



CONTEXTVISION PRESENTS SUMMARY OF THE ANNUAL REPORT 2013

HIGHLIGHTS 2013

- New research and academic collaboration initiated
- Strengthened algorithm team and innovation capacity
- New product launches in Ultrasound and Mammography
- Broadened multimodality product offering

FINANCIAL HIGHLIGHTS 2013

- Net sales of MSEK 61.3 (67.1)
- Operating income of MSEK 6.3 (0.6) generating an operational margin of 10.1% (0.9%)
- MSEK 4.4 (5.0) in cash flow for the year
- Equity ratio 79% (75%)
- Earnings per share SEK 0.63 (0.08)

WORDS FROM THE CEO

DURING 2013 CONTEXTVISION HAS TAKEN SEVERAL IMPORTANT STEPS TO BROADEN THE SCOPE

■ NEW RESEARCH AND ACADEMIC COLLABORATION

During 2013 we have increased our activities to create a new platform for future growth and we have been able to take several new steps in this direction. In the past, we have proven our capabilities to develop innovative products based on our solid technology, our skilled team and our well developed processes for product development. As a result we are market leaders in image enhancement. However, the company possesses both technology and skills that can lead us to markets beyond image enhancement and by taking several important steps we have now started to develop in this direction. In order to open up for new ideas and to broaden our technology we have initiated several new external collaborations with top class research teams and we have also expanded our team of algorithm specialist. This is a strategic move to add research to our present product development organization and as a result we have

plans for completely new products to be launched in the coming years.

We have initiated collaboration with a research team from the Visualization center at Linköping University. In February 2014 ContextVision was granted the exclusive rights for this new advanced 3D- rendering technology within the field of Ultrasound Medical Imaging. A product based on this rendering software will comple-

“I am very pleased with how we have developed during the year; we have a stronger product portfolio than ever, we have a stronger team than ever, and we have been able to initiate several new projects with great potential for the future. We are all looking forward to continuing to work closely with our customers as well as other players within healthcare to develop new and innovative products.”

ment our 3D image enhancement portfolio and hereby we will strengthen our position within 3D ultrasound. We expect to launch the first product during 2014.

In order to broaden our future business we have also initiated new in-house research within image quality. New image analysis algorithms have been developed and these

are combined with new technology in order to create a platform for various new unique products within medical imaging.

■ SALES DEVELOPMENTS

We had very good sales development from most customers, but due to significant decreases in orders from two of our larger customers total sales during 2013 came to 61,3 MSEK, which was lower than last year.

One of the customers made a strategic decision to use their own software for their next models, whereby one of our older products is being phased-out from their production. The other customer with a significant negative impact on our sales, is planning for a new generation of

products for which we have already customized our image enhancement.

Despite the disappointment related to the overall sales we are encouraged by the fact that we have generated many new customers during 2013. It was particularly encouraging that we signed another



major ultrasound company last summer. This new Asian OEM customer very quickly implemented ContextVision's flexible ultrasound product and has already started to generate sales.

■ NEW PRODUCT LAUNCHES AND MULTIMODALITY OFFERING

We were further encouraged at RSNA where we had a very successful show. Our new exhibition concept provided a smaller but more effective display of our products and we had very intense days with an impressive number of meetings with customers and potential customers. At this meeting we launched an upgraded version of the 2D ultrasound family of products, US PLUSView and our new mammography product, Mammo2. The response was over expectations and we were particularly pleased to take a new firm grip of the market as we are able to deliver premium products with high flexibility for all modalities. Not only can we offer customization of our products to customers systems and optimization of the image quality, but we can also make multimodality offers. This makes us more attractive to the larger multimodality manufacturers in Asia.

■ ULTRASOUND POINT-OF-CARE SOLUTIONS

Our ultrasound portfolio has been developed during 2013 as we have been able to achieve excellent performance of our software on the small and cost-effective DSP processors. This shows the skills of our team, the flexibility of our modular products and the potential for our image enhancement in the growing point-of-care segment. In fact we have successfully developed new real-time configurations of ultrasound algorithms to address the particular demand from point-of-care applications.

The response we have had from customers during the last few months 2013, proves that our products are attractive on the market and that we can make the difference for the performance of their products.

■ FUTURE DEVELOPMENT

From an efficiency perspective we are on the way to finalize the migration of all 2D products to our high performing technology platform. This is important as it facilitates future product development as well as customer support. Simplifying processes and developing our basic technology to improve efficiency is continuously on our

minds. We need to ensure that our products meet our customer's demands and that we have smooth internal processes in order to develop our image enhancement business area. This will allow us to develop our innovative ideas and invest in research to create a new platform for future growth.

In conclusion, to ensure the future development of ContextVision, we have strengthened our technology base, improved the use of our resources, initiated new research and developed new collaborations. We now have a more effective platform as a test bench for new algorithms, and we have expanded our algorithm team. We have commenced broadening our core technology beyond image enhancement and have begun to develop new concepts. Furthermore, we have started a focused process to enhance the innovation capability of the company.

ANITA TOLLSTADIUS

CEO // CONTEXTVISION AB

Five Year Financial Summary

KSEK	2013	2012	2011	2010	2009
Consolidated Income Statement					
Net sales	61,277	67,115	58,366	53,412	54,731
Operating profit/loss	6,167	620	4,670	-2,637	673
Profit/loss after financial items	6,343	861	4,927	-2,564	-7,979
Net result	4,880	620	3,578	-3,298	-8,252
Consolidated Balance Sheets					
Intangible fixed assets	12,358	12,361	13,340	12,458	11,247
Fixed assets	459	780	1,178	1,371	1,438
Financial assets	1,143	1,095	50	50	3,476
Current assets	43,347	40,493	34,130	31,236	33,656
Total assets	57,307	54,729	48,698	45,115	49,817
Equity	45,531	41,045	40,425	36,693	40,678
Long-term liabilities	363	-	-	-	1,088
Short-term liabilities	11,413	13,684	8,273	8,422	8,051
Total equity and liabilities	57,303	54,729	48,698	45,115	49,817
Cash flow statements					
Operating activities	7,663	8,454	7,736	13,180	-9,557
Investment activities	-3,219	-3,415	4,968	-6,333	10,661
Financing activities	-	-	-	-	-7,239
Change in cash and cash equivalents	4,444	5,039	2,766	6,847	-6,135
Key ratios					
Equity ratio, %	79.5	75.0	83.0	81.3	81.7
Operating margin, %	10.1	0.9	8.0	-4.9	1.3
Profit margin, %	10.4	1.3	8.4	-4.8	-14.8
Return on equity, %	11.3	1.5	9.3	-8.5	-18.3
Average no. of shares	7,736,750	7,736,750	7,736,750	7,736,750	7,837,900
Result per share	0.63	0.08	0.46	-0.43	-1.05
Result per share after dilution	0.63	0.08	0.46	-0.43	-1.05

Shareholders are welcome to attend the Annual General Meeting on April 23, 2014, please see the invitation.

To view the full annual report, please visit:
<http://www.contextvision.com/investor-relations/financial-reports/>

Shareholders, who wish a printed copy of the Annual Report 2013 and the invitation to the AGM, are kindly ask to contact:

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

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