	–	-333	–	–	-333
Other	22	-20	-148	-16	-2	-14
Recorded tax expense	**-241**	**-1,349**	**-734**	**-238**	**-1,343**	**-1,320**

The applicable tax rate for the group is 26.3% (26.3%) and for the parent company 26.3% (26.3%).

	GROUP		PARENT COMPANY	
Deferred tax receivables/tax liabilities	2012	2011	2012	2011
Deferred tax on fair valuation on currency hedging	113	41	113	41
Total deferred tax	**113**	**41**	**113**	**41**

NOTE 6 LEASING AGREEMENTS

	GROUP		PARENT COMPANY	
	Equipment	Premises	Equipment	Premises
Fees due in 2013	232	1,868	232	1,868
Fees due 2014–2016	209	1,640	209	1,640
Fees due 2017 or later	–	–	–	–

During 2012 group leasing expenses amounting to 2,240 (2,308) have been paid.

NOTE 7 CAPITALIZED EXPENDITURE FOR DEVELOPMENT WORK

	GROUP		PARENT COMPANY	
	2012	2011	2012	2011
Opening balance acquisition value	26,596	22,900	26,596	22,900
Investments for the year	2,304	4,600	2,304	4,600
Disposals of the year	-745	-904	-745	-904
Closing balance accumulated acquisition value	**28,155**	**26,596**	**28,155**	**26,596**
Opening balance depreciation	-13,256	-10,442	-13,256	-10,442
Depreciation for the year	-2,538	-2,814	-2,538	-2,814
Closing balance accumulated depreciation	**-15,794**	**-13,256**	**-15,794**	**-13,256**
Opening balance write-downs	–	–	–	–
Write-downs of the year	745	904	745	904
Disposals of the year	-745	-904	-745	-904
Closing balance accumulated write-downs	**0**	**0**	**0**	**0**
Closing balance according to plan residual value	**12,361**	**13,340**	**12,361**	**13,340**

Capitalized expenditure for research and development during 2012 refers mainly to a new GOPView Mammography product. The development is still ongoing. Main projects earlier capitalized refer to the company's basic technology GOPView. Period for usage for research and development is typically five years. Depreciation is linear from launch of product to end of period. Regarding current projects where depreciation has not been started, the recovery value has been calculated whereby it has been established that the value is not below booked value.

During 2012, capital expenditure for a specific product was partly written off because the product did not in full meet the requirements for capitalized expenses (KSEK 745). Personnel costs for research and development activites of MSEK 1.9 (3.3) has been capitalized during the year.

NOTE 8 EQUIPMENT

	GROUP		PARENT COMPANY	
	2012	2011	2012	2011
Opening balance acquisition value	5,243	4,876	5,204	4,837
Investments for the year	105	367	105	367
Sales/disposals for the year	-39	–	–	–
Closing balance accumulated acquisition value	**5,309**	**5,243**	**5,309**	**5,204**
Opening balance depreciation	-4,065	-3,504	-4,053	-3,498
Sales/disposals for the year	13	–	–	–
Depreciation for the year	-477	-560	-476	-555
Closing balance accumulated depreciation	**-4,529**	**-4,064**	**-4,529**	**-4,053**
Closing balance residual value according to plan	**780**	**1,179**	**780**	**1,151**

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

NOTE 9 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
Total				**217**

NOTE 10 OTHER LONG TERM RECEIVABLES

	GROUP		PARENT COMPANY	
	2012	2011	2012	2011
Depositions	1,095	50	1,095	50
Total	**1,095**	**50**	**1,095**	**50**

NOTE 11 INVENTORIES

	GROUP		PARENT COMPANY	
	2012	2011	2012	2011
Inventories	280	192	280	192
Total	**280**	**192**	**280**	**192**

The cost for inventories, carried as an expence of goods for resale, totals KSEK 2,174 (1,930) for both parent company and the group.

NOTE 12 ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	GROUP	
	2012	**2011**
Accounts receivable	11,962	12,959
Less: reservation for uncertain accounts receivables	-100	-1,107
Other receivables	65	392
Total	**11,927**	**12,244**

During the year no new accrual for bad debt loss 0 (KSEK 300) has been booked. Reservation for bad debts earlier years (KSEK 1,007) have been written off, as collection of bad debts has failed.

NOTE 13 PREPAID EXPENSES AND ACCRUED INCOME

	PARENT COMPANY	
	2012	**2011**
Prepaid rent	458	454
Other items	750	574
Total	**1,209**	**1,028**

NOTE 14 EQUITY

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

Total shares and share capital (KSEK)	Total shares	Total share capital
31 Dec, 2012	7,736,750	2,084

Additional paid in capital – Refers to additional paid in equity from shareholders, reduces with repurchased shares and dividends.
Translation difference reserve – Contains all currency translation differences arising from the translation financial statements of foreign subsidiaries not reporting in SEK.
Fair value reserve – Contains accumulated net change in of the fair value of financial assets available for sale, until it is removed from the balance sheet.
Currency hedging reserve – Contains the effective part of the accumulated net change in of the fair value of cash flow hedging related to transacations that has not yet ocurred.
Retained earnings and net result for the year – Contains retained earnings in the parent company and its subsidiary.

NOTE 15 HOLDINGS IN SHARPVIEW

Transactions with associated companies

SharpView AB (publ), corp. id. no 556682-1228 started as a spinn-off from ContextVision in 2007. ContextVision invested in SharpView shares during 2008. At Dec 31, 2009, the SharpView holding was reclassified as a holding in an associated company.

In the beginning of 2010, ContextVision issued a loan to SharpView, with the intention to later convert the loan into shares. Sharpview went info bankruptcy in the end of June 2010, and a write-down of 5,426 was recorded in ContextVision. After the bankruptcy and the write-down, there are no more obligations towards the former associated company SharpView AB.

NOTE 16 ACCOUNTS PAYABLE AND OTHER DEBTS

	GROUP	
	2012	**2011**
Accounts payable	2,964	1,977
Debt related to personnel	8,893	5,203
Other debts	1,714	1,052
Total	**13,571**	**8,232**

NOTE 17 ACCRUED EXPENSES AND DEFERRED INCOME

	PARENT COMPANY	
	2012	**2011**
Salaries, vacation pay and payroll overhead	8,317	4,629
Other accrued cost	1,146	334
Total	**9,463**	**4,963**

NOTE 18 PLEDGED ASSETS

The company has a mortgage of 2 MSEK in favor of Svenska Handelsbanken as a security for currency hedging contracts.

NOTE 19 CONTINGENT ASSETS

In June 2012, KSEK 3,871 was paid to the Swedish "Kronofogdemyndigheten" (enforcement service) as a deposition for legal and procedural costs, which the District Court of Linköping ruled ContextVision to pay to Sapheneia. The court decision is under appeal. Depending on the outcome of the appeal, the full amount or part of the amount can be paid back to ContextVision, or the full amount or part of the amount will be finally paid to Sapheneia.

The amount is classified as a contingent asset, and the corresponding cost has been recorded in the P&L during 2012.

NOTE 20 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. The bank contact of the company is Svenska Handelsbanken. Pursuant to a policy established by the Board, investments in mutual funds should be limited to those funds with a defined low risk profile. By Dec 31, 2012, there are no such investments.

Reported and fair value is included in the balance sheet according to the below:

	Financial assets available for sale	Financial assets valued at fair value through the income statement	Derivate instrument used in the accounting of currency hedging	Loan and trade receivables	Financial debts valued at accrued acquisition value	Other non-financial assets/ liabilities	Total reported value	Total fair value
GROUP 2012								
Other long term receivables				1,095			1,095	1,095
"Accounts receivables and other receivables			343	12,097			12,440	12,440
Prepaid expenses						1,227	1,227	1,227
Accounts payable and other debts					2,964	10,607	13,571	13,571
GROUP 2011								
Other long term receivables				50			50	50
Accounts receivables and other receivables			156	12,244			12,400	12,400
Prepaid expenses						1,082	1,082	1,082
Accounts payable and other debts					1,977	6,255	8,232	8,232

	GROUP		PARENT COMPANY	
Age analysis of reported assets past due date but not-written down	**2012**	**2011**	**2012**	**2011**
Non past due	6,619	7,756	6,619	7,756
< 30 days	1,862	1,402	1,862	1,402
30–90 days	2,479	1,239	2,479	1,239
91–180 days	902	1,455	902	1,455
Total	**11,862**	**11,852**	**11,862**	**11,852**

Change in bad debts

	GROUP		PARENT COMPANY	
Provision for bad debts	**2012**	**2011**	**2012**	**2011**
Opening balance	1,107	807	1,107	807
Provision for bad debt	-	300	-	300
Provision for bad debt written off	-1,007	-	-1,007	-
Closing balance	**100**	**1,107**	**100**	**1,107**

Calculation of fair value

The following summarizes the methods and assupmtions used to establish the fair value of the groups financial instruments.

Security papers – current investments

Current investments are valued at market value.

Derivative instruments

Derivative instruments are valued at market value.

Financial assets available for sale

Financial assets available for sale have been valued at stock market value.

Currency risk

Transaction exposure

During 2012 the invoicing in EUR represented about 67% (68%) of total invoicing, the invoicing in USD represented about 23% (24%), and the invoicing in JPY represented 10% (7%). From time to time, the group hedges its foreign currency exposure. By Dec 31, 2012, there were currency hedging contracts for 2,4 MEUR to an average exchange rate of 8,75 SEK/EUR and 40 MYEN to an average currency exchange rate of 8,26 SEK/100 YEN.

Translation exposure

Only a small part of the group's business is conducted through foreign subsidiaries. As such, the translation exposure of the group is limited.

Sensitivity analysis

A 1% change in the interest rate affecting liquid funds is estimated to affect the result with approximately KSEK 150(197). A yearly change in the currency relation EUR/SEK with 5% is estimated to affect the result with approximately MSEK 2.2 (1.9), the corresponding change in USD/SEK is estimated to affect the result with approximately MSEK 0.8 (0.7) and the corresponding change in JPY/SEK is estimated to affect the result with approximately MSEK 0.3 (0.2).

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 is used.

Linköping on April 8, 2013.

The undersigned hereby assures 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.

(Signature on original document)

Erik Danielsen
CHAIRMAN OF THE BOARD

Magne Jordanger
MEMBER OF THE BOARD

Martin Hedlund
MEMBER OF THE BOARD

Sven Günther-Hanssen
MEMBER OF THE BOARD

Karin Bernadotte
MEMBER OF THE BOARD

Anita Tollstadius
CEO

Our audit report was rendered on April 8, 2013
Ernst & Young AB

(Signature on original document)

Magnus Fredmer
AUTHORIZED PUBLIC ACCOUNTANT

Audit Report

To the annual meeting of the shareholders of ContextVision AB, corporate identity number 556377-8900

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

We have audited the annual accounts and consolidated accounts of ContextVision AB for the year 2012, except for the corporate governance statement on pages 15–16. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 12-29.

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

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

Auditor's responsibility

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

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

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

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2012 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2012 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 15–16. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of ContextVision AB for the year 2012. We have also conducted a statutory examination of the corporate governance statement.

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. The Board of Directors and the Managing Director are responsible for administration under the Companies Act and that the corporate governance statement on pages 15-16 has been prepared in accordance with the Annual Accounts Act.

Auditor's responsibility

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

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined whether the proposal is in accordance with the Companies Act.

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

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

Furthermore, we have read the corporate governance statement and based on that reading and our knowledge of the company and the group we believe that we have obtained a sufficient basis for our opinion. This means that our statutory 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.

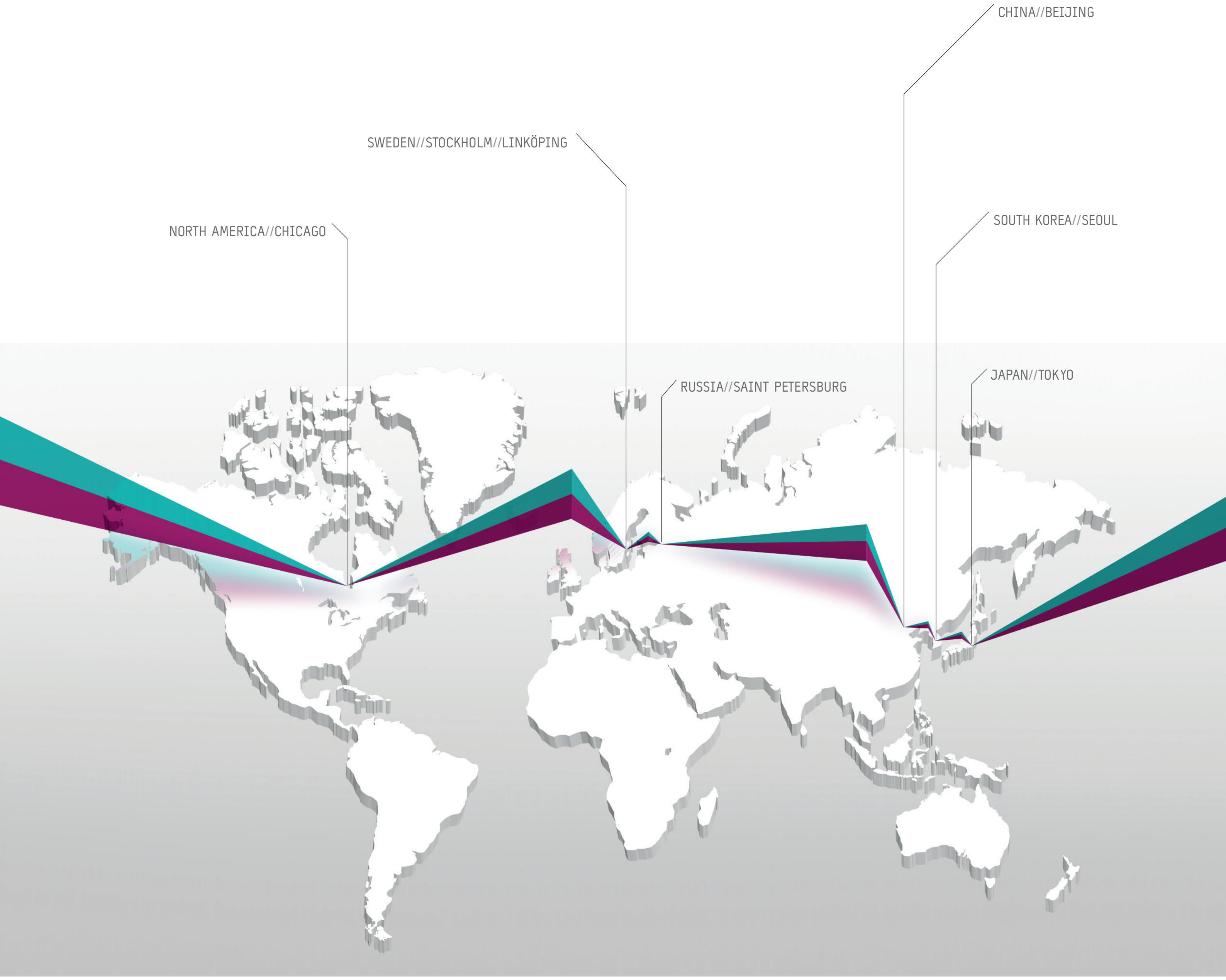
Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

A corporate governance statement has been prepared, and its statutory content is consistent with the other parts of the annual accounts and the consolidated accounts.

Stockholm on April 8, 2013

Ernst & Young AB
(Signature on original document)
Magnus Fredmer
AUTHORIZED PUBLIC ACCOUNTANT



ContextVision is a leading provider of image enhancement software to the global medical imaging industry since 1983, with the versatile GOP® technology at its core. We play a key role in helping manufacturers by offering clinicians unparalleled diagnostic image quality, ultimately providing patients with better care. ContextVision continues to offer the latest software and expertise within ultrasound, x-ray, magnetic resonance imaging, mammography, fluoroscopy and computed tomography. Our groundbreaking technology and lengthy expertise have granted us a pioneer position within 2D/3D/4D image enhancement across multiple modalities.

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