



ContextVision

# Annual Report **2022**

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### Financial calendar 2023

The Annual General Meeting (AGM) will be held on Wednesday, May 3, 2023, at 10.00 a.m. at the company's premises, Hölländargatan 13 in Stockholm.

Q1 2023 report — April 27  
Q2 2023 report — August 24  
Q3 2023 report — October 26  
Year-end report 2023 — February 15, 2024

### Contact person for investor relations

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# ContextVision in brief

**ContextVision** is a medical technology software company specializing in image enhancement and image analysis within medical applications. Through innovative and flexible software solutions, we contribute to increased accessibility and efficiency in healthcare.

The company is a world-leading supplier and partner to global medical imaging equipment manufacturers. We develop software solutions based on proprietary technology and artificial intelligence. Our trailblazing technology helps doctors to interpret medical images, a necessity for diagnosis and treatment.

The company is based in Sweden, with a local presence in Japan, China, South Korea and the US. The company has 35 employees, with about 30 percent working in research and development.

## ContextVision

— Pioneering the frontiers of image analysis



### 40 years of experience

We have extensive experience in developing image processing and image analysis solutions for medical applications.

### About 60 customers

We currently provide software solutions to 56 customers in different parts of the world. Long and close collaboration with many of these customers have resulted in more efficient diagnostics, mainly in ultrasound, radiology and MRIs.

### 400,000 systems

Currently, our solutions are installed in around 400,000 systems worldwide and used in medical examinations every day.

# 2022 in brief

- ContextVision continued its growth journey, with a sales increase of 20 percent.
- On August 1, Gerald Pötzsch took up the post of CEO. Gerald Pötzsch has extensive experience from international business and the medical technology industry.
- The company has seen a strong positive effect of being able to meet with customers and partners again after the pandemic years. For example, the presence at the 2022 Radiological Society of North America (RSNA) industry conference was both long-awaited and valuable.
- During the year, we launched Rivent Mobile, our latest ultrasound product, aimed at the rapidly growing market for handheld ultrasound devices. We launched new features in both 2D and 3D for our other ultrasound products.
- The subsidiary Inify Laboratories was spun off through a dividend to shareholders, allowing ContextVision to further focus on its core business.
- The organization was strengthened during the year with several key functions in areas such as development, sales, product and marketing.

Financial summary continued operations	2022
Net sales, SEK M	117.8
Operating profit, SEK M	41.1
EBITDA SEK M	49.1
EBITDA margin, %	41.7
Bank balances at year-end, SEK M	41.9
Number of employees at year-end	35



# The spin-off's effect on profitability

– a discussion with CEO Gerald Pötzsch

## How do you see net sales and EBITDA developing for ContextVision?

– Last year, we saw growth in net sales of 20 percent, of which 10 percent were due to positive currency effects. Since 2016, we have had an CAGR (annualized revenue growth) of 6.2 percent. The positive trend will continue in 2023, establishing ContextVision as a growth company. The growth in 2022 reflects both underlying market growth as well as deliveries from new contracts, especially Rivent.

Consolidated operating result for the business was strengthened from SEK -9.0 M in 2021 to SEK 36.6 M in 2022, substantially stronger than growth in net sales (for details, see Note 2). This is mainly due to reduced costs after the Inify spin-off early in the year. We expect a continued positive development of both EBITDA and net sales.

## Can you explain the impact on the Group operating result from continued and discontinued operations. And how is this reflected in the full year numbers for 2022?

– Before the Inify spin-off, we ran ContextVision in two business units; Inify, Digital Pathology and our core business, Medical Imaging. All revenue came from Medical Imaging while shared costs were split between the two business units.

During the spring of 2022, Inify was separated from ContextVision as dividend and is being reported as discontinued operations during the part of the year that Inify was part of the company, which was up until February 9, 2022. Medical Imaging is being reported as continued operations. After the spin-off, business unit Medical

Imaging carries all shared costs that earlier was split between the business units.

## In February 2022 you carried out a dividend of SEK 31.75 M in Inify shares, not in cash. Still, cashflow was negative for 2022. What is the reason?

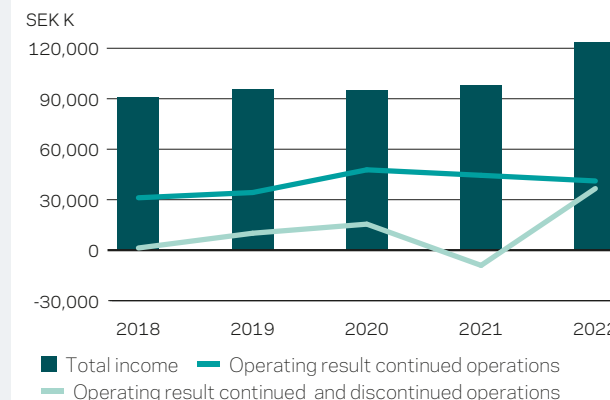
– Cashflow from operations increased by 168 percent, from SEK 9.5 M to SEK 25.5 M. However, before the distribution was carried out to ContextVision's shareholders, tangible assets of SEK 0.7 M, intangible assets of SEK 10.1 M, and cash of SEK 20.5 M, corresponding to a total value of SEK 31.3 M, were transferred from ContextVision to Inify. The negative cashflow in 2022 thus stems from the transfer of SEK 20.5 M from ContextVision to Inify.

## With the spin-off you lost key personnel. How is this reflected in your reported costs?

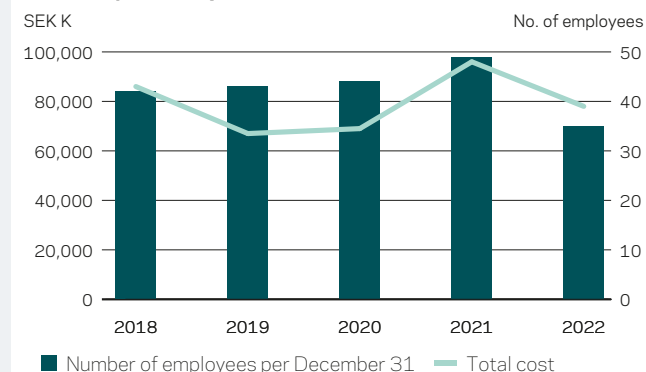
– In 2022, we have replaced all key positions, partly with external consultants, which explains the shift from personnel costs to other external costs. The reduced workforce is clearly reflected in reduced costs. New recruitments have been made continuously during the year, which explains lower personnel costs in the beginning of the year compared to the end.

At the end of 2022, ContextVision had 35 employees, still lower than in previous years. This is partly due to the smaller product portfolio after the spin-off, but also due to a shift towards external consultants. At the end of 2022, we have recruited in R&D and Product Management in line with growing needs from both the core business and the customer base.

## Total income and operating result



## Costs impacted by reduced workforce



# ContextVision as an investment

Value-creating strengths for growth

**ContextVision's solutions are the foundation for efficient diagnostics and thus treatment. After 40 years, the company possesses unique and value-creating strengths. Together with external factors and trends, this points to continued growth with good profitability in our core business.**



## 1 Growing global need for healthcare

As the earth's population grows and ages, the health care costs will also increase. This trend is driving demand for increased access to cost-effective care, creating a need for innovative solutions that can improve analysis and diagnostics and thus treat more people more effectively. Image quality is the basis for effective diagnostics and thus treatment.

## 2 Technological developments provide growth opportunities

The growing need for access to cost-effective care creates the need for new solutions. Digitalization and technological developments allow more people to benefit from advanced diagnostics and treatments. The ecosystem is changing through cloud-based services and advances in AI are enabling the development of smaller devices that can be managed locally and on an outpatient basis. Smaller devices can also be more easily distributed globally.

## 3 Market leader in medical image enhancement

ContextVision is an established independent provider of software solutions for medical image enhancement. Our solutions give customers a significant advantage over their competitors. With proprietary flexible architecture, we reduce product development costs while increasing customer value.

## 4 Long and close customer relationships

ContextVision's customers include the world's largest manufacturers of ultrasound and radiology systems. Customers choose us because we offer solutions that enable them to deliver the best possible image quality in their products. Customer relationships are long-lasting and are based on trust and results. We focus on further strengthening partnerships with current customers and bringing more of the major manufacturers on board. We are convinced that this customer group is instrumental for our continued growth, including both geographic expansion and expansion into more application areas.

## 5 Strong financial position

The company's financial position makes it possible to continue to invest in order to stay at the forefront of technology and continue to develop world-leading products. It also provides an opportunity to evaluate related areas where we can leverage our excellence to create further growth.

# Continued growth for our solutions

Acknowledgement of our contribution to more efficient care

**2022 was a record year for ContextVision. Our success in medical image enhancement is clear and we are well prepared for continued growth in our core business, at the same time that our ambitions to grow outside this business have also become more concrete.**

In 2022, the global market in which we operate grew by about 4 percent, while ContextVision grew by 20 percent. Adjusted for positive currency effects, net sales increased by 10 percent. Consequently, 2022 was the best ever for the company in terms of sales and profit as a result of innovative product launches, new customer contracts and the ability to develop our revenue model. Continued strengthening of margins and cash flow enables us to invest in further growth.

The growth comes mainly from ultrasound, where our product launches in RiventPlus and Rivent 3D respond to customer needs for faster and more precise diagnostics. Our latest product, Rivent Mobile, addresses the need for effective solutions in the rapidly growing market for handheld ultrasound devices, a market expected to grow 45 percent by 2026. In radiology, we launched effective tools for our Altumira customers and conducted intensive research for future product launches. During the year, we signed contracts with several new strategically important customers, while also renegotiating contracts to address macroeconomic challenges. ContextVision is a global company and currently Asia is the fastest growing region where several new players are emerging. However, much of the equipment manufactured in Asia is used in North America, for which reason we are focusing on strategic partnerships in the US market.

In 2022, we were finally able to recapture much of what we missed during the pandemic, such as in-person meetings with customers and participation in industry conferences, as well as meetings with other innovative partners who are important to us as a player at the forefront of technology. In-person meetings can further streamline implementation projects and also provide a valuable basis for identifying new business opportunities.

## Well prepared for growth

During the first quarter of 2022, the distribution of Inify (Digital Pathology business unit) to shareholders was completed. The decision to separate the companies is largely due to the differences between the businesses, which are best leveraged on their own. We consider this experience to be proof of our innovative ability and our capacity to create business opportunities outside our current core business. We have broadened our skills, we have a stable and predictable cost base and we have strengthened both our balance sheet and cash flow. We will apply the knowledge gained from this collective experience to take the next step in our growth journey.

We have a growth strategy: to grow in our core business and related areas and to explore opportunities beyond these areas. The strategy gives us a clear picture of where we are going and how to use our unique assets.



Our core business is to deliver solutions that enable our customers to improve diagnostic efficiency through medical image enhancement. We will manage our unique position to ensure our continued growth. We can broaden the product range and we can address more segments of the market. By establishing efficient ecosystems together with our customers, the major equipment suppliers, we move both within and between market segments with high-end, mid-end and low-end platforms. We also address related areas, in other clinical applications, modalities and customer groups.

ContextVision adapted for future opportunities

During the year, we adapted the organization to our expansion plans. We streamlined the company's infrastructure and recruited with a focus on the future. We strengthened the sales organization in our core business while recruitment in R&D has focused on growth areas such as AI and simulation technology. Through the Wallenberg Foundation's WASP research program, we gained valuable access to a research service linked to Linköping University.

Strategic partnerships crucial for innovation

The markets for ultrasound and radiology are large, with varying needs and circumstances. Partnerships with original equipment manufacturers (OEMs) are therefore crucial to understand these factors, broaden the offering and move up the food chain. The mutual trust built up over many years of cooperation is essential for long-term growth.

It is equally important to develop partnerships and exchanges of expertise with other actors who understand the needs of clinicians from other perspectives. By engaging in

open discussions, identifying trends and the keeping up with the latest findings in relevant fields, we broaden our own perspectives, which enables us to evaluate business opportunities beyond our current activities.

2023 - focus on execution

After six intensive months at ContextVision, I can conclude that the company's unique assets offer great opportunities for continued growth and the focus is on executing the strategy we adopted. The company's main asset is a unique market position after many years in the industry. Our image processing solutions provide us with a unique place in the OEM systems, which allows us to be close to the source of raw data. This positioning is crucial for the development of solutions with an image quality that meets current and future needs.

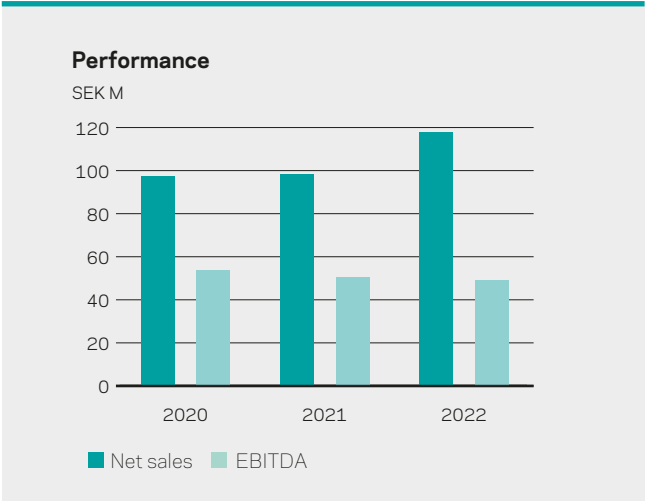
The company's expertise encompasses both basic research at the cutting edge of technology and the development of products that meet unique customer needs.

These assets and our strong financial position enable us to maintain our current market position and provide us with business opportunities in nearby growth areas. Opportunities can also be found beyond these areas in the long term.

In conclusion, I would like to address everyone who has made this successful journey possible including our customers who entrust us with your challenges and our dedicated employees who embrace these challenges and thank you all for a well-executed 2022.

Dr. Dr. Gerald Pötzsch  
Chief Executive Officer

“Our performance in 2022 confirms our ability to work with our customers to deliver products that make healthcare more efficient and more accessible to more patients.”



# Healthcare challenges

Need for new innovative solutions

**The market for image enhancement solutions is driven by both technology developments and changes in the healthcare industry. A growing and aging population poses major challenges in managing more patients while also managing rising healthcare costs. Digitalization and technological developments offer opportunities to improve the efficiency and quality of the world's over-extended healthcare systems.**

**Technology development**

The focus is on medical image quality in the context of rising demands for efficiency and accessibility. Manufacturers of ultrasound, radiology and MRI equipment compete based on features such as image quality and image analysis tools.

Thanks to technological developments, advances such as artificial intelligence (AI) can be harnessed to meet global challenges. Technology also provides the opportunity to develop new features not previously possible in medical imaging systems such as ultrasound.

Improvements in small devices such as mobile phones and tablets are driving the development of small ultrasound systems that can be used for new outpatient applications and in more patient-oriented care settings, such as the home. Increased digitalization provides opportunities to offer advanced software for mobile systems that can streamline and improve the workflow in patient care.



Healthcare industry

Global healthcare systems face major challenges in terms of both cost-effectiveness and the quality of diagnosis and treatment. Innovative solutions are needed to enable rapid and accurate diagnoses and thus manage more patients.

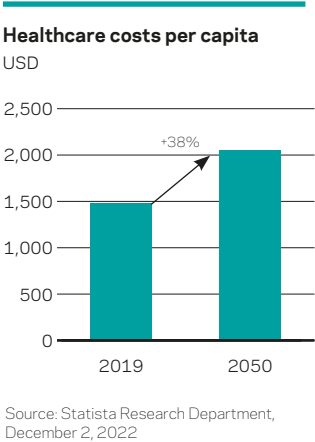
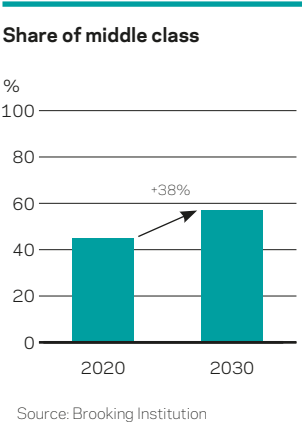
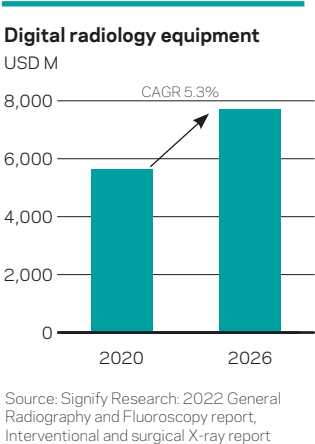
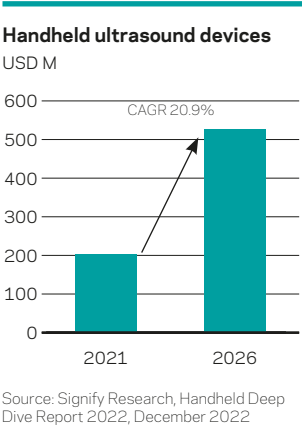
At the same time, the healthcare industry is facing profound changes. The 4 Ps – Prevention, Prediction, Personalization and Participation – can be used to describe the trends that drive the direction of development. Lifestyle behaviours are increasingly seen as drivers of medical challenges where consumer technology and personalized analytics may represent the largest and most scalable opportunities for preventive measures. Increased use of smart devices provides personal health data that can be used for analysis, facilitating both prevention and better and faster care. When personal data (“small data”) can be captured and used, personalized tools can be created that provide patients with increased influence over their own health.

ContextVision's image enhancement solutions respond to global challenges

Technology is evolving to meet and match the challenges and needs of health care, which places demands on system manufacturers to be constantly at the forefront and offer new, efficient equipment. This trend creates opportunities for specialized software vendors to establish partnerships through which they can take a larger share of the value chain by offering niche and customized solutions.

With its long experience in innovation and technology development, ContextVision takes an active role in ensuring that patients receive the care they need.

To achieve efficiency gains, high demands are placed on image quality. ContextVision develops specialized image enhancement software for diagnostic systems, which with high detail resolution visualize areas in the body where abnormal changes can be detected and treated more effectively. With our proprietary software solutions, we respond to the challenges faced by equipment manufacturers.



# Strategy and business model

## Vision

To enable healthcare transformation.

## Purpose

Our proprietary software solutions will enhance the image quality of medical images, leading to faster and more reliable diagnostics for more people.

## Business model

ContextVision develops and sells software that is integrated into customers' equipment, mainly in ultrasound and radiology, but also in MRI.

The solutions are based on a flexible platform with standardized modules built from advanced algorithms that can be integrated into the customer's system, regardless of the infrastructure. Our product portfolio offers solutions for many different types of modalities and application areas. Our proprietary tools are used to adapt the system to each unique customer and their specific needs and our dedicated team with solid expertise and experience provides tailored service to our clients.

Revenue consists mainly of license revenue, one license for each system our customer delivers to its customers. Licensing revenue is volume dependent and is generated over the lifetime of our customers' systems delivered to their respective customers.

Other revenue derives from implementation, service contracts and upgrades, as well as other services offered as needed.

## Strategic priorities

### Focus on core business

Our core business is image enhancement. While growing profitably in our core business, our skills, experience and financial position enable us to evaluate business opportunities in related areas. Current trends and rapid technological developments create opportunities to use our knowledge and experience to address new customers in both current segments and new markets, thereby enabling us to grow faster than the market at large.

### Partnerships with strategic customers

Long-term relationships with the biggest customers are crucial, and not just for increased sales. By sharing insights and lessons learned, we can more quickly deliver solutions that benefit both our customers and us. We aim to further strengthen our partnerships with existing customers and to attract more of the major manufacturers to work with us.

### Innovation

We are a technology company where innovation is part of our DNA. Long-term success requires us to be on the cutting edge of development and understand what adds value for our customers. A considerable amount of technology development is being put into AI and ensuring that it is used as effectively as possible. Much can be done together with customers, which is why partnerships are essential.

Our approach to development activities is continuously evolving. In parallel with our focus on the core business, we are evaluating opportunities to use our broad expertise and innovative strength to establish new business opportunities.

# Current and future healthcare solutions

**ContextVision offers world-leading image enhancement solutions to medical imaging system manufacturers, mainly in ultrasound and radiology. Our products give manufacturers a competitive advantage by creating the best possible image that improves diagnostics for medical staff and thus contributes to more efficient health care.**

The image is at the core, reflecting the body and its functions. Good image quality is therefore essential for diagnosing the patient and offering the best possible treatment. Better image quality allows easier and faster diagnosis with higher confidence, resulting in more patients being examined. Health care will then be more accessible and cost-effective.

**Product areas for our solutions**

ContextVision's product portfolio consists of image enhancement software that is integrated into customers' software. The customers avoid having to develop such solutions themselves. This integrated software is a crucial component of equipment in mainly 2D and 3D ultrasound and radiology for static x-rays and dynamic x-rays. In addition to ultrasound and radiology, our software solutions are also used in MRI. The focus in recent years has been on ultrasound and radiology solutions, for which reason these areas are described below.

ContextVision's products are based on the latest image enhancement technology, where AI is an important component. They are also designed to take advantage of new functionality in advanced graphics cards and contribute to good image quality even in fast dynamic x-rays.

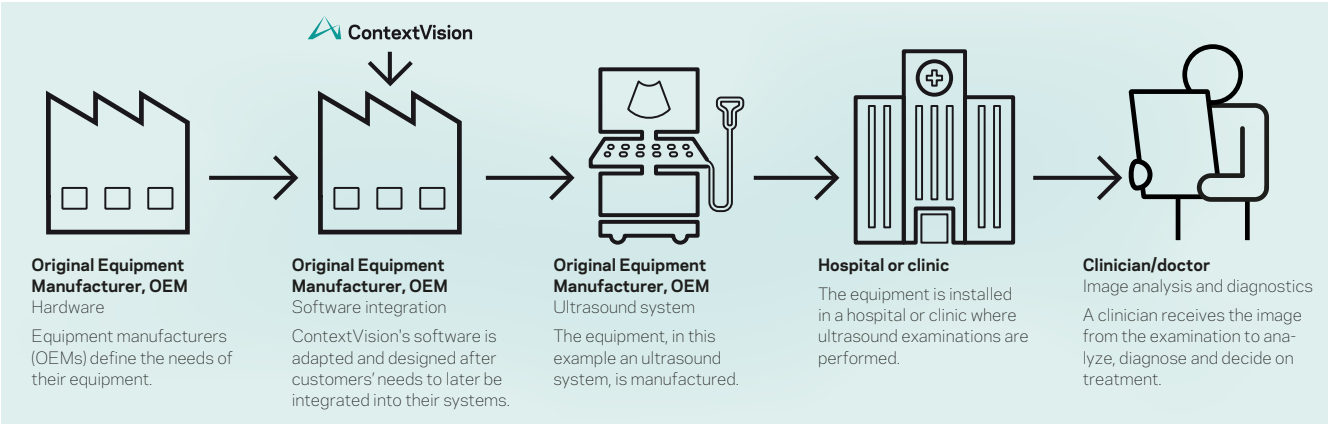
**Market trend for ultrasound and radiology equipment**

The global medical imaging market is expected to continue to grow in the coming years. Ultrasound is estimated to grow at a CAGR of 2.9 percent until 2026 (Ultrasound Equipment World Market Report 2022).

As the world recovers from the pandemic, demand for more complex ultrasound equipment is expected to increase, since restrictions no longer prevent manufacturers from coming out

and installing the systems. We also see strong growth in handheld systems based on mobile phones and tablets. These systems, which are easy to deploy and useful even outside clinics, have gained increasing acceptance among users.

The market for radiology equipment is complex with many different types of systems. The annual growth of digital radiology equipment is estimated at 5.3 percent between 2020 and 2026 (Signify Research 2022), but with large variations



between different types of equipment. The highest growth is expected in radiology with dynamic images, both advanced systems for use in areas such as cardiac surgery, but also simpler mobile systems that can be easily moved.

### Development of geographical markets

Based on these trends, the market for systems continues to grow. Our long-term focus on the larger manufacturers ("Tier 1s") has proven successful so far and will continue into 2023. This initiative is essential to ensure our continued focus on innovative solutions.

ContextVision's largest market is currently the Asian market with about 70 percent, while the European and American markets each account for about 15 percent. However, we see the US market as having the greatest potential, since global growth there is slightly higher.

### ContextVision's market

The medical imaging market is divided into premium, medium and low segments, with premium offering the most advanced systems. In ultrasound, over 200,000 systems are delivered globally annually, the majority of which are used in the low segment.

ContextVision delivers software solutions to a large number of customers annually, mainly in the premium and medium segments. This makes us the world's leading independent provider of image enhancement software. The competition comes from system manufacturers that have their own internal software development departments.

The geographic market for ContextVision does not always correspond to the geographic market where the equipment is

ultimately used, since most major manufacturers have production in many different countries and sell their products on the global market. ContextVision reports sales based on the country of manufacture.

ContextVision is well positioned for continued global growth. We have a broad product portfolio, a strong established brand and an organization that can run customer projects efficiently, both remotely and on-site.

### ContextVision is strongly driven by innovation

Innovation is an important part of ContextVision's culture and is based on understanding the needs of our customers – both expressed and unspoken – and creating solutions that solve their needs. Our culture is based on open discussion, experimentation and reflection. We encourage our employees to challenge given assumptions and to surprise.

Our innovation process leads to continuously improved image enhancement products, as well as to new products in other applications. One example of this is the spin-off company Inify Laboratories.

Innovation is based on talent, teamwork and commitment. For us, it is important to be at the forefront of the latest methods in AI and image analysis. Equally important is an understanding of our markets and the needs of our customers. To build expertise, we regularly visit conferences, trade fairs, clients and clinics. We have exchanges with research groups and individual experts in both technology and medicine. For us, the key to innovation is interdisciplinary work and gathering the right people in the same room.

At ContextVision, innovation takes place all the way from research to finished product, based on the challenges of both

health care and our customers. Our algorithm developers work on fundamental knowledge building in our image analysis and AI technology areas to ensure that we are at the forefront of technology.

We also have a broad range of product management and application knowledge that we draw on in the iterative customer process to achieve the most effective implementation and packaging of our solutions.

### Our product portfolio offers robust solutions to customers

With our experience and expertise in technologies such as image analysis and AI, we understand the needs of our customers and identify solutions that meet their challenges. We have a differentiated product portfolio for a variety of uses and modalities. The solutions we offer are fast and robust, characteristics that meet the needs of the healthcare setting.

Through customization, we optimize the product to meet the needs and requirements of each customer.

> [Read more on page 16 about the added value we create through innovative customization.](#)

# Image enhancement for ultrasound

## Leading independent supplier

ContextVision is currently the leading independent provider of image enhancement software to ultrasound manufacturers. Over 70 percent of our sales come from ultrasound and we now work with the majority of the world's largest manufacturers.

Our image enhancement solutions are available for all types of ultrasound – from systems that display two-dimensional (2D) image sequences to more complex equipment that looks at a three-dimensional (3D) volume, for example in fetal diagnostics or cardiac examinations.

### Growth in ultrasound

The market for ultrasound is expected to grow by three percent annually. Ultrasound is a safe patient procedure because no radiation is involved and is relatively inexpensive compared with

other imaging modalities. There is therefore interest in developing more advanced features and application areas within ultrasound. The equipment could be used for more types of examinations, outside the traditional healthcare setting and in smaller handheld devices, for example in the home. We believe that the trend is moving toward ultrasound applications in new industries, such as veterinary applications.

Smaller devices increase accessibility as they become both less expensive and easier to transport. Moreover, growth of the small handheld device market is expected to be higher than the market for more advanced systems.

### ContextVision's solutions and launches during the year

ContextVision's ultrasound offering, the Rivent product family, is based on an extremely flexible platform with products for all ultrasound applications and different product segments in 2D and 3D ultrasound.

In 2022, we further developed the Rivent platform and launched new features for all Rivent products to even better meet the needs of customers and clinicians for clear images with fine detail for fast and accurate diagnosis.

In 2022, we also launched Rivent Mobile, which is optimized for handheld ultrasound devices using mobile phones and tablets. The product offers ultrasound manufacturers a solution that provides good image quality in a product category in which they often do not want to invest their own internal development resources.

With Rivent Mobile, they can offer excellent images to users who are often new and inexperienced.

## Noise-free and detailed 3D images

Rivent 3D combines the benefits of volumetric imaging and advanced filtering without compromising on a natural appearance.



# Image enhancement for radiology

## Solutions with increased efficiency

The market for radiology systems is complex with many different types of systems, for both static and dynamic images, and with many different areas of application. Radiology is the source of approximately 20 percent of the company's sales. We have flexible image enhancement solutions that can be used for any application. For example, we have a strong position in veterinary medicine, especially in the US market.

### Growth in radiology

We see more manufacturers in radiology than in other areas, but also more manufacturers, especially large ones, with their own image enhancement solutions. In a market with pressure on prices, manufacturers are choosing to dedicate their own development resources to the premium segment and are therefore

open to external solutions in other segments, which creates opportunities for us. Growth in radiology is expected to be around 5 percent in the coming years, with the largest growth coming from radiology with dynamic images. This includes both simpler mobile systems that can be developed to do more, but also in advanced systems for areas such as examinations in cardiology. Radiology is also well established in the veterinary sector, an industry that is growing globally.

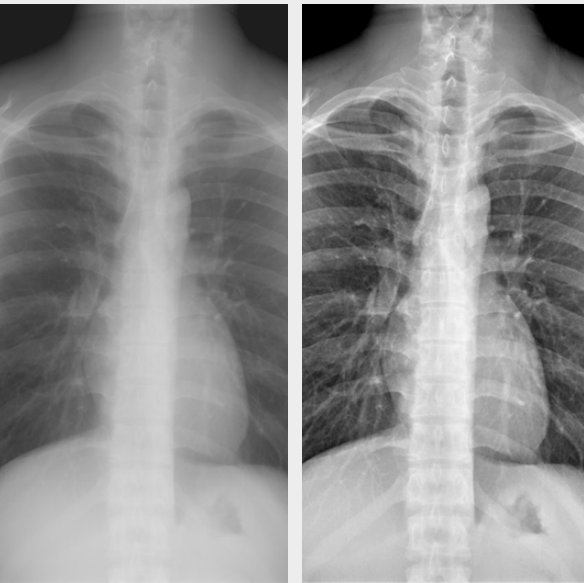
### ContextVision's solutions and launches during the year

ContextVision's offering consists of the Altumira platform. It is based on a combination of AI technology and advanced traditional image enhancement algorithms. Altumira addresses static imaging and can be used in all areas of healthcare applications, as well as in dentistry and veterinary medicine. For imaging systems that take dynamic x-rays, we offer Altumira Plus.

Our solutions provide robust image quality despite large variations between patients and examinations, making it easier for those who review the images to make quick and reliable diagnoses, while enabling a more efficient workflow. ContextVision's solutions also make it possible to reduce the radiation dose to patients while maintaining good image quality. In 2022, we launched a new tool to help our customers fine-tune image quality themselves. In addition, in radiology we have focused on innovation and development of new functionality to be launched in 2023.

## Superior image quality for digital radiography

Altumira combines superior image quality with improved contrast, greater detail and reduced noise.



# Collaboration crucial for successful customization

Interview with **Katarina Flood**, Chief Service Officer

ContextVision's solutions are based on several advanced algorithms that interact to optimize image quality in both ultrasound and radiology. How they best interact is unique to each customer and customer-specific customizations are made depending on needs, uses and circumstances.

The Application Services team, led by Katarina Flood, Chief Service Officer and a ContextVision employee since 2003, is responsible for these customizations. Katarina's team consists of application engineers who are all highly educated in medical imaging: engineers, radiology nurses, or sonographers. The department works closely with all customers early in the sales phase, during implementation in the customer's system, and with support after production release.

The basic task of customization is the same regardless of the customer: to work with the customer's imaging experts to highlight and improve what is relevant for accurate diagnostics and thus create better image quality. Since image quality is subjective, perceptions of what is good may differ between different

customers and geographical regions. Several factors come into play, such as past experience, regional regulations on radiation dose, current trends set by leading manufacturers, the system's field of application, anatomical conditions, the customer's peripheral equipment or accessories and their characteristics.

Good communication is essential to understand the customer's needs and preferences, as well as their perception of image quality. It requires a high level of experience and expertise in medical imaging and ContextVision's algorithms. Application engineers need to be responsive and able to work well with different professional categories, where the customer's representatives may be medical staff, technicians, scientists, or software engineers, with different ways of expressing themselves regarding imaging characteristics. Linguistic challenges have to be addressed and different validation processes supported. This work is an iterative process, where the application engineers take part in the customer's validation and the image quality is adjusted until the customer's needs are met.

## **Close cooperation contributes to a win-win situation**

"Close cooperation based on mutual trust is a win-win situation for both parties. This becomes clear after lengthy cooperation. Over the years, our application engineers develop a close relationship with customers, with insight into how they work on new developments.

Through openness on the part of customers, we gain a deep understanding of their needs and they understand what they need to share with us to get the best help. The customization and service we deliver then contributes to a significantly improved product for the customer, which provides incentive to let us help in more and more development projects. Together, we can grow and develop the next generation of ultrasound solutions."

## **Customizations that contribute to a broader product offering for the customer**

"When customers give us insight into their product launch plans, we can leverage our innovation capabilities and develop customizations that enable customers to segment their offering for different customer groups. For



example, customers can launch several different X-ray products based on the same basic image, thereby satisfying the need for different products for different users. For customers, our close cooperation has resulted in a wider range of products.

Similarly, we have helped radiology equipment suppliers to offer clinicians the option of choosing the type of image appearance to be achieved, depending on the clinician's previous experience with different detectors. Here, too, we have been able to help customers broaden their product portfolio to reach customer groups for which they previously had no solutions."

# Our contribution to a more sustainable society

**ContextVision's sustainability work is directly linked to our business, which creates value not only for our customers and owners, but also for our employees and, ultimately, for patients and society at large. The work aims to increase customer value, promote personal development among our employees and minimize our carbon footprint.**

## Social benefit

The healthcare sector faces major challenges associated with a growing and aging population and limited resources, especially in light of the climate and conflicts in the world. Continuous efforts to improve productivity are crucial to be able to continue delivering high-quality care. Product safety and efficiency are top priorities at ContextVision to meet the expecta-

tations and demands of our customers and other stakeholders. We work systematically to improve products and processes to ensure the quality of our products and to minimize risks to patients and users.

Healthcare providers around the world face the same key challenge – which we are helping to solve – of how to increase patient care while managing limited resources. ContextVision provides intelligent technology that improves health care for more people. The vision is to help enable these changes to health care.

## Code of Conduct

The company's Code of Conduct is based on acting in a way that promotes ethical behaviour, integrity, trust and responsibility – all within a framework of respect and concern for others – with the customer and the bottom line in mind.

ContextVision respects and complies with competition laws, environmental laws, labour laws, safety requirements and other rules and regulations relevant to our business.

In addition to complying with the rules that apply to financial reporting, as well as to terms of employment and employee rights, we have set high standards for goals and requirements related to product safety and confidentiality. We do not accept corruption and work to ensure that it does not occur within the company or among our partners.

ContextVision supports and respects international conventions on human rights. We are also committed to complying with local labor laws. All forms of harassment and abuse, regardless of purpose, are unacceptable and we promote diversity and equal treatment.

## Regulations

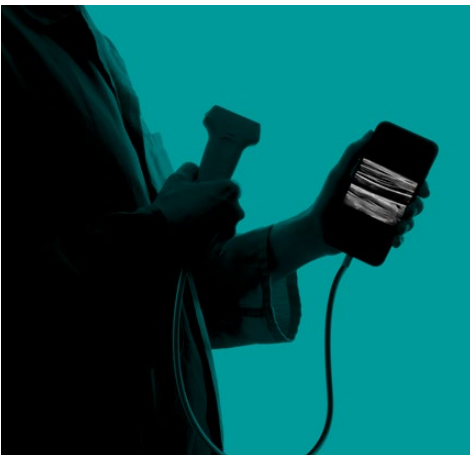
ContextVision delivers software solutions to medical technology equipment manufacturers. This industry is highly regulated and the company acts in compliance with current laws, regulations and standards. In accordance with medical device and other regulations, we have a well-established quality system that is certified to EN ISO 13485:2016.

Our quality assurance procedures are designed to continuously improve product safety and efficiency before, during and after its delivery to the customer. Each year, ContextVision's quality efforts are assessed to determine how well they live up to standards and regulations. Both internal and external certification auditors draw our attention to any deficiencies that need to be remedied.

## Climate footprint

Our products are completely software-based, which means that our impact on the climate is mainly related to business travel and offices. We always try to minimize resource consumption in our offices and all travel within Sweden is by train.

The pandemic led to increased digitalization and reduced both the number of trips and the resources in our offices. We have developed new and effective ways of working both internally and with our customers, which we intend to maintain to a large extent, but without forgetting the importance of the in-person meeting.



# Our employees

Our main strength with a focus on the customers

**At ContextVision, we support and stimulate each other to continuously develop beyond expectations, both as individuals and as a company. We show commitment, take responsibility and strive to achieve results.**



### Corporate culture and values

ContextVision's working environment is creative, with a focus on common goals. The company encourages teamwork and has great confidence in its employees. We share enthusiasm and knowledge and listen to each other with curiosity.

In order to be successful in our business , we are guided by six core values. We are firmly convinced that the more we live up to our values, the more successful we will be as a company.

### The well-being of our employees comes first

To achieve success in business, it is important to be a healthy company with healthy employees. We strive for a healthy working environment and atmosphere. Our goal is to provide a workplace where everyone is stimulated and encouraged, where we support employee well-being and where every employee feels safe and respected. We monitor workloads, support activities that promote health and well-being, and we carry out activities to build a stronger team from a social perspective.

We ensure long-term health by being proactive and taking swift action when needed. We allow flexibility to support a healthy work-life balance.

In 2022, the wellness allowance was increased by 33 percent. All employees are offered a physical exam every two years. We regularly monitor our employees' engagement, workload and well-being in nine areas, which enables us to ensure their health even when they work remotely, and we see excel-

## Our values

### Customer focus

Our long-standing international customer relationships are built on trust and respect. Our success depends on understanding the needs of our customers.

### Result orientation

We prioritize long-term sound business. We achieve our goals by focusing on customer delivery. Transparency is of paramount importance. We adapt quickly to new circumstances.

### Confidence

We are proud of our company and its products. We believe that anything is possible and we are not afraid to test new ideas. We take advantage of the lessons we learn by having the courage to try new things.

### Innovation

Innovation requires not only technology, but also new perspectives and we promote diversity of thought. We test our ideas with scientific methods and are not satisfied until we know why something does or does not work.

### Teamwork

Our success is based on professional teamwork. We are open to different points of view. We treat each other with respect, we are constructive and believe in consensus.

### Atmosphere

Our respect for all people creates an inclusive atmosphere. We value that we represent different cultures and experiences. We share our enthusiasm and our knowledge – and celebrate our successes together.

### Daniel Alamidi, Product Manager since 2022

"As product manager, I follow products from concept to launch and I work cross-functionally with most teams in the company, especially sales, marketing, application and R&D.



It is important for me to listen to our customers and understand their needs so we can develop products that add value. It's really exciting to meet them, discuss and understand their challenges and then translate the insights gained into the right solution. Every customer is unique and has a different idea of what a good image is and it has to be right every time. This makes each meeting unique. We optimize images generated by the medical equipment in which our software is integrated. Once we have developed and delivered a solution, hospital and clinic staff will be better equipped to make faster and more accurate diagnoses. Our solutions improve and streamline health care, which is an incredible feeling.

I've been at ContextVision for five months and with such a family atmosphere at the company, you quickly become part of the team and everyone shares their experience and knowledge. Someone with the right expertise is always close at hand. Now I look forward to continuing to develop innovative solutions together with my great colleagues, and to making a difference!"

lent results year after year. The overall result for 2022 was 8.1, compared with the index of 7.5.

**Continuous work environment management**

ContextVision works systematically with the working environment in accordance with AFS 2001:1 by identifying risks, establishing long-term action plans and taking immediate measures when necessary.

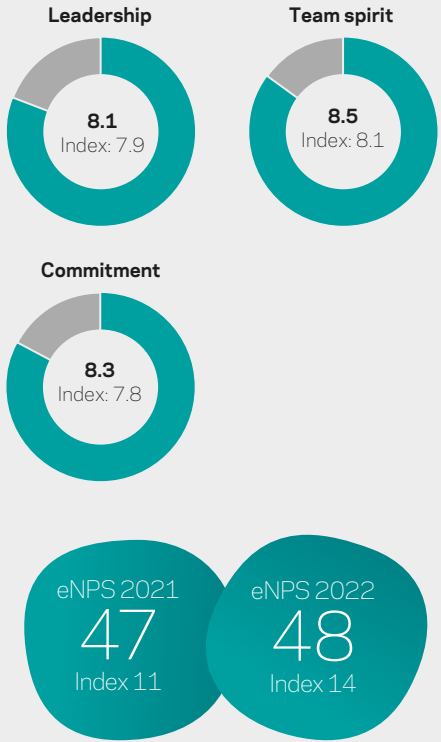
The company's health and safety committee monitors health and safety performance through an annual process that includes a review of policies and procedures for health and safety evaluation and improvement, skills assessment, follow-up of employee surveys and results of actions taken, risk assessment, and follow-up of reportable incidents.

**Our talents**

Our business requires professionalism and quality, which requires employees with the right skills, abilities, experience and values. The company aims to achieve world-class status, and our motivated and talented employees are key to getting there. We strive to continually develop our current talents, while working to attract new.

To ensure that we maintain high quality in our recruitment process, ContextVision applies a "four-eyes principle"; at least two people interview and evaluate a candidate during the hiring process. All recruitment processes are carried out to the highest ethical standards. All candidates will be treated with

ContextVision monitors employee health and well-being through weekly temperature measurements



Employee satisfaction at ContextVision increased in 2022 and is significantly higher than the average index.

**Anneke Meyer, researcher for just over a year**

"I started at ContextVision a little over a year ago. With studies in medical imaging and a PhD in the field, I wanted to be close to the research. By moving into industry, I now get to be involved in developing products that actually make a difference. ContextVision, an innovative and international company with deep knowledge in image enhancement and AI, offered this opportunity. I couldn't resist, so my husband and I decided to move from Germany to Sweden so I could start at ContextVision.

In my team, we explore ideas for new products. This involves both basic research and developing algorithms and evaluating them once they have passed the preliminary study stage. My current area of focus is therefore radiology. I really appreciate the mix of a more structured approach, like a project, with the opportunity to explore areas where the outcome is not always predictable. The teamwork with my colleagues motivates and

inspires, as does collaboration with partners from both the clinical and OEM side. It's a great experience to work together to develop products that give more value for our customers.

I felt welcome from day one and my first year here has gone so quickly. I'm really happy to be part of ContextVision, with colleagues who appreciate and help each other, and have a lot of fun even after work."





integrity and their applications are kept confidential. ContextVision will provide an honest and objective view of the company, the position and the conditions of employment. Both parties will be able to make a balanced decision before an employment contract is signed.

We are proud that the 2022 employee satisfaction eNPS (Employee Net Promoter Score) was 48. It shows that our employees are engaged and willing to recommend us as an

employer. It was also an increase from 2021 when the eNPS was 47. The corresponding index for all enterprises using the survey was 14.

**Diversity and inclusion**

Diversity and inclusion are integral to our business and mean that everyone has the same rights, opportunities and responsibilities. All applicants are treated equally,

both in internal and external recruitment processes, and ContextVision strives to enable internal career development and welcomes internal applicants to vacant positions .

We have the ability to attract talent from many different parts of the world, with many nationalities currently represented. It is fabu-

lous that time after time, we find new employees who are willing to move to Sweden to work at ContextVision and we are committed to helping them integrate into both the organization and society. Our multinational nature is one of our strengths, especially in our relationships with customers and partners.

**Lars Floreby, Senior Application Engineer for 24 years**

“As an application engineer, I am the customer’s main contact for image processing, image quality and the technical characteristics of our products. My job requires an interest in several technical areas, as well as in medical issues. Most important is understanding the customer’s needs based on the end user’s workflow or environment. Our customer relationships are usually lengthy and we always strive to be a partner rather than just a component provider.

After the coronavirus pandemic, we have finally started to meet our customers in person again, which is invaluable for understanding their needs and how we can best help them. Close cooperation with customers also gives us ideas for product improvements and new projects.

Technological advances in ultrasound have been very rapid in recent years, with three-dimensional imaging becoming increasingly common in several clinical applications. In 2022, ContextVision launched Rivent3D, the third generation of three-dimensional image enhancement, and it’s



been incredibly exciting to be part of that team effort. The project has included algorithm development, software optimization, adaptation of visualization methods, product development and finally integration and customization with the first customers.”

# The ContextVision share

The company had in total 77,367,500 shares by December 31, 2022. There has been no repurchase of shares or other changes of the share capital during 2022. ContextVision does not hold any own shares in stock. On February 9, 2022 a dividend of all shares in Inify Laboratories AB was made to shareholders of ContextVision AB.

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

**Freely negotiable shares**

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

**Equity and dividends**

The company is to have an equity 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 to ensure it is on an appropriate level.

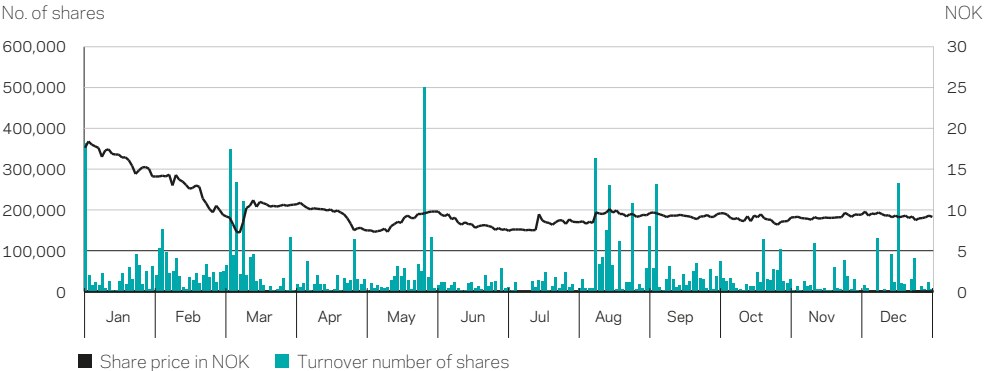
For fiscal year 2022, the Board of Directors proposes a dividend of SEK 0.30 per share to the Annual General Meeting (AGM). The dividend proposal for 2022 amounts to approximately SEK 23.2 M.

**Performance over the year**

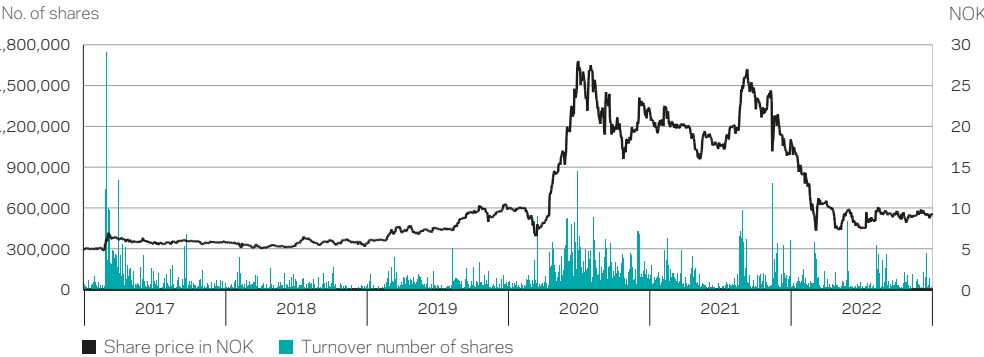
ContextVision's share took a downturn in the first quarter but has remain stable during the rest of the year. From a closing price of NOK 16.30 at the end of the year 2021, ContextVision's share, after distribution of Inify shares and completed year 2022, had a closing price of NOK 9.14. The highest quotation during the year, in January 2022, was NOK 18.63.

The 10 largest shareholders as per December 31st, 2022	No of shares	(%)
MONSUN AS	23,000,000	29.73
Sven Günther-Hanssen	8,516,670	11.01
Martin Hedlund	8,316,660	10.75
State Street Bank and Trust Comp	4,282,185	5.53
TAURI AS	3,883,275	5.02
MP PENSJON PK	2,578,023	3.33
BRAS KAPITAL AS	2,120,374	2.74
Danske Bank A/S	1,726,970	2.23
STAVLAND	1,700,000	2.20
Swedbank AB	1,174,346	1.52
Others	20,069,024	25.94
Total outstanding shares	77,367,500	100.00

ContextVision's share and turnover 2022



ContextVision's share and turnover 2017-2022



Shareholder information

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

There is usually a video presentation released on the day after the publishing of the company's quarterly report.

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

Ownership

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

Share information

Ticker	CONTX
Market name	Oslo Stock Exchange
Year of listing	1997
Market capitalization (year-end)	SEK 748 M
ISIN	SE0014731154
Number of shares	77,367,500
Trading currency	NOK
Sector	Health care
GICS	35103010
LEI-code	549300DGJB24U1VKHC98

# Administration Report

**The Board of Directors and the CEO of ContextVision AB (publ), registration number 556377-8900, hereby submit the annual report and the consolidated accounts for the fiscal year Jan 1, 2022 - Dec 31, 2022. All figures are in SEK if not stated differently. ContextVision AB (publ) is based in Linköping, Sweden and is the Parent Company of the Group. The company is listed on the Oslo Stock Exchange since 1997.**

ContextVision is a medical technology software company specializing in image analysis and imaging for medical systems. ContextVision is the global market leader in image enhancement and a software partner for leading medical image technology manufacturers worldwide. Its groundbreaking technology helps doctors accurately interpret medical images, a crucial foundation for better diagnosis and treatment. Already an industry pioneer more than 30 years ago, ContextVision has over the past years invested heavily in research and development. The initiative aims to develop new applications using the latest technology, such as artificial intelligence. These major investments in research and development create new conditions for success during the coming years.

**Significant events during the year**

The year 2022 began with the spin off of Inify Laboratories AB to a value of SEK 31.75 M, corresponding to SEK 0.41/share. While Inify was part of ContextVision, digital pathology operations constituted a operating segment within ContextVision AB. Following the spin-off of Inify Laboratories AB, there will only be one operating segment within ContextVision AB going forward.

On 25 January, Markus Högerberg was appointed interim CFO and on 1 August, Gerald Pötzsch joined ContextVision as new CEO. Gerald Pötzsch has extensive experience from international business and the medical technology industry. ContextVision now has a strong management team in place, with significant experience in the medical imaging space and the right background to drive the organization's continued success and profitable growth.

During the year, the organization was strengthened with several key functions within development, product, and market. Product development is now supported by two dedicated research and development teams, one focused on ultrasound, the other on X-ray. We also strengthened our Sales and Marketing organization with a product manager for X-ray and MRI and we have also expanded our application team.

Post pandemic regulations we can once again meet customers and partners. Our presence at this year's RSNA (Radiological Society of North America) trade show was much appreciated.

To address the rapidly growing market of mobile ultrasound we launched Rivent Mobile in 2022. This is our latest product in ultrasound and it has received a very positive responses

from the market. For our other ultrasound products, we have continued our development in both 2D and 3D.

The continued operations are reported in the financial reports, while results and outcomes from the discontinued operations are reported separately in the notes, in accordance with current accounting standards.

The Group's sales for the full year 2022 reached SEK 117.8 M (98.1), which meant another sales record for ContextVision. All sales derive from continuing operations. The largest product groups are ultrasound and X-ray, where ultrasound represented the largest growth during the year. Asia continues to be the largest market, followed by Europe and the USA respectively. Asia accounts for the largest percentage growth in 2022 with a sales increase of 31.0 percent.

The Group's total operating profit for 2022 amounted to SEK 36.6 M (-9.0), while the operating profit for continuing operations amounted to SEK 41.1 M (44.4).

**Board and management**

At the Annual General Meeting in May 2022, Olof Sandén was re-elected Chairman of the Board, while Martin Hedlund, Sven Günther-Hanssen, Magne Jordanger and Martin

Ingvar were re-elected as Board members. The Board had 5 members during 2022, all of which were men. There has been 11 Board meetings in total during the year.

Board member	No. of meetings	Holding 2022-12-31
Olof Sandén (Chairman)	11	3,000
Martin Hedlund	11	8,316,660
Sven Günther-Hanssen	11	8,516,670
Magne Jordanger	7	23,000,000
Martin Ingvar	11	12,000

During the period January 1 to July 31, 2022, Ola Lindblad was appointed acting CEO. Lindblad has attended all Board meetings during this period and has continuously informed the Board about the company's operations.

On 1 August, Gerald Pötzsch took over as CEO. Pötzsch has participated in all Board meetings from August 1 and has continuously informed the Board about the company's operations. As of 2022-12-31, Pötzsch owned 15,000 shares in the company.

**Annual General Meeting**

On May 4 2022, ContextVision held its Annual General Meeting, AGM, in Stockholm.

- The annual report and audit report regarding 2021 was presented and approved by the AGM.

- Disposition of financial results according to the proposal from the Board of Directors was approved.
- The CEO and the Board of Directors were discharged from liability.
- Board compensation was determined.
- The audit fee was decided to be based on the current account.
- Martin Hedlund, Sven Günther-Hanssen, Magne Jordanger and Martin Ingvar were re-elected as members of the Board and Olof Sandén was re-elected as Chairman of the Board.
- Grant Thornton was elected as auditor.

**Legal proceedings**

ContextVision has not been involved in any legal processes during 2022.

**Financial information**  
**Revenue**

In 2022, net sales increased by 20.1 percent, amounting to SEK 117.8 M (98.1). The change was driven by higher license revenue and positive currency effects.

ContextVision is affected by changes in exchange rates for EUR, USD, and JPY against SEK, as the company's billing is mainly in these currencies while most of the costs are in SEK, followed by USD and EUR. In 2022, changes in exchange rates had an average positive impact on revenue of 10 percent. A financial risk policy established by the board provides the framework for how the company manages financial risks. See note 23 for details on sensitivity analysis.

**Operating result**

In 2022, the operating result for continuing operations decreased to SEK 41.1 M (44.5),

corresponding to an operating margin of 34.9 percent (45.3). The result for continuing operations in 2022 is lower than the result in 2021, due to the fact that the costs were lower in 2021. In 2021, common costs were shared between continued and discontinued operations. In 2022 continued operation carry these costs. See page 5 for more details.

**Personnel**

At year-end, ContextVision had a total of 35 (53) employees in the group, of which 33 were employed in Sweden and one each in the United States and China. The average number of employees in the group during 2022 was 37 (49) people. Of the total of 35 employees at year-end, 12 work in research and development, 15 in sales, marketing, and customer support, and 8 in management, administration, and regulatory affairs. ContextVision's development office is located in Linköping, Sweden, and the sales and marketing office is in Stockholm, Sweden. On average, 29 percent of the company's employees were women in 2022, and 71 percent were men.

Personnel costs for research and development amounted to SEK 15.0 M (21.4) during the year. During the year, ContextVision capitalized on development costs with SEK 3.7 M (1.4), of which SEK 1.8 M (1.2) related to capitalized personnel costs. A central part of ContextVision's strategy is a strong focus on innovation, and through investments in research and development, the foundation is laid for the next generation of products. In 2022, ContextVision continued to invest in both existing and future products. Capitalized development costs represent the final part of the process from research to finished product, and we can say with great

certainty that the development will lead to a sellable product.

**Incentive program**

In 2011, the board and management of the company introduced an incentive program for all employees by establishing a profit-sharing foundation. The program's aim is to create common goals for all employees by setting aside a portion of the company's surplus to a profit-sharing foundation, provided that certain defined goals are achieved. The goals are related to sales, customer relationships, product development, and research projects. The funds in the profit-sharing foundation are invested in ContextVision's shares.

For the period 2018-2021, the foundation had acquired 148,253 shares as of December 31, 2022. For 2022, the allocation to the foundation is SEK 1.3 M, and share purchases will take place during 2023. In accordance with the foundation's rules, the shares from the 2017 allocation (a total of 60,900 ContextVision shares and 6,090 Inify Laboratories shares) were sold during 2022, and the return from the sale was distributed to the employees.

**Financial position**

ContextVision's balance sheet total was SEK 97.7 M (110.6) as of December 31, 2022, and the equity ratio was 68.1 percent (34.2 percent). The change in the consolidated balance sheet total and equity ratio is primarily explained by the dividend of Inify Laboratories AB in February 2022. At the end of the year, short-term receivables amounted to SEK 35.0 M (28.6), mainly comprising customer receivables. ContextVision has no loans.

**Cash flow and liquidity**

In 2022, the cash flow from operating activities increased to SEK 25.9 M (9.5). The operating capital, adjusted for the dividend of Inify, amounted to 55.5 (67.4) percent of net sales for the last 12 months. The decrease is mainly explained by the increased net sales. The cash flow from investment activities amounted to SEK -5.3 M (-4.7). Investments in intangible fixed assets amounted to SEK 3.7 M (1.4) and consisted of capitalized development expenses for personnel of SEK 1.8 M (1.2) and other costs of SEK 1.9 M (0.2). The cash flow from financing activities amounted to SEK -25.7 M (-4.2). The change is primarily explained by the transfer of liquid funds to the wholly-owned subsidiary Inify Laboratories AB in connection with the dividend. The cash flow for the year amounted to SEK -5.1 M (0.6), and as of December 31, 2022, the Group's liquid funds amounted to SEK 41.9 M (46.9).

**Capitalization of development expenses**

ContextVision is a research and development-oriented company that invests heavily in the development of various software solutions in image analysis and image-based medical applications. As of December 31, 2022, 12 employees were engaged in research and development, corresponding to 34 percent of the total number of employees.

Development expenses totalling SEK 3.7 M (1.4) were capitalized, an increase of 264 percent. Only product development that meets the requirements for capitalization according to IAS 38 is recognized as intangible assets, see note 1 for further information.

The company's capitalized development expenditure for 2022 relates to a total of four

development projects. Two of the development projects were completed in 2022, Rivent Mobile and Rivent 3D, two new products that are now released to the market. The remaining two development projects continue into 2023.

Depreciation

In 2022, total depreciation for continued operations increased by 36 percent to SEK 7.9 M (5.8). Depreciation on leased assets amounted to SEK 4.5 M (4.1). Depreciation on capitalized development expenses for continued operations decreased by 12.5 percent to SEK 2.8 M (3.2). The decrease is explained by projects reaching their full depreciation time.

The company's capitalized development expenses for 2022 relate to a total of four development projects, two of which were ongoing at year-end 2022. The product previously developed for the Digital Pathology business area was transferred to the subsidiary Inify Laboratories AB in connection with the spin-off of the company in early 2022. Previous years' capitalizations refer to various products related to the company's core technology GOP View, mainly in ultrasound.

The depreciation period for development expenses is five years, and linear depreciation is applied over the useful life from the time the product is launched. Regarding all capitalized development expenses, value in use has been calculated to ensure it does not fall below the carrying amount. Of the current year's capitalized development expenses, SEK 1.8 M (1.2) pertains to personnel costs.

Period's results and earnings per share

Profit after tax for the remaining operations in 2022 amounted to SEK 33.3 M (34.9), which means that earnings per share amounted to SEK

0.43 (0.45). The tax expense for the year amounted to SEK 7.7 SEK (9.5).

The Group and the Parent Company

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

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

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

Significant events after the balance sheet date

No significant events have occurred after the end of the year.

Outlook for 2023 and onward

Going forward, the company will again focus its operations on the development of innovative products for the medical imaging market and on being a trusted supplier to large global manufacturers within the business area.

Within image enhancement, the management sees opportunities to continue to grow further and future investments in research and product development focus on meeting the expected market needs. The company has always had a strong focus on new development and improve-

ment of the product portfolio, which contributes to ContextVision being able to maintain its position as market leader in the area.

Proposed appropriation of profit, Parent Company

At the general meeting's disposal (SEK)	2022
Retained earnings and fair value reserve	9,004,139
Profit/loss for the year	29,058,682
	<b>38,062,821</b>
The Board proposes:	
Dividend to shareholders	-23,210,250
Profit carried forward	<b>14,852,571</b>

Board of Directors' statement on proposed dividend

The Board of Directors makes the following reasoned statement pursuant to chap. 18 §4 of the Swedish Companies Act: The Board of Directors believes that ContextVision's financial position is good, and that the proposed dividend does not prevent the company or group from fulfilling its commitments in the short and long-term, nor preventing the company or group from completing necessary investments. The Group's cash and cash equivalents amount to SEK 41.9 M (46.9) as of 31 December 2022, and the Group is expected to generate positive cash flow in 2023. The Board of Directors of ContextVision is proposing a dividend of SEK 0.30 per share, or SEK 23.2 M for payment as dividends to shareholders. This dividend is justified by the Group's strong Balance Sheet and confidence in the Group's future progress. Additionally, the Board of Directors has considered the company's capability to fulfil current and anticipated

payment obligations and complete its investments. Against the background of the company's and Group's operations continuing to be conducted profitably, its equity/assets ratio and liquidity reserves are satisfactory. The Group's equity/assets ratio after the proposed dividend is 58.1 percent. Regarding the company's and the Group's results of operations and financial position otherwise, please refer to the Income Statements and Balance Sheets, Statements of Comprehensive Income, Cash Flow Statements and notes in the annual accounts. The Board of Directors' opinion is that the proposed dividend will not prevent the company, or other companies within the Group, from fulfilling their obligations, nor from completing necessary investments. Accordingly, the proposed dividend is justifiable considering the provisions of chap. 17 §3 second and third sections (principle of prudence) of the Swedish Companies Act. Regarding the Parent Company's and the Group's results of operations and financial position otherwise, please refer to the following statements and supplementary disclosures.

# Risks and uncertainties

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

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

## Operational risks

The operational risks are mainly identified as a dependency on major customers, where 70 percent of the company's revenue is generated from about 8 different customers.

## Seasonal or productional variations

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

The sales process for new products and upgrades are usually very long, as the process for integration of a new product into the custom-

er's production line must be adapted to the customer's overall plans and resource allocation.

## Research and development

ContextVision develops advanced and specialized software for medical image enhancement, and the company assumes the risk during the research and product development phase. The management performs continuous project follow-ups and quality assurance to minimize the associated risks.

The ability to follow the market trends and identify new market needs is crucial. This is continuously being analysed within the product teams as well as the management. Close collaborations with customers also contribute to identify and analyse upcoming needs and trends.

## Personnel

The company is dependent on highly qualified employees, which could be considered as a risk factor when it comes to key employees. Since ContextVision during the latest years have invested in development of new technology, the company is dependent on its ability to recruit, develop and keep skilled employees.

## Financial risks

A financial policy adopted by the Board of Directors constitutes the framework for how the company manages financial risks. The com-

pany has clear mandates and limits for financial activities.

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

## Interest rate risk

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

## Currency risk

During 2022 the invoicing in EUR represented 62 percent (60) of total invoicing, the invoicing in USD represented 23 percent (25), and the invoicing in JPY represented 14 percent (15). The company does not foresee any major changes in the distribution between currencies during the coming year compared with 2022.

Since all sales are invoiced in foreign currencies, while the main part of the costs is in SEK, the company is sensitive to currency exchange rates. The Group hedges its foreign currency exposure on a regular basis, in order to minimize the risk.

Please refer to note 23 for further details regarding the sensitivity analysis.

## Credit risk

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

# Five Year Summary

SEK K	2022	2021	2020	2019	2018
<b>Consolidated results and financial position from continued operations</b>					
Net sales	117,825	98,099	94,746	95,312	90,903
Operating result	41,133	44,483	47,757	34,257	31,142
Result after financial items	41,045	44,385	47,629	34,054	31,150
<b>Net result from continued operations</b>	<b>33,319</b>	<b>34,884</b>	<b>37,795</b>	<b>26,491</b>	<b>24,125</b>
<b>Discontinued operations</b>					
Net result from discontinued operations, note 21	-4,527	-42,537	-25,717	-19,093	-25,304
<b>Net result from continued operations and discontinued operations</b>	<b>28,791</b>	<b>-7,653</b>	<b>12,080</b>	<b>7,398</b>	<b>-1,179</b>
<b>Consolidated Balance Sheets</b>					
Intangible fixed assets	9,541	8,622	23,720	20,822	11,681
Tangible fixed assets	3,700	3,736	2,221	2,677	3,353
Right-of-use assets	5,161	10,008	5,879	9,461	-
Financial fixed assets	1,254	704	394	522	323
Current assets	78,082	55,808	73,806	59,330	61,476
Assets for dividends to shareholders	-	31,753	-	-	-
<b>Total assets</b>	<b>97,738</b>	<b>110,632</b>	<b>106,020</b>	<b>92,812</b>	<b>76,833</b>
Equity	66,529	37,803	79,782	66,136	58,562
Long-term liabilities	146	146	2,875	1,560	968
Non-current lease liabilities	1,881	4,854	1,593	4,734	-
Short-term liabilities	26,636	31,844	18,281	16,476	17,303
Current lease liabilities	2,546	4,232	3,489	3,906	-
Dividends to shareholders	-	31,753	-	-	-
<b>Total equity and liabilities</b>	<b>97,738</b>	<b>110,632</b>	<b>106,020</b>	<b>92,812</b>	<b>76,833</b>

SEK K	2022	2021	2020	2019	2018
<b>Cash flow</b>					
Operating activities	25,889	17,597	22,315	25,076	5,119
Investing activities	-5,300	-12,904	-8,731	-23,029	-7,501
Financing activities	-25,662	-4,120	-3,557	-3,663	-
<b>Change in cash and cash equivalents</b>	<b>-5,073</b>	<b>573</b>	<b>10,027</b>	<b>-1,616</b>	<b>-2,382</b>
<b>Key ratios continued operations</b>					
Equity ratio, %	68.1	34.2	75.3	71.3	76.2
Operating margin, %	34.9	45.3	50.4	35.9	34.3
Profit margin, %	34.8	45.2	50.3	35.7	34.3
Return on equity, %	63.9	59.3	51.8	42.5	40.9
EBITDA	49,079	50,301	53,945	41,863	37,276
Average no. of shares	77,367,500	77,367,500	77,367,500*	77,367,500*	77,367,500*
Result per share	0.43	0.45	0.49	0.34**	0.31**
Result per share after dilution	0.43	0.45	0.49	0.34**	0.31**
Share price (NOK) Dec 31	9.1	16.1	22.1	10.4**	5.5**

\* Increase in the total number of shares due to a share split (10:1) in August 2020.  
\*\* The numbers have been re-calculated for the comparison periods due to a share split.

ContextVision presents certain financial measures in the financial statements that are not defined under IFRS. ContextVision believes that these measures provide useful supplementary information to investors and the management as they allow for evaluation of the ContextVision's performance. Because not all

companies calculate the financial figures in the same way, these are not always comparable to measures used by other companies. These financial measures should therefore not be considered to replace those by IFRS.

CALCULATION OF KEY RATIOS, SEK K

	2022	2021
<b>Equity ratio</b>		
Equity at period end	66,529	37,803
Total assets	97,738	110,632
<b>Equity ratio, %</b>	<b>68.1</b>	<b>34.2</b>
<b>Operating margin continued operations</b>		
Operating income	41,133	44,483
Non-recurring items	-	-
Net sales	117,825	98,099
<b>Operating margin,%</b>	<b>34.9</b>	<b>45.3</b>
<b>Profit margin continued operations</b>		
Result after financial items	41,045	44,385
Net sales	117,825	98,099
<b>Profit margin</b>	<b>34.8</b>	<b>45.2</b>
<b>Return on equity continued operations</b>		
Net result	33,319	34,884
Average equity	52,166	58,793
<b>Return on equity, %</b>	<b>63.9</b>	<b>59.3</b>
<b>EBITDA continued operations</b>		
Net results	33,319	34,884
Interests	88	98
Taxes	7,726	9,501
Depreciation and impairment	7,946	5,818
<b>EBITDA</b>	<b>49,079</b>	<b>50,301</b>
<b>Earnings per share continued operations</b>		
Net results	33,319	34,884
Average number of shares, amount	77,367,500	77,367,500
<b>Earnings per share after tax, SEK</b>	<b>0.43</b>	<b>0.45</b>

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

# Corporate Governance Report

ContextVision AB (publ) is registered in Sweden and is controlled by its Articles of Association according to the Companies Act in Sweden. Since 1997, the company is listed on the Oslo Stock Exchange under the ticker CONTX and operates under Oslo Stock Exchange rules & regulations. ContextVision complies with the majority of applicable guidelines and procedures, which are stipulated in the Norwegian Code of Practice for Corporate Governance, issued October 17, 2018. The deviations are explained in this document.

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

**Business**

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

corporate values or involve other unethical 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 to ensure it is on an appropriate level.

**Equal treatment of shareholders and transactions with close associates**

ContextVision has only one share class, whereby all shares have equal voting rights. Transactions carried out in own shares are managed by a third party through the stock exchange. The company is using the services of Norne Securities AS who is acting as market maker for the company's shares. The function of the market maker is to ensure that there is liquidity maintained in the company's shares. The market maker guarantees to buy or sell shares within certain limits, according to sales orders and purchase orders on the market, without affecting the market pricing of the share. The operation of the market maker is surveyed by the Oslo Stock Exchange.

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

There are three individual shareholders, representing 10 percent or more each of the company, see table on page 21 for details. The shareholder "Monsun AS" is controlled by Board member Magne Jordanger with family.

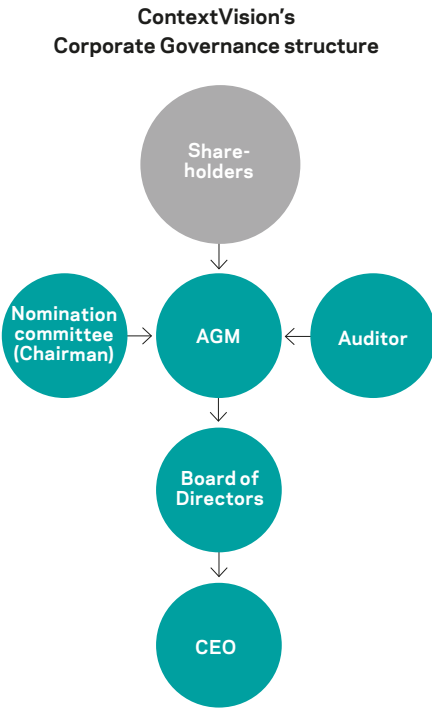
**Freely negotiable shares**

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

**Annual General meeting**

The General Meeting is the company's supreme decision-making body. Notice of general meeting is distributed four to six weeks before the date of the meeting by announcement at the stock exchange and in Swedish press, along with e-mailed invitations to shareholders. Enclosed is the procedure a shareholder must observe in order to participate and vote at the general meeting. All information related to the general meeting is kept available at the company's offices and is also provided on the company's website. The Articles of Association stipulates, and the Swedish Companies Act regulates the annual general meeting according to Swedish law.

The Chairman of the general meeting is elected by the general meeting; this is considered sufficient to ensure the independence of the Chairman. 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.



In ContextVision nomination of members of the Board is handled by the Chairman of the Board.

There are no specific audit committee within ContextVision. Such committee is regarded 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 fulfil the requirements to be performed by the Audit Committee.

The AGM is to be held within six months of the end of the fiscal year to resolve on matters including adoption of the income statement and balance sheet, and the allocation of profit. There are no special provisions regarding the function of the General Meeting in either the Articles of Association or in shareholder agreements. 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.

**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 AGM. 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 shareholders. The Board consists of three large shareholders, together with the Chairman and one more Board member who are both independent.

**The work of the Board of Directors**

The Board of Directors' principal obligations include providing strategic guidance for the

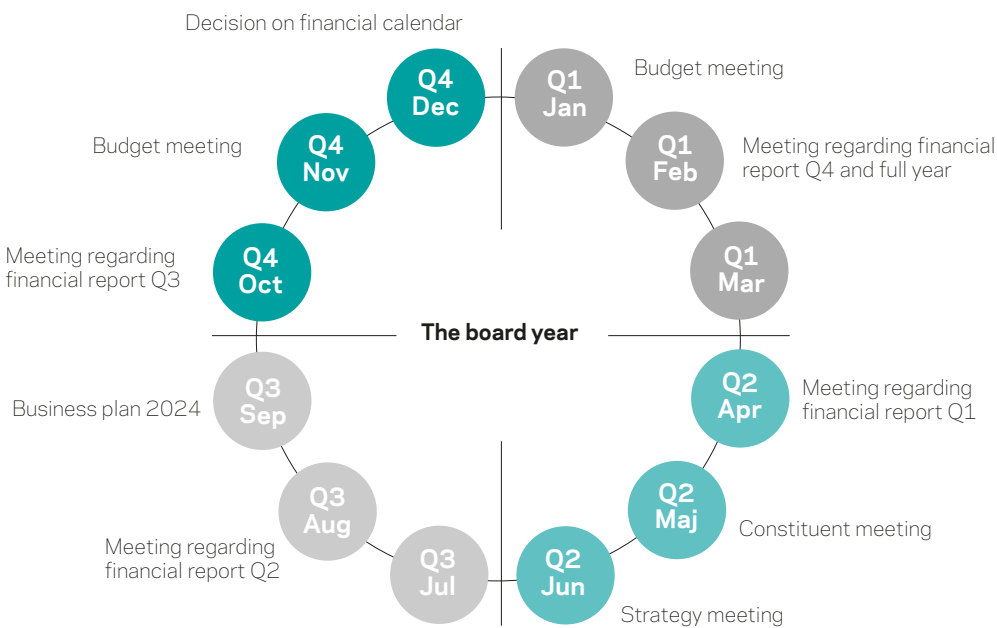
company, monitoring the executive management to ensure its effectiveness, monitoring the company's financial situation, ensuring the company's accountability towards its shareholders and providing appropriate communication to its shareholders and other stakeholders.

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 Board 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 AGM. The rules of procedure for the CEO are likewise reviewed at this meeting. The rules of procedure emphasize the clear internal allocation of responsibilities and duties. The company has a general system of internal control with descriptions of work processes and procedures in its quality system.

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

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

Once per financial year, the Board carries out, through a systematic and structured process, an evaluation of the Board's work. The review is the basis for the board's future working methods.



**Internal control and risk management**

The role of the Board is to ensure that ContextVision has sound internal control and continuously remains informed of, and evaluates, the effectiveness of the company's internal control system. In view of the company's limited size and operational structure, the Board, in its annual assessment of the possible need for a separate function to review the company's internal financial controls, has concluded that there is no need for an internal audit function. The control environment underlies all other components of ContextVision's internal control and risk management. In order to create and maintain a functioning control environment for financial reporting, the Board has established a

number of basic documents, including special rules of procedure for the Board and instructions for the CEO.

The Board has delegated responsibility for maintaining the Board's control environment framework to the CEO. The Board also determines the authorization instructions that delegate the CEO's authorization responsibilities to other senior executives at ContextVision. The CEO submits regular reports on the business situation and financial performance in relation to the budget and forecast to the Board and senior management. In addition, reports are also submitted by ContextVision's auditor.

The internal control also builds upon a management system based on ContextVision's

organization and manner of conducting business with clearly defined roles and areas of responsibility, and delegated authority.

ContextVision has also documented the division of responsibilities within the organization through policies and instructions. ContextVision is a process-oriented company and has integrated risk assessment with business processes. ContextVision's senior management regularly assesses risks of material misstatement of the financial statements, as well as other operational risks. Risk management is also incorporated into each process and systematic methods are used to assess and mitigate risks, and to ensure that risks linked to the company's operations are managed in accordance with established regulations, instructions and monitoring procedures.

ContextVision's control structure includes clear roles and an effective delegation of responsibilities aimed at timely prevention of the risk of material misstatement of the financial statements. Company management has been tasked with implementing, further developing and maintaining the company's control structure. Process managers at various levels are responsible for the implementation of controls in respect of financial reporting. The closing accounts and reporting processes include checks in respect of valuations, reporting principles and estimates. ContextVision's CFO plays a key role in the internal control process by ensuring that financial reporting is accurate, timely and complete.

ContextVision has information and communication systems and processes to ensure complete and accurate financial reporting. The relevant employees are regularly informed about changes in accounting policies and reporting requirements or other information. The Board receives regular financial statements.

ContextVision's financial situation is addressed at all scheduled Board meetings. The Board and management review the financial reporting before Interim and Annual Reports are published. The auditor's duties also include an annual review of ContextVision's internal control. On at least one occasion each year the Board of Directors meets the auditor without the attendance of the CEO or any other members of company management when the auditor presents an account, and a discussion is held concerning the audit's focus and observations.

**Remuneration of the Board of Directors**

Remuneration for the Board of Directors is determined by the AGM and is disclosed in the annual report. The annual results should not reflect the level of remuneration. As of December 31 2022, all members of the Board hold shares in the company at a total of 51 percent (51) of the company value.

**Remuneration of executive management**

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

The company has, in 2011, set up a foundation. The idea of the foundation is to build a long-term incitement program for all employees in the company. Each year the company will form operational goals, and the yearly transfer to the foundation will be based on the fulfilment of these goals. All employees, including the

CEO, 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 Gerald Pötzsch has currently a 0.5 percent participation in the foundation, based on working hours. For details on the remuneration of executive management, see note 5.

**Information and communication**

The Board endeavours to provide equal, timely and accurate communication to all stakeholders. 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.euronext.com](http://www.euronext.com), as well as ContextVision's own website, [www.contextvision.com](http://www.contextvision.com). A video presentation is generally organized in connection with the release of quarterly reports. The dates for such presentations are announced on the company's web site.

**Take-overs**

The Board of Directors shall not seek to hinder or obstruct take-over bids for the company's activities of shares unless there are specific 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 a general meeting following the announcement of the bid.

**Audit**

The auditor serves for a period of one year at a time and is elected at the AGM. The auditor participates in a yearly board meeting in February.

This occasion allows a review of any material changes in the company's accounting principles and a report on any disagreement that may have occurred between the executive management and the auditor concerning the annual accounts. The meeting shall also include a review of the company's internal control procedures and give the auditor the opportunity to discuss matters without any member of the executive management present.

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

The Board of Directors



Olof Sandén

Chairman

Sandén is partner at TRANSEARCH, an international Executive Search company. Olof has many years of experience from medical device companies in different leadership roles, but also from Boston Consulting Group and as the Swedish Trade Commissionaire to Germany / Regional Manager Europe at Business Sweden. Olof has carried out several M&A projects with subsequent integration work.

**Elected in:** 2021

**Education:** Master's degree from Chalmers / ETH Zurich and an Executive MBA from Columbia, New York

**Born in:** 1962

**Other assignments:** Board member of three medical device companies; Micropos, Scandidos and Inify Laboratories AB, and a PE owned company Unisport OY

**Previous assignments:** CEO of RISE, Research Institutes of Sweden. Executive Vice President at Elektro

**Independent of the company:** Yes

**Independent of the owners:** Yes

**Shares in ContextVision:** 3,000 shares



Sven Günther-Hanssen

Member of the Board

Günther-Hanssen is one of the founders of ContextVision AB. Günther-Hanssen has acted as a venture capitalist and been involved in start-up companies in the medical, industrial and financial sectors in the capacity of investor as well as board member.

**Elected in:** 2011

**Education:** M.Sc. degree in Industrial Engineering from the Institute of Technology at Linköping University

**Born in:** 1954

**Other assignments:** -

**Previous assignments:** Günther-Hanssen has previously served as CEO for ContextVision, as well as chairman of the board

**Independent of the company:** Yes

**Independent of the owners:** No

**Shares in ContextVision:**

8,516,670 shares (11%)



Martin Hedlund

Member of the Board

Hedlund is one of the founders of ContextVision AB. He founded the company, as a Research & Development Manager and later site manager in Linköping, leading a team to build one of the first advanced image analysis high-speed computers, namely the GOP-computer.

**Elected in:** 1997

**Education:** Master in Electrical Engineering Applied Physics at Linköping University

**Born in:** 1952

**Other assignments:** Board member of Cytacoat AB and the wholly owned Yakivu AB and DMGH Consulting

**Previous assignments:** CTO for ContextVision

**Independent of the company:** Yes

**Independent of the owners:** No

**Shares in ContextVision:**

8,316,660 shares (10.7%)



Martin Ingvar

Member of the Board

Ingvar has a background in cognitive neuroscience and is the Barbro and Bernard Osher Professor of Integrative Medicine at Karolinska Institutet, Stockholm Sweden. He has devised new modes for semantic interoperability in information systems and laid a foundation for patient centric knowledge building in health care.

**Elected in:** 2020

**Education:** MD, Specialist in Clinical Neurophysiology, PhD

**Born in:** 1955

**Other assignments:** Board member of Inify Laboratories AB and International consortium for health outcome measurement (ICHOM)

**Previous assignments:** -

**Independent of the company:** Yes

**Independent of the owners:** Yes

**Shares in ContextVision:**12,000 shares



Magne Jordanger

Member of the Board

Throughout his career as an owner-manager, Jordanger has operated various international industries.

**Elected in:** 2002-2017 and 2019

**Education:** BA degree from IMD Lausanne, Switzerland 1981

**Born in:** 1953

**Other assignments:** Chairman or member of the following Boards: Safe Information Group NV, NCL AB, Konsmo Fabrikker, Inify Laboratories AB and OKK gruppen.

**Previous assignments:** Operated various international companies

**Independent of the company:** Yes

**Independent of the owners:** No

**Shares in ContextVision:** 23,000,000 shares (29.73%) through the company Monsun AS

# Group Management



**Gerald Pötzsch**  
Chief Executive Officer  
**Employment with ContextVision:** 2022  
**Education:** After graduating from RWTH Aachen in Germany, Gerald completed two PhD programs in Engineering and Medicine  
**Born in:** 1972  
**Other assignments:** Cardiolex AB and MedTec AB  
**Previous assignments:** Gerald Pötzsch has spent 16 years with Philips in commercially leading roles in Europe, as Senior Director for Innovation in the CTO office, and as business leader for a global solution business that he established in the US  
**Shares in Context Vision:**  
15,000 shares



**Ola Lindblad**  
Chief Sales & Solution Officer



**Gunnar Låthén**  
Chief Technology Officer



**Markus Hökerberg**  
Interim Chief Financial Officer



**Ann-Sofi Hoff**  
Chief Product Officer



**Katarina Flood**  
Chief Service Officer



**Karin Lindbom**  
Interim Chief Human Resources Officer

# Financial Reports

## Consolidated Income Statement

SEK K	Note	2022	2021
<b>Continued operations</b>			
<b>Operating income</b>			
Net sales	2, 3	117,825	98,099
Capitalized work for own account	8	3,673	1,421
Other income	3	1,714	
<b>Total</b>		<b>123,212</b>	<b>99,520</b>
<b>Operating expenses</b>			
Goods for resale		-2,404	-1,967
Other external costs	3, 4, 7	-25,851	-9,834
Employee benefits	5	-45,878	-37,418
Depreciation and amortization	7, 8, 9	-7,946	-5,818
<b>Total operating expenses</b>		<b>-82,079</b>	<b>-55,037</b>
<b>Operating result</b>		<b>41,133</b>	<b>44,483</b>
<b>Financial items</b>			
Financial income		111	-
Financial costs		-199	-98
<b>Total financial items</b>		<b>-88</b>	<b>-98</b>
<b>Result after financial items</b>		<b>41,045</b>	<b>44,385</b>
Tax on results for the year	6	-7,726	-9,501
<b>Net result from continued operations</b>		<b>33,319</b>	<b>34,884</b>
<b>Discontinued operations</b>			
Net result from discontinued operations	21	-4,527	-42,537
<b>Net result from continued &amp; discontinued operations</b>		<b>28,791</b>	<b>-7,653</b>
Average no. of shares		77,367,500	77,367,500
Earnings per share before/after dilution	22	0.37	-0.10
Earnings per share continued operations	21, 22	0.43	0.45

## Other Comprehensive Income

SEK K	Note	2022	2021
Net result for the period		28,791	-7,653
<b>Other comprehensive income</b>			
Items that will be returned to the profit			
Effect of currency hedging		-674	-3,364
Tax effect of currency hedging		139	693
Translation difference		175	99
Result from subsidiary Inify Laboratories AB		295	-
<b>Total other comprehensive income</b>		<b>-65</b>	<b>-2,572</b>
<b>Total comprehensive income for the period</b>		<b>28,726</b>	<b>-10,225</b>

# Consolidated Balance Sheets

SEK K	Note	2022	2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible fixed assets</b>			
Capitalized expenditure for development work	8	9,541	8,622
<b>Total intangible fixed assets</b>		<b>9,541</b>	<b>8,622</b>
<b>Tangible fixed assets</b>			
Equipment, tools and furniture	9	3,700	3,736
<b>Total tangible fixed assets</b>		<b>3,700</b>	<b>3,736</b>
<b>Right-of-use assets</b>			
Right-of-use assets	7	5,161	10,008
<b>Total right-of-use assets</b>		<b>5,161</b>	<b>10,008</b>
<b>Financial fixed assets &amp; other non-current assets</b>			
Other long-term receivables	6, 11, 18	1,254	704
<b>Total financial fixed assets &amp; other non-current assets</b>		<b>1,254</b>	<b>704</b>
<b>Total non-current assets</b>		<b>19,656</b>	<b>23,070</b>
<b>Current assets</b>			
Inventories	12	1,272	1,027
<b>Total inventories</b>		<b>1,272</b>	<b>1,027</b>
<b>Current receivables &amp; current investments</b>			
Accounts receivable	13	27,460	19,573
Other receivables	13	1,464	5,426
Tax receivables	6	3,777	2,558
Prepaid expenses and accrued income	14	2,252	1,019
<b>Total current receivables &amp; current investments</b>		<b>34,952</b>	<b>28,576</b>
Cash and cash equivalents	23	41,858	26,205
<b>Total current assets</b>		<b>78,082</b>	<b>55,808</b>
Current assets for dividend to shareholders	21	-	31,753
<b>TOTAL ASSETS</b>		<b>97,738</b>	<b>110,632</b>

SEK K	Note	2022	2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	15	2,084	2,084
Other contributed capital		2,864	2,864
Other reserves		-636	-276
Retained earnings		62,217	33,131
<b>Total equity</b>		<b>66,529</b>	<b>37,803</b>
<b>Long term liabilities</b>			
Deferred tax	6	146	146
Non-current lease liabilities	7	1,881	4,854
<b>Total long term liabilities</b>		<b>2,027</b>	<b>5,000</b>
<b>Short term liabilities</b>			
Accounts payable and other debts	16	6,581	11,723
Tax liabilities	6, 16	7,679	1,332
Accrued expenses and pre-paid income	17	9,918	17,621
Derivatives	16, 23	2,457	1,168
Current lease liabilities	7	2,546	4,232
Dividend to shareholders	21	-	31,753
<b>Total short term liabilities</b>		<b>29,181</b>	<b>67,829</b>
<b>Total liabilities</b>		<b>31,208</b>	<b>72,829</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>97,738</b>	<b>110,632</b>

## Consolidated Statement of Changes in Equity

SEK K	Share capital	Other contributed capital	Other reserves	Retained earnings and result for the year	Total
<b>January 1, 2021</b>	<b>2,084</b>	<b>2,864</b>	<b>2,319</b>	<b>72,514</b>	<b>79,782</b>
Total comprehensive income for the period	-	-	-2,595	-7,630	-10,225
Dividend to shareholders	-	-	-	-31,753	-31,753
<b>December 31, 2021/ January 1, 2022</b>	<b>2,084</b>	<b>2,864</b>	<b>-276</b>	<b>33,131</b>	<b>37,803</b>
Total comprehensive income for the period	-	-	-360	29,086	28,726
<b>December 31, 2022</b>	<b>2,084</b>	<b>2,864</b>	<b>-636</b>	<b>62,217</b>	<b>66,529</b>

All equity is attributable to the Parent Company's shareholders.

## Specification of other reserves

SEK K (definitions, see note 14)	Translation difference	Currency hedging	Tax effect on currency hedging	Total
<b>January 1, 2021</b>	<b>351</b>	<b>2,507</b>	<b>-538</b>	<b>2,319</b>
Change during the year	99	-3,430	736	-2,595
<b>December 31, 2021 / January 1, 2022</b>	<b>450</b>	<b>-923</b>	<b>198</b>	<b>-276</b>
Change during the year	176	-665	129	-360
<b>December 31, 2022</b>	<b>626</b>	<b>-1,589</b>	<b>327</b>	<b>-636</b>

## Consolidated Statement of Cash Flow

SEK K	Note	2022	2021
<b>Operating activities</b>	2		
Operating profit continued operations		41,133	44,483
Operating profit discontinued operations		-4,520	-53,526
<b>Total operating profit</b>		<b>36,613</b>	<b>-9,043</b>
<b>Adjustment of items not included in the cash flow</b>			
Depreciation and impairment of assets	8, 9	4,223	7,224
Depreciation of right-of-use assets	7	4,457	4,068
Unrealized gain/loss on current investments		-536	-
Interest payments		-95	-145
Income tax paid		-2,821	-5,718
Other non cash flow items		945	-2,694
<b>Cash flow from operating activities before changes in working capital*</b>		<b>43,786</b>	<b>-6,308</b>
<b>Changes in working capital</b>			
Change in inventories		-244	-259
Change in current receivables		-7,029	2,418
Change in current liabilities		-9,624	13,622
<b>Cash flow from operating activities</b>		<b>25,889</b>	<b>9,473</b>
<b>Cash flow from investing activities</b>			
Investments in intangible assets	8	-3,673	-1,422
Investments in tangible assets	9	-1,155	-3,248
Other financial assets		-473	-37
<b>Cash flow from investing activities</b>		<b>-5,300</b>	<b>-4,707</b>
<b>Cash flow from financing activities</b>			
Payments of lease liabilities		-4,659	-4,193
Payment of share capital		-500	-
Cash transfer to Inify Laboratories AB		-20,503	-
<b>Cash flow from financing activities</b>		<b>-25,662</b>	<b>-4,193</b>
<b>Cash flow for the year</b>		<b>-5,073</b>	<b>573</b>
Cash and cash equivalents at beginning of year		46,931	46,356
<b>Cash and cash equivalents at year end</b>		<b>41,858</b>	<b>46,931</b>

\* During the year, interest of SEK 111 K (0) has been received and interest of SEK 206 K (145) has been paid.

\*\* Cash and cash equivalents at the end of the year 2021 was SEK 46.9 M of which SEK 20.5 M as part of assets distributed, see Note 21.

## Parent Company Income Statement

SEK K	Note	2022	2021
<b>Operating income</b>			
Net sales	2, 3	117,825	98,099
Capitalized work for own account	8	3,673	1,421
Other income	3	2,002	-
<b>Total</b>		<b>123,500</b>	<b>99,520</b>
<b>Operating expenses</b>			
Goods for resale		-2,406	-1,967
Other external costs	3, 4, 7	-35,617	-36,753
Employee benefits	5	-44,654	-63,034
Depreciation and amortization	8, 9	-4,223	-7,224
<b>Total operating expenses</b>		<b>-86,900</b>	<b>-108,978</b>
<b>Operating result</b>		<b>36,600</b>	<b>-9,458</b>
<b>Financial items</b>			
Dividends from group company	10	-	-
Financial income		111	-
Financial costs		-2	-13
<b>Total financial items</b>		<b>109</b>	<b>-13</b>
<b>Result after financial items</b>		<b>36,709</b>	<b>-9,471</b>
<b>Appropriations</b>			
Tax allocation reserve	19	-	8,975
<b>Total appropriations</b>		<b>-</b>	<b>8,975</b>
<b>Result before tax</b>		<b>36,709</b>	<b>-496</b>
Tax on results for the year	6	-7,650	-313
<b>Net result</b>		<b>29,059</b>	<b>-809</b>
Dividend per share, SEK	22	0.30*	0.41

\* Proposed dividend

# Parent Company Balance Sheets

SEK K	Note	2022	2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible fixed assets</b>			
Capitalized expenditure for development work	8	9,541	8,622
<b>Total intangible fixed assets</b>		<b>9,541</b>	<b>8,622</b>
<b>Tangible fixed assets</b>			
Equipment, tools and furniture	9	3,700	3,736
<b>Total tangible fixed assets</b>		<b>3,700</b>	<b>3,736</b>
<b>Financial fixed assets &amp; other non-current assets</b>			
Shares in group companies	10	217	717
Other long-term receivables	11, 18	1,254	704
<b>Total financial fixed assets &amp; other non-current assets</b>		<b>1,471</b>	<b>1,421</b>
<b>Total non-current assets</b>		<b>14,712</b>	<b>13,779</b>
<b>Current assets</b>			
Inventories	12	1,272	1,027
<b>Total inventories</b>		<b>1,272</b>	<b>1,027</b>
<b>Current receivables and prepaid expenses</b>			
Accounts receivable	13	27,460	19,573
Other receivables		1,464	5,426
Tax receivables	6	3,777	2,557
Prepaid expenses and accrued income	14	3,214	1,981
<b>Total current receivables and prepaid expenses</b>		<b>35,915</b>	<b>29,537</b>
Cash and cash equivalents	18, 23	41,085	25,211
Assets for dividend to shareholders	21	-	31,753
<b>Total current assets</b>		<b>78,272</b>	<b>87,528</b>
<b>TOTAL ASSETS</b>		<b>92,984</b>	<b>101,307</b>

SEK K	Note	2022	2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital	15, 2	2,084	2,084
Statutory reserves		15,243	15,243
Reserve related to R&D expenses		9,542	8,622
<b>Total restricted equity</b>		<b>26,869</b>	<b>25,949</b>
<b>Non-restricted reserves</b>			
Fair value reserve		-1,261	-726
Retained earnings		10,266	11,994
Profit/loss for the year		29,058	-809
<b>Total non-restricted reserves</b>		<b>38,063</b>	<b>10,459</b>
<b>Total equity</b>		<b>64,932</b>	<b>36,408</b>
<b>Untaxed reserves</b>			
Tax allocation reserve	19	680	680
<b>Total untaxed reserves</b>		<b>680</b>	<b>680</b>
<b>Provisions</b>			
Deferred tax liability	6	-	-
<b>Total provisions</b>		<b>-</b>	<b>-</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Advance payment from customers	16	2,588	475
Accounts payable	16	3,161	10,214
Payables to group companies	16	1,191	963
Tax liabilities	6, 16	7,650	1,372
Other liabilities	16	3,115	2,184
Accrued expenses and deferred income	17	9,667	17,258
Dividend to shareholders		-	31,753
<b>Total current liabilities</b>		<b>27,372</b>	<b>64,219</b>
<b>Total liabilities</b>		<b>27,372</b>	<b>64,219</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>92,984</b>	<b>101,307</b>

Parent Company Statement of Changes in Equity

SEK K	Share capital	Statutory reserve	Reserves related to R&D expenses	Retained earnings	Currency hedging, net	Result for the year	Total
<b>January 1, 2021</b>	<b>2,084</b>	<b>15,243</b>	<b>23,383</b>	<b>19,249</b>	<b>1,968</b>	<b>9,738</b>	<b>71,665</b>
Total comprehensive income for the period	-	-	-	-	-2,694	-809	-3,503
Reserve related to development expenses	-	-	-14,761	14,761	-	-	-
Appropriation of profits 2020	-	-	-	9,738	-	-9,738	-
Dividend to shareholders	-	-	-	-31,753	-	-	-31,753
<b>December 31, 2021/ January 1, 2022</b>	<b>2,084</b>	<b>15,243</b>	<b>8,622</b>	<b>11,994</b>	<b>-726</b>	<b>-809</b>	<b>36,408</b>
Total comprehensive income for the period	-	-	-	-	-535	29,059	28,524
Reserve related to development expenses	-	-	920	-920	-	-	-
Appropriation of profits 2021	-	-	-	-809	-	809	-
<b>December 31, 2022</b>	<b>2,084</b>	<b>15,243</b>	<b>9,542</b>	<b>10,265</b>	<b>-1,261</b>	<b>29,059</b>	<b>64,932</b>

Parent Company Statement of Cash Flow

SEK K	Note	2022	2021
<b>Operating activities</b>			
<b>Operating profit</b>		<b>36,600</b>	<b>-9,458</b>
<b>Adjustment of items not included in the cash flow</b>			
Depreciation and impairment of assets	8, 9	4,223	7,223
Unrealized gain/loss on current investments		-535	-
Appropriations		-	8,975
Interest payments		109	-13
Income tax paid		-2,669	-4,737
Other non cash flow items		809	-11,669
<b>Cash flow from operating activities before changes in working capital*</b>		<b>38,537</b>	<b>-9,679</b>
<b>Changes in working capital</b>			
Change in inventories		-244	-259
Change in current receivables		-7,117	2,369
Change in current liabilities		-10,225	13,672
<b>Cash flow from operating activities</b>		<b>20,951</b>	<b>6,103</b>
<b>Cash flow from investing activities</b>			
Investments in intangible assets	8	-3,673	-1,420
Investments in tangible assets	9	-1,155	-3,248
Other financial assets		28	-1,576
<b>Cash flow from investing activities</b>		<b>-4,800</b>	<b>-6,244</b>
<b>Cash flow from financing activities</b>			
Payment of share capital		-500	-
Cash transfer to Inify Laboratories AB	21	-20,503	-
<b>Cash flow from financing activities</b>		<b>-21,003</b>	<b>-</b>
<b>Cash flow for the year</b>		<b>-4,852</b>	<b>-141</b>
Cash and cash equivalents at beginning of year		45,937	46,078
<b>Cash and cash equivalents at year end</b>		<b>41,085</b>	<b>45,937</b>

\* During the year, interest of SEK 111 K (0) has been received and interest of SEK 2 K (13) has been paid.

# Notes

All amounts in thousand Swedish kronor (SEK K) unless otherwise noted.

## Note 1 Supplementary disclosures

### Company information

The consolidated statements for ContextVision AB (publ) for 2022 have been approved for publication in accordance with a Board decision on March 29, 2023. The consolidated financial statements will be submitted for adoption at the General Meeting on May 3, 2023. ContextVision AB (publ), corporate ID No. 556377-8900, is a corporation with its registered office in Linköping, Sweden. ContextVison address is Storgatan 24, 582 23 Linköping. The Group's principal business is described in the Administration Report.

### 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.

Both the Group and the Parent Company complies with the Swedish Annual Accounts Act.

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.

The annual and consolidated accounts have been prepared under the assumption that the group conducts its business according to the going concern principle.

The functional currency of the parent company is the Swedish krona which also is the reporting currency for the group and the parent company. All amounts, if nothing else is stated, are presented in SEK thousand with one decimal. The amounts in tables and reports do not always sum up exactly to the total amount due to rounding. The purpose is that each amount should equal its origin and rounding differences can therefore occur.

### New and changed accounting principles during 2022

No new or revised standards and interpretations applied since 1 January 2022 have had any effect on the consolidated financial statements.

### Standards, amendments and interpretations to be applied from 2023 or later

No new or revised standards and interpretations that are not yet effective have been adopted in advance and are not expected to have any material effect on the consolidated financial statements.

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

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.

### 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 percent

of the voting shares, but may also be obtained in some other way, such as through a contract.

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

### Translation of foreign operations

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

### Translation of receivables and liabilities in foreign currency

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

### Revenue recognition

ContextVision's revenues mostly consist of license fees. The license grants the right to use the intangible asset as it is issued (right-to-use). The Company's customers are manufacturers (OEM) of medical imaging

equipment such as ultrasound devices. Customers purchase a license for each unit they deliver which means that the company's sales are dependent on the customers' production rate. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, which is in conjunction with the transfer of the license to the customer. After the transfer of the license, ContextVision has no further obligations related to the delivery. Revenue is measured at the fair value of the consideration received, excluding discounts. There is no financing component in the contract because the credit period is at most 90 days, which is consistent with practice.

The parts of a contract not related to the sale of licenses consist of service. The total transaction price of the contract is allocated to the separate performance commitments based on its relative independent selling prices. Revenues from respective performance commitments are recognized when the performance commitment has been met.

### Financing component

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

### Segment reporting

An operating segment is a part of the Group that conducts business activities from which it generates revenue and incurs costs and for which independent financial information is available. The results of an operating segment are also monitored by the company's chief operating decision maker. In accordance with IFRS 8, segment information is provided for the Group only. The identification of reportable segments is based on the internal reporting to the chief

*Note 1 cont.*

operating decision maker, which is the CEO of ContextVision. In this internal reporting, the Group constitutes a single segment since no costs are allocated, whereby one segment is presented in the financial statements.

The former segment Digital Pathology included research, product development and sales to customers active in digital pathology. In November 2021, the board decided to change strategy and the Digital Pathology segment was developed into a subsidiary; Inify Laboratories AB and was split from ContextVision in February 2022. In accordance with current accounting standards, the part of the business that includes medical imaging is therefore reported as continuing operations, while the part of the business that includes digital pathology is reported as discontinued operations.

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

Tangible and intangible fixed assets are valued at their acquisition value less accumulated depreciation and write-downs. Depreciation is based on an asset's useful life. The reported value of fixed assets is reviewed continuously for impairment when events or changes in circumstances indicate that the posted value may not be recoverable. Ongoing research and development projects are tested for impairment twice every year or when any indication of need for impairments occurs. The recoverable amount for fixed assets corresponds to the higher of the net selling price and the value in use. The value in use is estimated by discounting the expected future cash flows to their present value using a discount rate. The discount rate used in 2022 was 12 percent. A sensitivity analysis is performed with the same assumptions about cash flows for the next five years but with a pre-tax discount rate of 20 percent. No potential need for impairment was found to exist at this higher discount rate. Any impairment loss is recognized in the income statement.

When evaluating possible impairments, the assessment is based on a combination of historical data, budget, and forecast information. To assess the useful life and value of fixed assets beyond the 5-year forecast period, various techniques and methods are used, including experience-based assumptions and expert judgments. If there are indications of impairment and if

the carrying amount exceeds the expected recoverable amount, the assets are impaired to the recoverable amount. Completed impairment tests have shown that the company has a good margin when it comes to recoverable values for fixed assets. The company has a significant difference between the recoverable value and the carrying amount, providing a safety margin for the company in the event of any future impairments.

**Development expenses**

Expenses related to research undertaken with the prospect of gaining new scientific or technical knowledge in the Group's operations are expensed as incur-rent. 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 of IAS 38. This means that an intangible asset that arises through development is taken up as an asset in the balance sheet only if the following conditions are met:

- It is technically possible for ContextVision to complete the intangible asset so that it can be used or sold.
- ContextVision's intention is to complete the intangible asset and use or sell it.
- ContextVision has the ability to use or sell the intangible asset.
- ContextVision shows how the intangible asset will generate probable future financial benefits.
- There are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- ContextVision can reliably measure the expenses attributable to the intangible asset during its development.

The reported value includes all directly attributable costs, such as those for materials, salaries and compensation to employees engaged in development activities. Other development costs that do not meet criteria of IAS 38 are expensed in the profit and loss account for the period in which they arise. Individual assessment is made of all ongoing research and development projects to find any indications of impairment.

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

**Recognizing in and removal from the balance sheet**

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

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

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

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

**Classification and valuation of financial assets**

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

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

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

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

**Classification and valuation of financial obligations**

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

**Recognition of derivative instruments and hedge accounting**

Derivative instruments comprise forward hedging contracts that is used to minimize the transaction exposure from foreign currencies. Derivative instruments are not used for speculative purposes. All derivative instruments are recognized at fair value in the balance sheet.

*Note 1 cont.*

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

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

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

**Write-down of financial instruments**

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

For accounts receivable, a simplified method is applied and the reserve for credit losses is calculated and reported based on expected credit losses for the entire remaining term. The calculation of expected credit losses is mainly based on an individual assessment of the current claim in combination with information on historical losses for similar assets and counterparties. The historical information is evaluated and adjusted continuously depending on the current situation and the expectation of future events.

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

**Provisions**

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

**Compensation to employees**

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

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

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

**Taxes**

**Current income tax**

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

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

**Deferred tax**

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

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

**Cash flow statement**

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

**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. No contributions have been received in 2022 (nor in 2021).

**IFRS 16 leases**

ContextVision has leasing agreements for various types of objects, mainly office premises (Stockholm & Linköping) and office equipment. The leasing agreements for the office premises are usually between 2 and 5 years. Extension and termination options are included in the contracts, as well as clauses linked to index calculation of future rental costs. Service components are not included in capitalized amounts in accordance with IFRS 16. The same applies to other variable costs, such as electricity and heating, where the costs are determined by the actual use of the premises.

ContextVision also has a number of leasing agreements with a contract duration of less than 12 months as well as leasing agreements of smaller value. For these, the Group applies the exception for short-term leases and leases with low value, which essentially consists of copiers, printers, conference equipment and computers. ContextVision reports right-of-use assets linked to leasing agreements in the balance sheet under the heading Right-of-use assets, and leasing liabilities in the balance sheet under separate headings, long-term and short-term liabilities. Lease fees paid are reported partly as payment of interest, partly as amortization of the leasing debt. IFRS 16 had an effect on the balance sheet on December 31, 2022, with SEK 5.2 M in rights of use and SEK 4.4 M in lease liabilities. The difference between assets and liabilities depends on prepayments of leasing costs. An interest rate of 3 percent has been used for leasing of offices and 5 percent for leasing of office equipment. All leasing agreements are depreciated linearly during agreement period.

**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

*Note 1 cont.*

estimates made for accounting purposes may deviate from the actual outcome.

**Impairment test of intangible assets**

ContextVision evaluates on a regular basis if there are any indications of impairment for capitalized development expenses. The company regularly analyses the need for write-down of development expenses. The evaluation means that the management makes assumptions that include estimates and assessments on each product's expected future sales and profitability level. The used assumptions are based on historical experiences from development of similar products as well as expectations on the future. See the section on Tangible and intangible fixed assets above for further details. During 2022, no write down of intangible asset has been recorded.

**Capitalization of development expenses**

Expenditure for development projects is recognized as an intangible asset if ContextVision demonstrates that it is technically possible to complete and profitable to commercialize the result and only if the expenditure for this project can be reliably measured. Development expenses that do not meet the accounting criteria according to IAS 38 are expensed when they arise. Expenditures that are directly related to identifiable software products specially developed for ContextVision, which are controlled by the company, and which are likely to generate economic benefits that exceed the costs for a period longer than one year, are reported as intangible fixed assets. The value includes all direct costs, such as office, materials, consulting services, salaries and compensation for the development staff.

**Parent Company Accounting**

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

to be made. The differences between the Parent Company's and Group's accounting policies are described below.

**Subsidiaries and associates**

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

**Taxes**

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

**Leasing agreement**

All leasing agreements are depreciated linearly during agreement period.

**Reserve related to development expenses**

The Parent Company capitalizes development expenses in the balance sheet. A restricted reserve is presented for internally generated development expenses, where an amount equal to this year's capitalization is transferred from free reserves to restricted reserves. The restricted reserve dissolves in line with amortizations and any disposal of the asset.

# Note 2 Income

All income is related to the business unit medical imaging

Net sales by region (SEK K)	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Asia	80,586	61,536	80,586	61,536
Europe	19,696	18,973	19,696	18,973
America	17,542	17,591	17,542	17,591
<b>Total</b>	<b>117,825</b>	<b>98,099</b>	<b>117,825</b>	<b>98,099</b>

Net sales by product (SEK K)	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
XR	22,761	19,233	22,761	19,233
US 2D	75,136	61,776	75,136	61,776
US 3D	8,447	9,105	8,447	9,105
MR	6,512	5,394	6,512	5,394
Other	2,534	1,244	2,534	1,244
Service	2,434	1,346	2,434	1,346
<b>Total</b>	<b>117,825</b>	<b>98,099</b>	<b>117,825</b>	<b>98,099</b>

Net sales by country (SEK K)	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Korea	33,444	27,617	33,444	27,617
China	29,946	17,807	29,946	17,807
Japan	15,393	15,854	15,393	15,854
USA	16,677	15,992	16,677	15,992
Sweden	1,270	-	1,270	-
Other countries	21,094	20,829	21,094	20,829
<b>Total</b>	<b>117,825</b>	<b>98,099</b>	<b>117,825</b>	<b>98,099</b>

The Executive Management views the result of the Group as a whole, with one operating segment (continued operations). Sales are viewed on a geographical level and at product level.

There are 2 (2) individual customers representing more than 10 percent each of the total revenue during the year. The first client representing 18 percent and the other one representing 11 percent of the total revenue during 2022. Asia is the largest region, sales-wise, and represented 67 percent (63) of the total

revenue for the year. In that region sales from China, Japan and Korea is included. All license income is generated outside Sweden.

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

Note 2 cont.

**Consolidated Income Statement**

Business unit/segment (SEK K)	CONTINUED OPERATIONS		DISCONTINUED OPERATIONS		GROUP TOTAL	
	Business Unit Medical Imaging		Business Unit Digital Pathology			
	2022	2021	2022	2021	2022	2021
Net sales	117,825	98,099	-	-	117,825	98,099
Capitalized work for own account	3,673	1,421	-	-	3,673	1,421
Other income	1,714	-	288	-	2,002	-
<b>Total operating income</b>	<b>123,212</b>	<b>99,520</b>	<b>288</b>	<b>-</b>	<b>123,500</b>	<b>99,520</b>
Goods for resale	-2,404	-1,967	-1	-	-2,405	-1,967
Other external costs	-25,851	-9,834	-2,043	-19,776	-27,894	-29,610
Employee benefits	-45,878	-37,418	-2,030	-28,276	-47,908	-65,694
Depreciation and amortization	-7,946	-5,818	-733	-5,474	-8,679	-11,292
<b>Operating result</b>	<b>41,133</b>	<b>44,483</b>	<b>-4,520</b>	<b>-53,526</b>	<b>36,613</b>	<b>-9,042</b>
Financial income	111	-	-	-	111	-
Financial costs	-199	-98	-7	-47	-206	-145
<b>Result after financial items</b>	<b>41,045</b>	<b>44,385</b>	<b>-4,527</b>	<b>-53,573</b>	<b>36,518</b>	<b>-9,189</b>
Tax on profit/loss for the year	-7,726	-9,501	-	11,036	-7,726	1,535
<b>Net result</b>	<b>33,319</b>	<b>34,884</b>	<b>-4,527</b>	<b>-42,537</b>	<b>28,791</b>	<b>-7,653</b>

During 2022 ContextVision reports its sales, costs and results in one operating segment: Medical Imaging (continued operations). This reflects how the management review and measure the results. The operating segment Medical Imaging comprise research, product development and OEM sales within medical imaging. The product portfolio consists of products developed for a variety of modalities, such as Ultrasound, X-ray, MRI, Mammography, CT and iRV.

The operating segment Digital Pathology (discontinued operations) included previous research and product development of products for the growing market in digital pathology. In November 2021, the Board decided to change strategy and close down the business unit. The remaining part of the business was transferred to a subsidiary; Inify Laboratories AB. The shares in the subsidiary were distributed to ContextVision's shareholders at the beginning of 2022.

<b>Contractual balances</b>	<b>2022-12-31</b>	<b>2021-12-31</b>
Contractual receivables	28,502	19,573
Contractual liabilities	2,588	475

Receivables relates to accounts receivables of SEK 27,460 K (19,573) and accrued income of SEK 1 042 K (0). Both accounts receivables and accrued income relates to receivables from customers where ContextVision has fulfilled its performance commitment and

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

## Note 3 Intra-group purchases /sales and related party transactions

**Intra-group purchases and sales:** Sales and marketing is handled by the Parent Company as well as by the foreign subsidiary. All investments in development are concentrated to the Parent Company in Sweden. Costs in the subsidiary are invoiced to the Parent Company. Total compensation from the Parent Company to the subsidiary amounts to SEK 6,122 K (3,317).

**Related party transactions:** During the year, ContextVision has delivered both consulting and coworking services to Inify Laboratories AB for a total of SEK 3.3 M.

Transearch International Sweden AB – an executive search firm where Olof Sandén, Chairman of the board is a partner, was engaged for recruitment of the CEO and interim CFO.

Remuneration according to employment contract has been paid to key personnel, for more information see note 5.

Transactions with related parties have been at arm's length.

Other than set out above, there has been no significant transactions with related parties during the year.

## Note 4 Auditor's fees

Audit work involves the audit of the annual report and financial accounting as well as the administration by the Board and the CEO, as well as further work or consultation related to the 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	
	2022	2021	2022	2021
<b>Ernst &amp; Young AB</b>				
Audit work	-	787	-	787
Audit work except from assignment	-	-	-	-
Tax advisory	-	-	-	-
Other work	78	112	78	112
<b>Total</b>	<b>78</b>	<b>899</b>	<b>78</b>	<b>899</b>

	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
<b>Grant Thornton Sweden AB</b>				
Audit work	600	-	600	-
Audit work except from assignment	-	-	-	-
Tax advisory	-	-	-	-
Other work	157	-	157	-
<b>Total</b>	<b>757</b>	<b>-</b>	<b>757</b>	<b>-</b>

Note 5 Personnel

	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Average number of employees				
Men	26	35	25	33
Women	11	14	11	14
Total	37	49	36	47
	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Salaries and other remuneration				
Board Members and CEO	2,614	3,088	2,614	3,088
(of which the CEO)	(2,114)	(2,588)	(2,114)	(2,588)
Other employees	28,236	39,982	25,538	37,472
Total	30,850	43,070	28,152	40,560
	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Social security expenses				
Pension costs for Board Members and CEO	357	484	357	484
Pension costs for other employees	3,586	6,128	3,504	6,128
Statutory and contractual social security expenses	9,368	13,797	9,127	13,668
Total	13,311	20,409	12,988	20,280

All pension plans are defined contribution plans and no outstanding obligations exists towards employees nor to the Board of Directors. During the year capitalized

development expenses of personnel costs have been recorded with total SEK 1.8 M (1.2).

Salaries and remuneration for the CEO and the Board 2022	Directors' remuneration <sup>1</sup>	Fixed salary	Variable salary	Pension	Other remuneration	Total
Gerald Pötzsch, CEO <sup>2</sup>	-	800	241	146	2	1,189
Ola Lindblad, interim CEO <sup>2</sup>	-	810	255	211	6	1,282
Olof Sandén, Chairman	300	-	-	-	-	300
Martin Ingvar, member of the Board	200	-	-	-	-	200
Martin Hedlund, member of the Board	-	-	-	-	-	-
Sven Günther-Hanssen, member of the Board	-	-	-	-	-	-
Magne Jordanger, member of the Board	-	-	-	-	-	-
Total	500	1,610	496	357	8	2,971

Salaries and remuneration for the CEO and the Board 2021	Directors' remuneration <sup>1</sup>	Fixed salary	Variable salary	Pension	Other remuneration	Total
CEO Fredrik Palm	-	2,009	457	484	122	3,072
Olof Sandén, Chairman of the Board	300	-	-	-	-	300
Martin Ingvar, member of the Board	200	-	-	-	-	200
Martin Hedlund, member of the Board	-	-	-	-	-	-
Sven Günther-Hanssen, member of the Board	-	-	-	-	-	-
Magne Jordanger, member of the Board	-	-	-	-	-	-
Total	500	2,009	457	484	122	3,572

<sup>1</sup> The Chairman's remuneration is decided by the AGM, in 2022 the level was set at SEK 300 K (300). At the same meeting, it was decided that the remuneration to other Board members, who are not also main shareholders, should be SEK 200 K (200).

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

<sup>2</sup> CEO Gerald Pötzsch was appointed in August 2022. Pötzsch is entitled to 6 months of notice, both in case of termination by the company, or if he terminates his employment himself. Pötzsch has a fixed salary and an individual, performance-based bonus. During the period January to July 2022, Ola Lindblad was interim CEO.

Pension payments for CEO during 2022 has been SEK 357 K (484) during the year. The age of retirement of the CEO is 65 years.

All the employees of the company are part of an incentive program, represented by a profit-sharing foundation. The foundation receives funds if the company successfully reaches specified objectives, related to sales and operations. The foundation invests in ContextVision shares, purchased on the stock market. The employees share of the foundation is based on hours worked during the year. Funds for the Foundation have been reserved for 2022 with SEK 1,301 K.

Note 5 cont.

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

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

During 2022, the company has made deviations from the remuneration guidelines adopted by the Annual General Meeting in 2020, with the justification that in the process of finding a new CEO, the company have realized the limitations with variable part of remuneration being a maximum of 10% and six months' severance pay. To get the right candidate and not too high fixed costs, the company decided on a variable part of max 35% and twelve months' severance pay.

Proposals for new guidelines will be presented at the AGM 2023, where up to 35% variable remuneration and 12 months' severance pay will be proposed. For more information, see Remuneration report 2022.

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

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

**Remuneration**

Remuneration to senior executives may consist of fixed salary, variable remuneration, pension and other conventional benefits such as health insurance, life insurance and company car. The total cost of benefits may not exceed 15 percent of the fixed salary. The fulfilment of criteria for payment of variable compensation must be measurable over a period of one or more years. The variable remuneration shall be limited to a maximum annual payment and shall not exceed

10 percent of the fixed annual salary. Variable remuneration must be linked to predetermined and measurable criteria that can be financial or non-financial. They can also be individualized quantitative or qualitative goals. The criteria must be designed so that the main company's business strategy and long-term interests are met, including its sustainability.

**Pension**

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

**Termination of employment**

The CEO has the right to 6 months' notice, both in the event of his own termination or in the event of termination from the company's side. In addition, the CEO is entitled to severance pay corresponding to a maximum of six monthly salaries.

**Salary and terms of employment for employee**

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

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

The guidelines shall apply until new guidelines have been adopted by the AGM, but no longer than until the AGM 2024. The Board is responsible for creating proposals for new guidelines at least every four years and submitting the proposal for resolution at the AGM. The Board shall follow up and evaluate the application of the guidelines and shall prepare a remuneration report for each financial year which shall be made available on ContextVision's website no later than three weeks before the AGM.

**Deviation from guidelines**

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

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

	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Current tax	-7,726	-11,441	-7,650	-313
Deferred tax	-	1,940	-	-
<b>Total tax on profit for the year for continued operations</b>	<b>-7,726</b>	<b>-9,501</b>	<b>-7,650</b>	<b>-313</b>

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

	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Pre-tax profit/loss from continued operations	41,045	44,385		
Pre-tax profit/loss from discontinued operations	-4,527	-53,573		
<b>Pre-tax profit/loss</b>	<b>-36,519</b>	<b>-9,188</b>	<b>36,709</b>	<b>-496</b>
Tax according to the applicable tax rates	-7,523	1,893	-7,562	102
Non deductible cost	-65	-40	-65	-40
Effect from different tax rates in the Group	-16	58	-	-
Income on tax allocation reserve	-1	-10	-1	-10
Other	-121	-360	-22	-360
Tax referring to previous periods	-	-6	-	-6
<b>Recorded tax expense</b>	<b>-7,726</b>	<b>1,535</b>	<b>-7,650</b>	<b>-313</b>
Tax from continued operations	-7,726	-9,501		
Tax from discontinued operations	-	11,036		

The applicable tax rate for the Group is 20.6% (20,6) and for the Parent Company 20.6% (20,6).

	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
<b>Deferred tax receivables/tax liabilities</b>				
Deferred tax liability on fair valuation on currency hedging	-	-	-	-
Deferred tax liability on reserves	-146	-146	-	-
Deferred tax receivable on fair valuation on currency hedging	327	250	327	250
<b>Total deferred tax</b>	<b>181</b>	<b>104</b>	<b>327</b>	<b>250</b>

# Note 7 Leasing agreements

Since ContextVision is a lessee, the leasing assets are reported as a right of use in the balance sheet, while the future obligation to the lessor is reported as a liability in the balance sheet. The Group mainly has lease agreements for office premises. The agreements normally have maturities between 3 to 5 years, with opportunities for extension and termination to create flexibility. Management continuously assesses whether it is likely that the extension or termination conditions will be utilized. ContextVision uses the exception rule for short-term leases and leases where the underlying asset has a low value, such as certain office equipment where the amounts have been assessed is not significant.

## Right-of-use assets per asset category (SEK K)

	2022-12-31	2021-12-31
Office and storage premises	5161	9,917
Office equipment	-	91
<b>Total right-of-use assets</b>	<b>5,161</b>	<b>10,008</b>

In 2022, the Group had costs for short-term leasing contracts and leasing of low-value assets amounting to SEK 49 K.

No write-downs of right-of-use assets have been made during 2022.

## Change in right-of-use assets (SEK K)

	Offices	Equipment	Total
<b>Opening balance, Jan 1, 2022</b>	<b>9,917</b>	<b>91</b>	<b>10,008</b>
New leasing agreements	-	-	-
Terminated leasing agreements	-	-	-
Depreciation	-4,366	-91	-4,457
Write down	-	-	-
Adjustment previous period	-390	-	-
<b>Closing balance, Dec 31, 2022</b>	<b>5,161</b>	<b>-</b>	<b>5,161</b>

## Leasing liabilities (SEK K)

	2022-12-31	2021-12-31
Current leasing liabilities	-2,546	-4,232
Non-current leasing liabilities	-1,881	-4,854
<b>Total leasing liabilities</b>	<b>-4,427</b>	<b>-9,086</b>

Interest expenses relating to leasing liabilities of total SEK 204 K have affected the results for 2022.

During 2022, the Group had cash flow-affecting leasing and rental expenses amounting to SEK 4,710 K (4,290).

## Change in leasing liabilities (SEK K)

	Offices	Equipment	Total
<b>Opening balance, Jan 1, 2022</b>	<b>-9,002</b>	<b>-85</b>	<b>-9,087</b>
New leasing agreements	-	-	-
Amortization	4,026	85	4,111
Write down	-	-	-
Adjustment previous period	549	-	549
<b>Closing balances, Dec 31, 2022</b>	<b>-4,427</b>	<b>-</b>	<b>-4,427</b>

## Amounts reported in Report on income and other comprehensive income

	2022	2021
Depreciation of right-of-use assets	-4,457	-4,068
Interest on leasing liabilities	-204	-132
Cost for short-term leases and leases of low value	-49	-96
<b>Total</b>	<b>-4,710</b>	<b>-4,296</b>

In 2023, ContextVision AB enters into a new lease for the Linköping office. The leasing agreement is SEK 1,561 K per year and extends to 31/12/2025.

## Leasing agreements 2022

	GROUP		PARENT COMPANY	
	Equipment	Premises	Equipment	Premises
Fees due in 2023	51	2,873	51	2,873
Fees due 2024 - 2026	91	6,052	91	6,052
Fees due 2027 or later	-	-	-	-
<b>Total</b>	<b>142</b>	<b>8,925</b>	<b>142</b>	<b>8,925</b>

# Note 8 Capitalized expenditure for development work

	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Opening balance acquisition value	61,942	85,293	61,942	85,293
Investments for the year	3,673	1,421	3,673	1,421
Discontinued operations (note 21)	-	-24,772	-	-24,772
<b>Closing balance accumulated acquisition value</b>	<b>65,615</b>	<b>61,942</b>	<b>65,615</b>	<b>61,942</b>
Opening balance depreciation	-51,560	-49,813	-51,560	-49,813
Depreciation for the year	-2,754	-6,181	-2,754	-6,181
Discontinued operations (note 21)	-	4,434	-	4,434
<b>Closing balance accumulated depreciation</b>	<b>-54,314</b>	<b>-51,560</b>	<b>-54,314</b>	<b>-51,560</b>
Opening balance write-downs	-1,760	-11,760	-1,760	-11,760
Write-downs of the year	-	-	-	-
Discontinued operations (note 21)	-	10,000	-	10,000
<b>Closing balance accumulated write-downs</b>	<b>-1,760</b>	<b>-1,760</b>	<b>-1,760</b>	<b>-1,760</b>
<b>Closing balance according to plan residual value continued operations</b>	<b>9,541</b>	<b>8,622</b>	<b>9,541</b>	<b>8,622</b>

The company's capitalized development expenses for 2022 relate to a total of four development projects. Of the four development projects during the year, two were ongoing at the turn of the year 2022. The product previously developed for the Digital Pathology business area was transferred to the subsidiary Inify Laboratories AB in connection with the spin-off of the company at the beginning of 2022.

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

Depreciation of intangible assets is 5 years.

Straight line depreciation is applied from the product launch to the end of the period. Regarding all capitalized development costs, for both completed and ongoing projects, value in use has been calculated to make sure it does not fall below book value. For more information see note 1, supplementary disclosures.

Personnel costs for research and development during the year, not capitalized, amounted to SEK 15.0 M (21.4). During the year ContextVision has capitalized expenses for product development by SEK 3.7 M (1.4), whereof SEK 1.8 M (1.2) refers to personnel.

## Note 9 Equipment

	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Opening balance acquisition value	12,288	10,931	12,288	10,931
Investments for the year	1,154	3,249	1,154	3,249
Discontinued operations (note 21)	28	-1,892	28	-1,892
<b>Closing balance accumulated acquisition value</b>	<b>13,470</b>	<b>12,288</b>	<b>13,470</b>	<b>12,288</b>
Opening balance depreciation	-8,552	-8,711	-8,552	-8,711
Depreciation for the year	-1,223	-1,043	-1,223	-1,043
Discontinued operation (note 21)	4	1,202	4	1,202
<b>Closing balance accumulated depreciation</b>	<b>-9,770</b>	<b>-8,552</b>	<b>-9,770</b>	<b>-8,552</b>
<b>Closing balance residual value according to plan for continued operations</b>	<b>3,700</b>	<b>3,736</b>	<b>3,700</b>	<b>3,736</b>

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

## Note 10 Shares in group companies

Subsidiaries	Corporate registration no.	Share capital/ Voting rights, %	Number of shares	Opening balance Jan 1, 2022	Closing balance Dec 31, 2022
ContextVision Inc., State of Illinois, USA	36-4333625	100/100	1,000	217	217
Inify Laboratories AB	559345-4431	100/100	77,367,500	500	-
<b>Total</b>				<b>717</b>	<b>217</b>

The decision to distribute the shares in Inify Laboratories AB was made at an Extraordinary General Meeting on December 10, 2021.

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

## Note 11 Other long-term receivables

	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Depositions	926	454	926	454
<b>Total</b>	<b>926</b>	<b>454</b>	<b>926</b>	<b>454</b>

## Note 12 Inventories

	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Inventories (hardware)	1,272	1,027	1,272	1,027
<b>Total</b>	<b>1,272</b>	<b>1,027</b>	<b>1,272</b>	<b>1,027</b>

Expense of goods for resale, totals to SEK 2,313 K (1,880) for both the Parent Company and the Group.

## Note 13 Accounts receivable and other receivables

	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Accounts receivable	28,269	19,573	28,269	19,573
Less: reservation for uncertain accounts receivables	-809	-	-809	-
Other receivables	1,464	5,426	1,464	5,426
<b>Total</b>	<b>28,924</b>	<b>24,999</b>	<b>28,924</b>	<b>24,999</b>

During the year, the accrual for bad debt loss decreased to SEK 809 K (0).  
See note 23 for additional information on accounts receivables.

## Note 14 Prepaid expenses and accrued income

	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Prepaid rent	-	-	1,276	1,287
Other prepaid expenses	1,028	1,019	714	694
Accrued income	1,224	-	1,224	-
<b>Total</b>	<b>2,252</b>	<b>1,019</b>	<b>3,214</b>	<b>1,981</b>

## Note 15 Equity

The number of shares in the company is 77,367,500 (77,367,500). The quota value is SEK 0.03 (0.03). All shares have equal voting rights.

Total number of shares and share capital	Total shares	Total share capital (SEK K)
31 Dec, 2022	77,367,500	2,084
<b>31 Dec, 2022</b>	<b>77,367,500</b>	<b>2,084</b>

Additional paid in capital – Refers to additional paid in equity from shareholders, reduced with repurchased shares and dividends.  
Translation difference – Contains all currency translation differences arising from the translation of financial statements of foreign subsidiaries not reporting in SEK.  
Currency hedging – Contains the effective part of the accumulated net change in the fair value of cash

flow hedging related to transactions that has not yet occurred.  
Retained earnings and net result for the year – Contains retained earnings in the Parent Company and its subsidiary.  
Reserve related to R&D expenses - Refers to the reserve equal to the capitalization, that is transferred from free reserves to restricted reserves.

## Note 16 Accounts payable and other liabilities

	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Advance payment from customers	2,588	475	2,588	475
Accounts payable	3,335	10,232	3,161	10,214
Liabilities to subsidiaries	-	-	1,191	963
Other liabilities	10,794	3,516	10,765	3,556
<b>Total</b>	<b>16,717</b>	<b>14,223</b>	<b>17,705</b>	<b>15,208</b>

## Note 17 Accrued expenses and deferred income

	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Salaries, vacation pay and payroll overhead	8,183	14,392	8,183	14,392
Other accrued cost	1,735	3,229	1,484	2,866
<b>Total</b>	<b>9,918</b>	<b>17,621</b>	<b>9,667</b>	<b>17,258</b>

## Note 18 Pledged assets and contingent liabilities

	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Mortgage	2,000	2,000	2,000	2,000
Depositions	926	454	926	454
Cash and cash equivalents	1,288	1,288	1,288	1,288
<b>Total</b>	<b>4,214</b>	<b>3,742</b>	<b>4,214</b>	<b>3,742</b>

Corporate mortgages of SEK 2 M have been taken out for the benefit of Svenska Handelsbanken as security for forward transactions in foreign currency. SEK 1.3 M are taken out in a rent guarantee for a lease for the Stockholm office.

Depositions refer to amounts deposited as a security for salary payments to employees abroad. There are no contingent liabilities in 2021 and 2022.

## Note 19 Tax allocation reserve

	PARENT COMPANY	
	2022	2021
Tax allocation reserve tax 2021	680	680
<b>Total</b>	<b>680</b>	<b>680</b>

## Note 20 Proposed appropriation of earnings, Parent Company

Proposed Appropriation of Earnings 2022 At the General Meeting's disposal SEK	
Retained earnings and fair value reserve	9,004,139
Profit/loss for the year	29,058,682
	<b>38 062 821</b>
<b>The Board proposes:</b>	
Dividend to shareholders	-23,210,250
<b>Profit carried forward</b>	<b>14,852,571</b>

For 2022, the Board proposes a dividend of SEK 23,210 K (SEK 0.30 per share) and that SEK 14,852,571 is carried forward to the 2023 accounts.

## Note 21 Discontinued operations

On November 15, 2021, the company announced that the Board decided to change the strategic direction of the business unit Digital Pathology and thereby discontinue the business unit in its current form. In connection with the decision, the wholly owned subsidiary Inify Laboratories AB was formed with the intention of focusing its future activities on the establishment of an AI-based pathology lab service.

At an Extraordinary General Meeting held on December 10 in 2021, it was decided that the subsidiary INIFY Laboratories AB will become an independent company through a dividend of the subsidiary shares to the existing shareholders in ContextVision. Reconciliation day for the dividend was decided to be on February 9, 2022.

In 2022, before the dividend was paid, tangible assets of SEK 0.7 M, intangible assets of SEK 10.1 M and intellectual property rights and bank funds of SEK 20.5 M which corresponds to a total value of SEK 31.3 M was transferred from ContextVision AB to Inify Laboratories AB.

According to the above decision, the Digital business unit is classified as a discontinued operations in accordance with IFRS 5. Net profit from the discontinued operations are presented separately in the income statement for both the current and previous years. The assets for dividends to shareholders are classified in the balance sheet as Assets for dividends to the owners.

Consolidated Income Statement Discontinued Operations (SEK K)		
	2022	2021
Other income*	288	-
<b>Total operating income</b>	<b>288</b>	<b>-</b>
Goods for resale	-1	-
Other external costs	-2,043	-19,776
Personnel costs	-2,030	-28,276
Depreciation and amortization	-733	-5,474
<b>Operating result</b>	<b>-4,520</b>	<b>-53,526</b>
Financial income	-	-
Financial costs	-7	-47
<b>Result after financial items discontinued operations</b>	<b>-4,527</b>	<b>-53,573</b>
Tax on profit/loss for the year	-	11,036
<b>Net result from discontinued operations</b>	<b>-4,527</b>	<b>-42,537</b>

\* Other income refers to re-invoicing of costs to Inify Laboratories AB in 2022.

Reported values of assets and liabilities at the reporting date		
Assets (SEK K)	2022	2021
Intangible fixed assets	-	10,338
Tangible fixed assets	-	690
Cash and cash equivalents	-	20,725
<b>Total assets</b>	<b>-</b>	<b>31,753</b>

Net cash flow from discontinued operations as follows:

Cashflow from discontinued operations	2022	2021
Cash flow from discontinued operating activities	-3,936	-49,977
Cash flow from discontinued investing activities	-	-
Cash flow from discontinued financing activities	-	-
<b>Cash flow from discontinued operations for the year</b>	<b>-3,936</b>	<b>-49,977</b>

Earnings per share	2022	2021
Earnings per share	-0.06	-0.55
Earnings per share after dilution	-0.06	-0.55

## Note 22 Earnings per share and dividend

**Earnings per share**  
Both earnings per share before and after dilution have been calculated by using the earnings attributable to the shareholders in the Parent Company ContextVision AB as the numerator.

Earnings per share before/after dilution	2022	2021
Average numbers of shares	77,367,500	77,367,500
Net result from continued & discontinued operations	28,791	-7,653

<b>Earnings per share before/after dilution</b>	<b>0.37</b>	<b>-0.10</b>
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Earnings per share continued operations	2022	2021
Average numbers of shares	77,367,500	77,367,500
Net result from continued operations	33,319	34,884

<b>Earnings per share continued operations</b>	<b>0.43</b>	<b>0.45</b>
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Earnings per share discontinued operations	2022	2021
Average numbers of shares	77,367,500	77,367,500
Net result from discontinued operations	-4,527	-42,537

<b>Earnings per share discontinued operations</b>	<b>-0.06</b>	<b>-0.55</b>
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Note 22 cont.

**Dividend**

At an Extraordinary General Meeting held on December 10 in 2021, it was decided that the subsidiary INIFY Laboratories AB will become an independent company through a dividend of the subsidiary shares to the existing shareholders in ContextVision. Reconciliation day for the dividend was decided to be on February 9, 2022. The dividend was SEK 31,753 K, which corresponds to a dividend of SEK 0.41 per share.

For 2022, the Board proposes a dividend of SEK 23,210 K (SEK 0.30 per share). As ContextVision's dividend must be approved by the general meeting, no liability in this regard is reported in the Group's financial reports for 2022. Income tax is not expected to be affected at the company level for ContextVision as a result of this transaction.

## Note 23 Financial risks

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

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

**Interest rate risk**

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

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

	Derivate instrument used in the accounting of currency hedging	Loan and trade receivables	Financial debts valued at accrued acquisition value	Total reported value	Total fair value
<b>Group 2022</b>					
Other long term receivables		926		926	926
Accounts receivables and other receivables		27,460		27,460	27,460
Derivates	-2,457			-2,457	-2,457
Cash and cash equivalents		41,858		41,858	41,858
Accounts payable and other debts			-6,581	-6,581	-6,581
<b>Total</b>	<b>-2,457</b>	<b>70,244</b>	<b>-6,581</b>	<b>61,206</b>	<b>61,206</b>

	Derivate instrument used in the accounting of currency hedging	Loan and trade receivables	Financial debts valued at accrued acquisition value	Total reported value	Total fair value
<b>Group 2021</b>					
Other long term receivables		454		454	454
Accounts receivables and other receivables		19,573		19,573	19,573
Derivates	-1,168			-1,168	-1,168
Cash and cash equivalents		26,205		26,205	26,205
Accounts payable and other debts			-10,574	-10,574	-10,574
<b>Total</b>	<b>-1,168</b>	<b>46,232</b>	<b>-10,574</b>	<b>34,490</b>	<b>34,490</b>

	GROUP	PARENT COMPANY
<b>Change in liabilities from financing activities</b>		
<b>Opening balance January 1, 2021</b>	<b>-5,083</b>	<b>-</b>
Cash flow	-	-
Leasing liabilities	-4,003	-
Currency exchange rate differences	-	-
<b>Closing balance December 31, 2021 / Opening balance January 1, 2022</b>	<b>-9,086</b>	<b>-</b>
Cash flow	-	-
Leasing liabilities	4,659	-
Currency exchange rate differences	-	-
<b>Closing balance December 31, 2022</b>	<b>-4,427</b>	<b>-</b>

Interest-bearing liabilities	2023		2024-2025		2026 or later		Total	
	Capital	Interest	Capital	Interest	Capital	Interest	Capital	Interest
Liabilities to credit institutions								
Leasing liabilities	-2,546	-104	-1,881	-29	-	-	-4,427	-133
<b>Total liabilities to credit institutions</b>	<b>-2,546</b>	<b>-104</b>	<b>-1,881</b>	<b>-29</b>	<b>-</b>	<b>-</b>	<b>-4,427</b>	<b>-133</b>
Other interest-bearing liabilities	-	-	-	-	-	-	-	-
<b>Total interest-bearing liabilities</b>	<b>-2,546</b>	<b>-104</b>	<b>-1,881</b>	<b>-29</b>	<b>-</b>	<b>-</b>	<b>-4,427</b>	<b>-133</b>

Note 23 cont.

Age analysis of reported assets past due date but not written-down	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Non past due	19,104	14,889	19,104	14,889
< 30 days	4,736	1,558	4,736	1,558
30-90 days	3,418	3,094	3,418	3,094
91-180 days	202	31	202	31
<b>Total</b>	<b>27,460</b>	<b>19,573</b>	<b>27,460</b>	<b>19,573</b>

Most of the overdue receivables were settled shortly after the turn of the year. Regarding the remaining overdue invoices, payment is expected shortly.

Change in bad debts Provision for bad debts	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Opening balance	-	297	-	297
Provision for bad debt	809	-297	809	-297
Provisions written off	-	-	-	-
<b>Closing balance</b>	<b>809</b>	<b>-</b>	<b>809</b>	<b>-</b>

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

**Customers**

There are 2 (2) individual customers representing more than 10 percent each of the total revenue during the year. The largest customer representing 18 percent and the other one representing 11 percent of the total revenue during 2022

By year end, there where 3 individual customers that each represented 10 percent or more of the accounts receivable. These 3 customers together represented 66 percent of the accounts receivable. The company has had a long relation with most of the customers and consider them financially stable. The creditability of the accounts receivable is considered high.

**Fair value and reported value**

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

- Level 1:** according to prices quoted on an active market for the same financial instrument.
- Level 2:** based on directly or indirectly observable market data that is not included in level 1.
- Level 3:** based on input data that is not observable in on the market.

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

**Currency risk**

*Transaction exposure*  
During 2022 the invoicing in EUR represented about 61 percent (60) of total invoicing, the invoicing in USD represented about 26 percent (25), and the invoicing in JPY represented 13 percent (15). The Group hedges its foreign currency exposure on a regular basis. By Dec 31, 2022, there were currency hedging contracts for EUR 3,950 K to an average exchange rate of 10.77 SEK/EUR, currency hedging contracts for USD 1,600 K to an average exchange rate of 9.94 SEK/USD and currency hedging contracts for JPY 94,000 K at an average exchange rate of 0.0767 SEK/JPY.

**Translation exposure balance sheet**

Translation exposure arises on consolidated statements when the net assets in the Group are converted to SEK. The translation differences relating to net assets in currencies other than SEK reported in other comprehensive income during 2022 were SEK 625 K (450).

Net translation exposure per currency, SEK K	2022-12-31		Degree of hedging contracts, %
EUR	1,538		39
USD	774		39
JPY	36,074		44
NOK	-49		0

*Translation exposure*

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

**Sensitivity analysis**    **2022**    **2021**

A 1% change in interest rates on liquid funds, is estimated to affect the calculated result after tax/affect equity per December 31 with approximately:	+/-419	+/-469
A change in the exchange rate EUR / SEK with 5% is expected to affect the recalculated result after tax/affect equity at December 31 with approximately:	+/-855	+/-625
A change in the exchange rate of USD / SEK by 5% is expected to affect the recalculated result after tax/affect equity at December 31 with approximately:	+/-403	+/-50
A change in the exchange rates JPY / SEK by 5% is expected to affect the recalculated result after tax/affect equity at December 31 with approximately:	+/-142	+/-150

**Credit risk**

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

Note 24 Significant events after the balance sheet date

No significant events have occurred after the balance sheet date.

# Signatures

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.

Linköping on March 29, 2023

**Olof Sandén**  
Chairman of the Board

**Martin Hedlund**  
Member of the Board

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

**Martin Ingvar**  
Member of the Board

**Magne Jordanger**  
Member of the Board

**Gerald Pöttsch**  
CEO

Our audit report was rendered on March 29, 2023.  
**Grant Thornton Sweden AB**

**Joakim Söderin**  
Authorized Public Accountant

# Auditor's Report

N.B. The English text is a translation of the official version in Swedish. In the event of any conflict between the Swedish and English version, the Swedish shall prevail.

**To the general meeting of the shareholders of ContextVision AB (publ.) Corporate identity number 556377-8900**

**Report on the annual accounts and consolidated accounts**

**Opinions**

We have audited the annual accounts and consolidated accounts of ContextVision AB (publ.) for the year 2022 except for the corporate governance statement on pages 29–33.

The annual accounts and consolidated accounts of the company are included on pages 23–56 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 29–33.

The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

**Basis for Opinions**

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

**Key Audit Matters**

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period, and include, among other things, the most important assessed risks of material misstatement. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

**License revenue recognition**

The Group's reported revenue amounts to SEK 117.8 million during the financial year 2022 and consists mainly of license revenues for image enhancement to companies that manufacture imaging machines.

License revenue is recognized when control of the goods is transferred to the customer, which coincides with delivery and the customer's acceptance of the goods. After delivery, the company has no additional obligations relating to the delivery.

The Group's revenue amounts to significant amounts, which means that this is a Key Audit Matter in our audit.

Information about accounting policies for revenue can be found in Note 1 in the Annual Report of ContextVision AB (publ.).

**Our audit**

Our audit has included the following audit actions but has not been limited to:

- Review of significant transaction flows and review of the company's routines and internal controls for revenue recognition.
- Review with the help of data analysis of that delivered licenses have also been monetized and paid in.
- Sample review that license revenues are consistent with customer agreements.
- Review that the accounting policies applied are in accordance with the rules of IFRS and that the disclosures made in the annual accounts in all material respects meet the requirements of the Annual Accounts Act and IFRS.

**Other matter**

The audit of the annual accounts and consolidated accounts for the year 2021 was performed by another auditor who submitted an auditor's report dated 30 March 2022, with unmodified opinions in the Report on the annual accounts and consolidated accounts.

**Other Information than the annual accounts and consolidated accounts**

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–22, 57–58 and in the Remuneration Report. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

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

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

accounts that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibility**

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

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

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an

opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

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

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

independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

**Report on other legal and regulatory requirements**

**The auditor's audit of the administration of the Board of Directors and the Managing Director and the proposed appropriations of the company's profit or loss**

**Opinions**

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of ContextVision AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

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

**Basis for Opinions**

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

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

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

The Board of Directors is responsible for the proposal for appropriations of the company's profit

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

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

**Auditor's responsibility**

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

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

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

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

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

**The auditor's examination of the Esef report**  
**Opinion**

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for ContextVision AB (publ.) for the year 2022. Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

**Basis for opinion**

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of ContextVision AB (publ.) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

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

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), based on the procedures performed. RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements. Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report. The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures

that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts. Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

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

The Board of Directors is responsible for that the corporate governance statement on pages 29–33 has been prepared in accordance with the Annual Accounts Act. Our examination of the corporate governance statement is conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

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

Grant Thornton Sweden AB, Kungsgatan 57, 111 22 Stockholm, was appointed auditor of ContextVision AB (publ.) by the general meeting of the shareholders on the 4 May 2022 and has been the company's auditor since the 4 May 2022.

Stockholm, according to the date indicated by the electronic signature.

Grant Thornton Sweden AB

Joakim Söderin  
Authorised Public Accountant

# Glossary

**Altumira**

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

**Artificial Intelligence (AI)**

Artificial Intelligence is the intelligence exhibited by machines or software. It is also the name of the academic field of study that studies how to create computers and computer programs with intelligent behaviour.

**Deep Learning**

Deep learning is the latest very powerful technology within machine learning; machine learning with deep neural net- works

**GOP®**

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

**GOPICE®**

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

**GOPView®/ PlusView®**

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

**Handheld ultrasound**

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

**Image analysis**

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

**Image processing**

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

**Image enhancement**

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

**Machine Learning**

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

**Mammography**

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

**Modality**

The various imaging methods used in medical imaging such as ultrasound, X-ray and magnetic resonance imaging.

**MRI (Magnetic Resonance Imaging)**

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

**OEM**

The acronym for Original Equipment Manufacturer.

**Rivent™**

ContextVision's latest product family in image enhancement for ultrasound.

**Rivent/Rivent Plus™**

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

**Rivent 3D™**

ContextVision's latest image enhancement product for 3D ultrasound presented to the market at the end of 2022.

**US (Ultrasound)**

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

**VolarView™**

ContextVision's image enhancement product for handheld ultrasound units.

**XR (X-ray)**

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

# Financial Calendar and Annual General Meeting

**Financial calendar 2023**

The AGM will be held on Wednesday, May 3, 2023 at the company office, Hölländargatan 13 in Stockholm

1:st quarter 2023 Report	April 27
2:nd quarter 2023 Report	August 24
3:rd quarter 2023 Report	October 26
4:th quarter and 12 months 2023	February 15, 2024

**Ordering financial information**

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

**Dividend**

The Board of Directors proposes a dividend of SEK 0.30 per share (SEK 23,210 K).

**Participation and notification**

Shareholders who wish to participate in the AGM with the right to vote shall

- be recorded as shareholder in the share register kept by Euroclear Sweden AB as of April 24, 2023, temporary registration for shareholders registered at Norska Verdipapirsentralen (VPS) is made by DNB Bank ASA, see below; and
- Give notice of attendance with the company no later than April 26, 2023 (via e-mail: [markush@contextvision.se](mailto:markush@contextvision.se) or by post: Hölländargatan 13, 111 36 Stockholm, Sweden).

Shareholders whose shares are registered in the name of a nominee through the trust department of a bank or similar institution in Sweden must, to participate in the AGM, request that their shares are temporarily re-registered in their own names. Such registration must be completed by Euroclear Sweden AB on April 24, 2023 in order to be taken into account in the preparation of the share register. This means that

shareholders who need to make such registration must notify the nominee thereof well in advance of this date.

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

- Shareholders registered at Norska Verdipapirsentralen (VPS) who are not registered at Euroclear Sweden AB, Sweden, and wish to be entitled to vote at the AGM must give notice of attendance to DNB Bank ASA at the latest on April 17, 2023, at 12:00 (noon) local time. The notice of attendance is made on a specific application form which will be sent by post to the shareholders and also be available on the company's website. The notice of attendance shall be sent to DNB Bank ASA, Verdipapirservice, PB 1600 Sentrum, N-0021 Oslo, or by e-mail to [vote@dnb.no](mailto:vote@dnb.no)
- DNB Bank ASA will temporarily record the shares at Euroclear Sweden AB in the name of the shareholder. Shareholders recorded at VPS must also, as described above, give notice of attendance to the company in order to obtain the right to vote at the AGM.

**Distribution Policy**

Notice to attend the AGM will be published four to six weeks before the meeting in Post och Inrikes Tidningar as well as on the company's website: [contextvision.com](http://contextvision.com)  
There will also be a notification in Svenska Dagbladet that notice to attend the AGM has been published.

Contact person for investor relations:  
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