C-RAD

Annual Report 2022

Content

Investor contact

President & CEO Cecilia De Leeuw
cecilia.deleeuw@c-rad.com
CFO Lars Levin
lars.levin@c-rad.com

Financial calendar

Interim Report January–March: 5 May 2023
Annual General Meeting: 5 May 2023
Interim Report January –June: 20 July 2023
Interim Report January–September: 27 October 2023
Year-end Report 2023: 8 February 2024

More about the company

www.c-rad.com
Information for investors
https://c-rad.se/investors
More information about our products
https://c-rad.se/products/
https://c-rad.com/learning-center/

C-RAD's vision is for all cancer patients to have access to the best radiation therapy. As a key partner for ensuring safety and efficiency in advanced radiation oncology, we help to improve the quality of life and cure more cancer patients.

2022 in brief

Despite a challenging environment, 2022 was in many ways a strong year for C-RAD. The company won several major orders, including a large order in Italy in October. Guidelines demonstrating the clinical benefits of C-RAD's technology were published and at the end of the year C-RAD's new CEO, Cecilia de Leeuw, started.

- C-RAD receives an order worth around 9 MSEK to supply its solution for Surface Guided Radiation Therapy (SGRT) to a new proton therapy centre in Texas, USA. The contract covers several systems and includes a multi-year service contract. The new centre will begin providing clinical treatment in 2023. Proton therapy is considered to be at the cutting edge of precision radiation therapy.
- C-RAD receives an order worth around 10 MSEK for its SGRT solutions Catalyst+ HD™ and Sentinel 4DCT™ from University Hospital Regensburg in Germany. The order covers several systems and includes a multi-year service contract. The hospital is one of the most modern and efficient hospitals in Germany and has a strong focus on high-quality patient care. The collaboration has the potential for a closer partnership that will enhance the standard of care within advanced radiation therapy.
- Guidelines for the clinical implementation of surface tracking published in an independent report by the American Association of Physicists in Medicine (AAPM). This confirms that the clinical use of surface tracking has increased dramatically, with proven application for initial patient positioning and motion monitoring in real time at a number of different anatomical sites. Working groups at European and national level are also drawing up similar guidelines.
- The ESTRO-ACROP organisation publishes guidelines for radiation therapy using surface tracking. This is further confirmation of the clinical benefits of C-RAD's technology.
- At the ASTRO 2022 trade show, C-RAD and linac vendor Accuray jointly demonstrate a breast cancer treatment package on Accuray's Radixact System with an integrated and automated surface-guided radiation therapy (SGRT) solution. More precise treatment technologies for breast cancer can have a major impact on extending and improving the quality of patients' lives.
- In October, C-RAD receives an order worth around 45 MSEK after being selected as the principal supplier of SGRT in a nationwide tender for positioning technology in Italy. It is C-RAD distributor Tecnosan SRL that is awarded the contract, which includes several Catalyst + HD and Sentinel 4DCT systems. Delivery begins in 2023 and is expected to be completed in 2024.
- Henrik Bergentoft leaves his position as CFO in November. Christoffer Herou is named new CFO in January 2023. He takes up his post in the second quarter of 2023. Lars Levin acts as interim CFO in the meantime.
- Cecilia de Leeuw takes up the position as the new CEO of C-RAD in December. She succeeds Tim Thurn, who left in December after almost ten years at the helm.

This is C-RAD

Groundbreaking technology for better cancer care

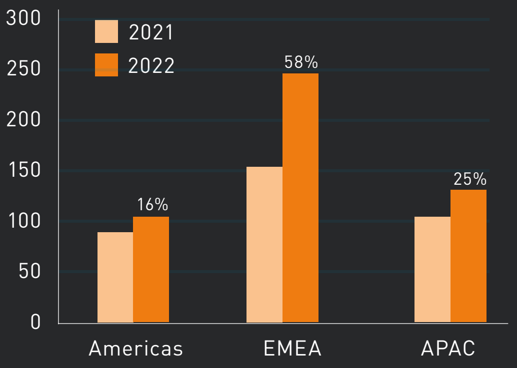
In advanced radiation therapy techniques for cancer treatment, the radiation dose must be delivered to the tumor with extremely high precision, safety and efficiency. C-RAD's positioning and scanning products guarantee that. These are groundbreaking solutions that help to cure more cancer patients and improve their quality of life.

C-RAD was founded in 2004 by researchers from Karolinska Institutet and Karolinska Hospital in Solna, researchers from the Royal Institute of Technology in Stockholm and people with long industrial experience of radiation therapy.

The first product was launched in 2006 and was the C-RAD Sentinel™ system. Since then the technology has been under constant development.

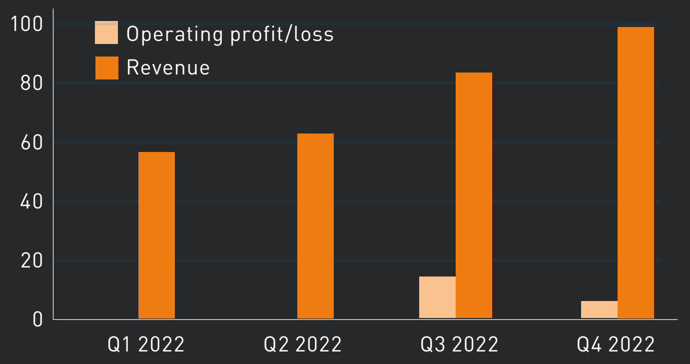
C-RAD AB is listed on Nasdaq Stockholm Small Cap since 2014.

Order intake: 484.6 MSEK (353.5), + 37%



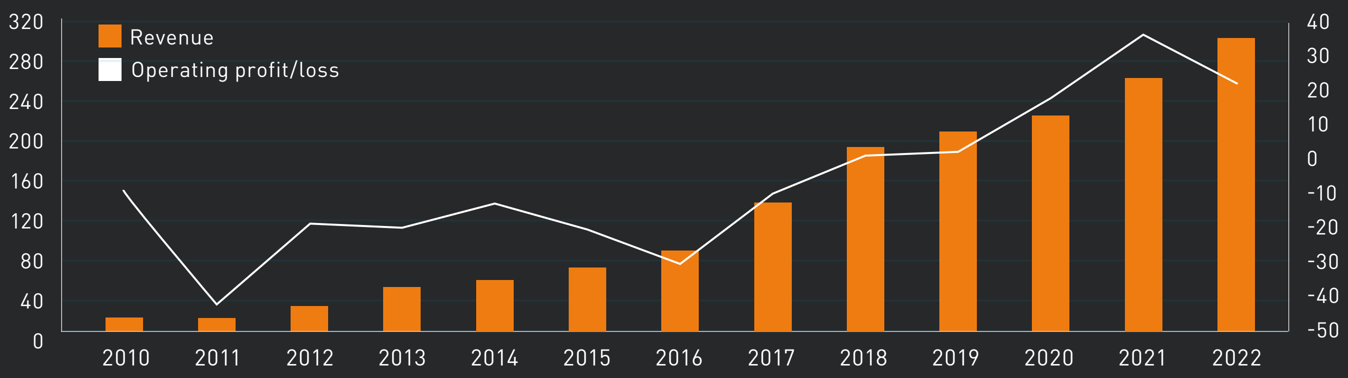
Order intake in the Americas increased by 16 percent. The EMEA region grew by 58 percent and APAC increased by 25 percent.

Revenue and operating profit, MSEK



Revenues grew by a total of 15 percent during 2022. C-RAD reported a positive operating profit during all quarters, with an annual profit of 21.8 MSEK, corresponding to a margin of 7 percent.

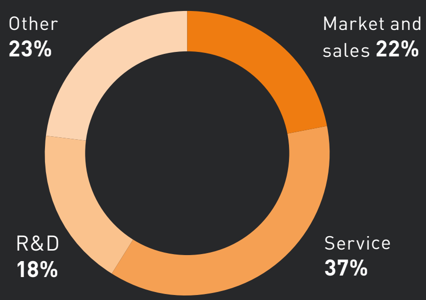
Revenue and operating profit 2010–2022, MSEK



The company has been growing every year for the past 10 years and since 2018 this is profitable growth. In 2022, revenue and operating profit amounted to 301.3 and 21.8 MSEK respectively, with an operating profit margin of 7 percent.

Employees

Over half our team works directly with customers, either with sales or service. Our strong development team assures a flow of future innovations that will benefit customers as well as patients.



Focus on profitable growth

Although 2022 brought challenging global conditions, it was an important year for C-RAD. We achieved a stronger order intake and sales than ever before. Order intake for the full year increased by 26 percent in constant currencies and annual sales exceeded 300 MSEK. At year-end, the total order backlog was 616 MSEK.

Investing for the future

We made significant forward-looking investments during the year, in our sales organisation, Research and Develpment and within our global services organisation. During the course of the year, we welcomed many new employees all over the world.

C-RAD also demonstrated its ability to bring home big orders, winning the largest order in the company's history following an extensive tendering process in Italy. Together with accelerator manufacturer Accuray, we held a launch at the ASTRO (American Society for Radiation Oncology) trade fair for the breast cancer treatment solution we have developed together. Work to strengthen the product portfolio also continued.

Better quality of life for cancer patients

As the new CEO, I can confirm that the opportunity to increase the quality of life of cancer patients is a strong driving force for the C-RAD team. SGRT (Surface Guided Radiation Therapy) is the leading technology for greater precision, safety and efficiency in the radiation therapy treatment of cancers. It ensures that the tumor is subjected to radiation while also minimising the radiation that falls on healthy tissue. The work of the hospital staff is also made easier and the treatment simpler for patients.

Significant progress is being made in cancer care, symptoms are being identified at an increasingly early stage, treatment methods are being renewed and further developed, and we are increasing our knowledge. It will be possible to successfully treat an increasing number of patients. Around half of all patients with cancer are currently treated using radiation therapy. C-RAD's solutions increase the quality of care and improve the quality of life of cancer patients.

Several standards organisations have begun issuing guidelines that prescribe SGRT. Despite a challenging environment, it is therefore encouraging to see that both private and public healthcare facilities around the world are continuing to invest in radiation therapy, a trend that will benefit cancer patients.

Ready for continued profitable growth

Demand remains strong and C-RAD is ready for the next phase of growth. The company's products are technically advanced and of high quality. We have a highly skilled and committed team, along with a strong network of industrial partners and distributors.

This combination gives us an organisation with global reach, although there is still more for C-RAD to do in the USA and other developed countries within the EMEA region, for example, as well as in markets such as India and other emerging markets.

Our focus going forward will be on delivering on our established strategy for profitable growth. I believe it is important for us to further enhance C-RAD's opportunities for growth. It is vital that we are always launching new and improved products or new functions for existing products.

We also create direct value for our customers by streamlining the treatment processes of clinics, which also provides an improved working environment and, importantly, better care. To support growth and our ability to handle larger volumes, we need to automate customer processes to a greater extent. We want to build up key long-term customer relationships and we will therefore continue to invest in the customer-facing areas of our organisation, such as sales, service and application training.

I have had a flying start as CEO of C-RAD, meeting and getting to know customers, partners, colleagues and investors in the company right from the start. It has been exciting and interesting and I have received a very warm welcome. I am both humbled and proud to have such a strong team of dedicated and passionate colleagues and partners around me. It gives me a feeling of optimism about the future and the important work we are doing to improve the lives of cancer patients around the world.

Uppsala, April 2023

Cecilia de Leeuw
CEO

We have a highly skilled and committed team, along with a strong network of industrial partners and distributors.

C-RAD as an investment

As a shareholder in C-RAD, you are investing in the fight against cancer and in recognised products that add great value to society. C-RAD's technology helps to minimise the risks involved in radiation therapy and contributes to improved quality of life for cancer patients and more can be cured. The company has a clear strategy to increase sales of its technology, which is becoming established as the standard of care.

FIVE REASONS TO INVEST IN C-RAD:

1. Cancer is one of the world's biggest global challenges

Cancer is a major public health challenge. C-RAD's products and solutions support the fight against cancer and add key value to society by helping to cure more cancer patients and improve their quality of life.

2. C-RAD has leading products and a large established global customer base

One of the most effective methods of curing cancer is radiotherapy using a linear accelerator (LINAC). However, the treatment can damage healthy tissue, in some cases leading to greater health issues than the cancer itself and in others to the patient actually deceasing from the side-effects caused by the radiation. C-RAD's groundbreaking surface tracking products ensure exceptionally high precision, safety and efficiency in advanced radiation therapy. These products minimise the risk of side-effects from radiation by ensuring that the beam is delivered to the patient with sub-millimetre precision. The products have been used for a long time in clinical environments at hospitals, cancer clinics and universities.

3. C-RAD's surface tracking technology is becoming the standard of care

Radiation therapy is a key treatment method for cancer. A surface tracking solution increases the total investment in the radiation equipment by an estimated 5 percent. The low cost relative to the measurable value added in terms of patient safety and treatment efficiency underpins C-RAD's long-term assessment that surface tracking will become the standard of care within radiation therapy; in other words, all linear accelerators sold for relevant cancer indications will be equipped with surface tracking. In 2022, C-RAD's assessment was validated by independent reports and guidelines

demonstrating the clinical benefits of C-RAD's technology. Today approximately 1,200 linacs are sold each year, roughly 20 percent of which are equipped with surface tracking.

4. C-RAD has a clear growth strategy, with direct sales on major markets

C-RAD has a comprehensive and holistic market access strategy. Three main sales channels are used, either individually or in combination:

- Extensive direct sales. C-RAD employees are in place for the main markets in the Nordics, USA, Germany, China, France, India, UK, Spain and Australia.
- An established distributor network. C-RAD uses distributors for other markets that are more remote and less mature but which have commercial potential.
- Formalised cooperation with OEM vendors (Original Equipment Manufacturer) of linear accelerators. When surface tracking is the standard of care, customers will request the functionality that C-RAD provides when purchasing from the OEMs.

5. C-RAD has a knowledgeable and committed management and an organisation with a strong network

C-RAD has a highly knowledgeable and committed management, with a new CEO in Cecilia de Leeuw, and an organisation with a strong network. C-RAD is also debt-free, has good liquidity and generates profitable growth. Together, C-RAD's strong organisation and healthy finances provide a solid foundation for continued profitable growth.

A sustainable and value-creating business

C-RAD's greatest contribution to society is our products and services, which help to cure more cancer patients and to give cancer patients a better quality of life. This is value that we want to add to society in a sustainable manner. The basis for this work is our Code of Conduct, our company values and our corporate culture.

Code of Conduct

C-RAD's Code of Conduct guides our interactions with each other, our customers and our business partners. The Code of Conduct is the foundation we rely on in all of our activities and it demonstrates our unconditional commitment to integrity in everything we do. The Code of Conduct applies to everyone working for and on behalf of C-RAD and all companies that are part of or work with the C-RAD Group: employees, consultants, distributors and agents. We expect all of our business partners and suppliers to uphold the same standards. Everyone must be aware of and, as a minimum requirement, comply with all national and international laws and regulations that apply in the countries where C-RAD operates.

The Code of Conduct is based on the UN Global Compact, the ILO's core conventions (1–8), the OECD Guidelines for Multinational Enterprises, competition legislation and anti-corruption regulations. C-RAD shall comply with the highest requirements arising from either applicable legislation or this Code of Conduct.

C-RAD's employees must report any conduct which, even if it is in good faith, they believe to be a violation of the Code of Conduct or the law. A violation should in the first instance be reported internally but there is also a third-party managed whistle-blowing system to ensure the possibility of anonymous reporting.

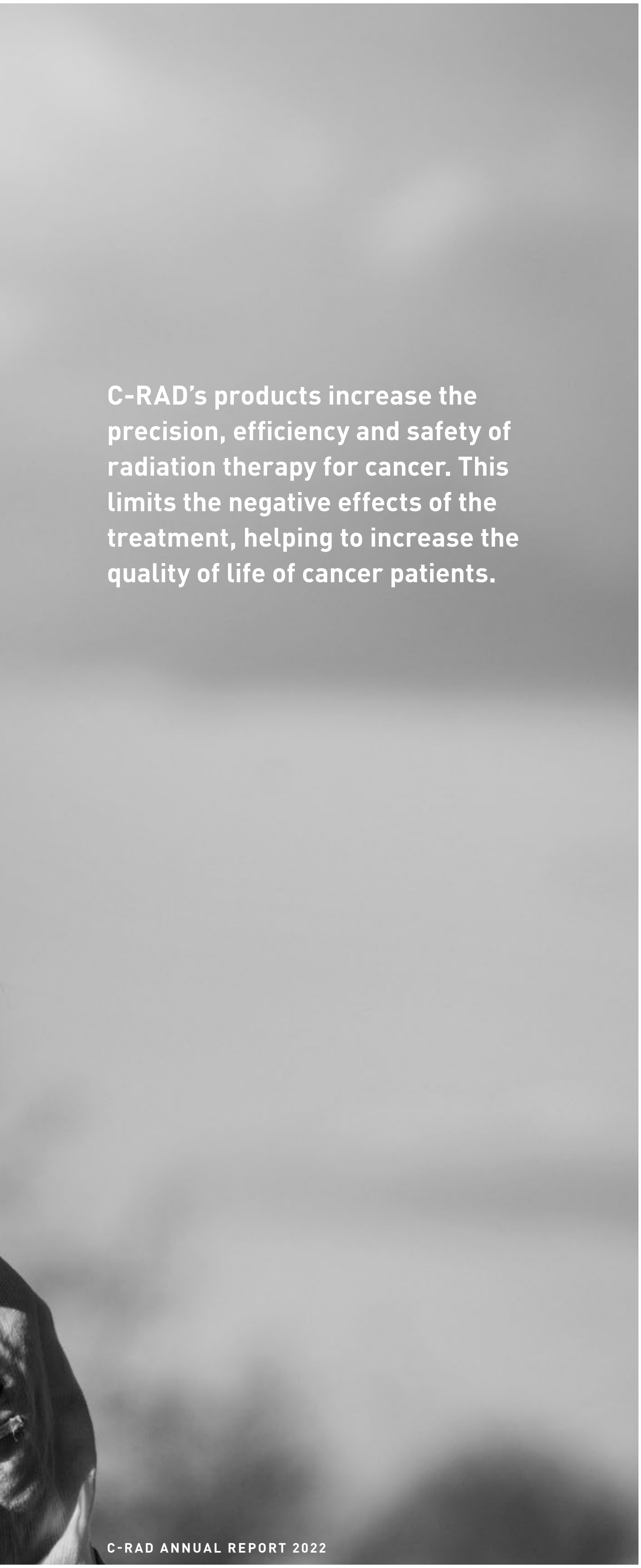
C-RAD's Code of Conduct covers areas such as business ethics, quality and regulatory compliance, human rights and labor, protecting personal information and patient data, environmental compliance and responsibility and proper treatment of insider information.

Values

C-RAD's work and corporate culture is guided by our five core values:

- **Collaboration and teamwork** between colleagues, departments and partners is the key to success and is vital for reaching full potential.
- **Excellence** in our commitment by continuously improving and providing the highest quality and through professionalism ensuring customer satisfaction.
- **Passion** for achieving better and faster treatments and for ensuring the highest-quality patient care and creativity to inspire the market with our innovative solutions.
- **Respect** for each other, where we value diversity and see it as a strength, as well as for our responsibility to society.
- **Trust** as a result of openness and transparency and as a means of empowerment to enable ownership and commitment.

Business model and strategy



C-RAD's products increase the precision, efficiency and safety of radiation therapy for cancer. This limits the negative effects of the treatment, helping to increase the quality of life of cancer patients.

C-RAD develops and sells innovative patient-focused systems for advanced radiation therapy. These systems increase the quality of life of cancer patients by increasing the precision and efficiency of the treatment.

C-RAD's positioning tool enables the healthy tissue of cancer patients to be protected from unwanted exposure while ensuring accurate dose delivery to the tumor. The technology is used for patient positioning and monitoring using high-speed 3D cameras with the highest precision. The aim is to increase the accuracy and efficiency of the treatment, ensuring that the best possible outcome is achieved with as little negative effect as possible for the patients.

Business model

C-RAD has a business model where the company focuses on product development, sales, marketing, the supply chain, and certification of the products as well as service. The company's products are manufactured by well-established subcontractors.

Medical centres that provide advanced radiation therapy are the end users of C-RAD's products. Sales activities are currently focused on Europe, the Americas and Asia, which gives the company more than 80 percent coverage of the global radiation therapy market. The international subsidiaries are responsible for local marketing and sales as well as service, support, and customer training.

C-RAD's products are distributed through three channels, the use of which may vary depending on the market. The three channels are:

Direct sales – C-RAD uses its own sales force in all key markets in Europe, North America and Asia. C-RAD continuously invests in expanding its own sales force and in many cases, such as in China, sales are made directly and through distributors.

Distributors – In several markets, mainly in Asia, the Middle East, Africa, Latin America and partly in Europe, independent distributors specialising in radiation therapy equipment and who have local connections are responsible for sales and service. Selection criteria when choosing distributors include a proven track record in radiation therapy sales, as well as adequate resources to provide high-quality technical services, such as through an in-house service organisation. With the increasing adoption of surface tracking, this channel is gaining importance for our business both from a sales and service perspective.

Industrial partners – Procurement of C-RAD's systems often takes place simultaneously with procurement of linear accelerators. The sales activities therefore often take place in close collaboration with manufacturers of radiation equipment, e.g. Varian, Elekta, Accuray and CT suppliers. C-RAD has a sales and distribution agreement with Elekta which gives Elekta the right to sell C-RAD products in a number of markets around the world. The cooperation with Accuray involves integrating surface tracking into their linear accelerators and C-RAD training Accuray's personnel for support after installation. Accuray sells and distributes the integrated product worldwide.

Organisation and group structure

The Parent Company C-RAD AB (publ) provides group-wide services in sales and administration. The Group contains nine wholly owned subsidiaries, of which three are Swedish and six are international.

External development partners

C-RAD has a cooperation agreement with the US-based company Xecan. The purpose is to distribute parts of the company's product portfolios in selected markets around the world as a complement to C-RAD's own product offering.

Our strategy

Significant progress has been made in the treatment of cancers and the proportion of people surviving is steadily increasing. Today, two-thirds of patients survive and this proportion is expected to increase further in the future. As symptoms are being identified at an increasingly early stage, treatment methods are renewed and further developed, and we gain more knowledge about cancer, it will be possible to provide successful treatment to an increasing number of patients.

Around half of all patients with cancer are currently treated using radiation therapy. C-RAD's solutions improve the quality of life of patients and the quality of care for the most common forms of cancer.

Innovative patient-focused systems

Headquartered in Sweden and grounded in the Scandinavian philosophy of quality, we develop innovative and patient-focused systems that are manufactured by our well-established partner in Finland.

Headquartered in Sweden and grounded in the Scandinavian philosophy of quality, we have created a business model where C-RAD develops and sells innovative and patient-focused systems that are manufactured by our well-established partner in Finland.

C-RAD's current product portfolio involves a focus on optical patient positioning and patient monitoring, Surface Guided Radiation Therapy (SGRT), which provides an optimised workflow, safety and radiation-free positioning. The core products Sentinel and CatalystTM provide a world-class solution for the treatment of breast and lung cancer patients as well as patients with cancer of the head and chest.

Based on the CatalystTM platform, we have also launched a dedicated solution for so-called stereotactic treatments. With a modular product concept, customers can choose a configuration that is tailored to their clinical needs. By providing opportunities to upgrade systems during the product life cycle, C-RAD grows its base of installed systems and opens up opportunities for additional sales to existing customers.

The company has continuously invested in research and development. Combined with a strong market position, this enables the launch of further patient-focused products. In collaboration with a partner, C-RAD has established itself on the market for optimised workflows with a solution for monitoring treatment accessories.

Collaborations with partners who are experts in their respective fields are very important to ensure market presence. The benefit for the customer is a product that is integrated with the system for surface tracking, which optimises the treatment and improves the patients' quality of life.

C-RAD has had success with large projects in particle therapy with a version of the CatalystTM system. Particle therapy can be considered at the forefront of radiation therapy when it comes to precision and accuracy. These successes help to position C-RAD as a market leader in its field.

Optimised for profitable growth

Our sales strategy focuses on three sales channels: direct sales, sales through our industry partners and distributors. As part of the sales process, our team evaluates the customer's needs and configures the system according to their wishes. Customers' interest in SGRT solutions has increased significantly in recent years.

In addition to our work directly with end customers, our sales are often part of a larger package that can include a linear accelerator or a CT. This is especially true in the EMEA and APAC regions, while it is more common for customers in North America to invest in an upgrade of already installed linear accelerators. Here, the collaboration with our partners is absolutely crucial.

In Asia and Latin America, local customs and business practices often mean a distributor acts as a link between C-RAD and customers. In smaller European markets, and then mainly in southern and eastern Europe, we also choose to let local distributors offer C-RAD's products.

Since 2019, C-RAD has had a sales collaboration with Elekta in North America, which in 2020 has been expanded to also include the Chinese market.

The benefits of direct sales are a closer contact between the organisation and our clinical customers. In many markets, we use a combination of direct sales and partners.

The products' complexity and the revenue they can generate mean that direct sales can become profitable in a relatively short time. To take further advantage of the potential in the markets, C-RAD continues to develop its sales organisation but is also strengthening its distributor network and collaboration with industrial partners.

A strategic service business

C-RAD's Life Cycle Business services create long-term customer relationships based on the product's life cycle and contribute to stable recurring revenue. In 2022, we saw continued growth in our service business, which now accounts for 16 percent of revenue.

Maintaining ongoing close contact with our clinical customers is strategically important. The efficient and trouble-free use of C-RAD's products is an important part of the work to establish SGRT as the standard of care and so increase the quality of life of cancer patients. The education and training of our customers' clinical staff by C-RAD's specialists ensures the efficient use of our products. Through application training, we also help customers to develop their methods and we continuously gain valuable insights from the treatment they provide.

The increased workload of clinical staff is an important reason to outsource service and quality assurance to experts. C-RAD's service technicians and application specialists guarantee fast and professional support and measures as needed.

The current service offering includes products such as service contracts, regular application training and installation. C-RAD has agreements for different service levels and customers can choose full-service contracts, which include full support for hardware and software including availability guarantees as well as preventive maintenance. There are also less extensive service contracts that only cover software updates for example.

Customers can choose a service contract on an annual basis, but the most requested solution is for a long-term service contract to be included when procuring the product. The demand for long-term solutions shows customers' trust in the products and in C-RAD as a partner. As the need for a service network grows, C-RAD has established its own service organisation in the most important markets. In countries where the company is represented by distributors, we ensure a high and homogeneous level of service by offering regular training and certification for service personnel at C-RAD.

Through the service network, we establish a platform for maintaining a close relationship with the customer even after the initial sale.

Clinical workflow

C-RAD's high-performance products support workflow integration for multi-vendor environment, from the CT scan to the treatment room

The c4D interface functions as a universal interface for systems from other suppliers. The support guarantees compliance and advanced quality assurance.

For more information about our products and demos, visit: c-rad.se/products

cAutoVerify

cAccessory

SENTINEL *4DTC*

CT ROOM

Registration of Patient ID → **Accessory registration** → **CT simulation**

CYRPA LASER

cAutoVerify

- Registration and validation of patient ID and fixation equipment/ accessories.
- Biometric facial recognition and RFID technology for fixation equipment/ accessories.
- Ensures time-efficient treatment of the right patient with the right equipment.

cAccessory

- Registration and validation of fixation equipment and accessories.
- RFID-based technology.
- Increased workflow and time efficiency.

CATALYST+

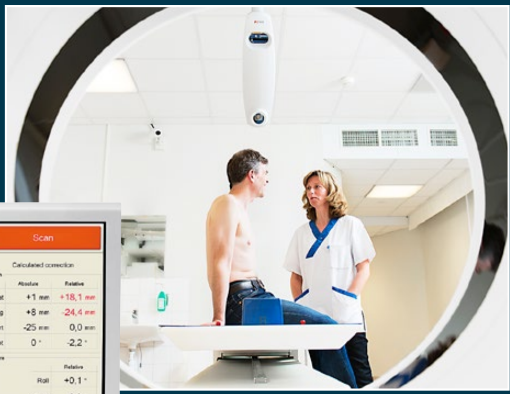
- Advanced IMRT.
- Optical surface tracking and back projection.
- Fully optimised software for workflow integration.
- Automatic and independent verification of critical parameters that previously required manual control.
- Support real-time decision making.

SENTINEL *4DCT*

- Laser-based optical surface scanning system.
- Functionality for 4D CT reconstruction and gated imaging in a CT room.
- Easy integration and use.

CYRPA LASER

- Laser systems for virtual simulation required for all CT in radiation therapy.
- Double diodes for each laser.
- SmartPhantom™ RT, automatic laser calibration in the CT room.
- Only positioning system guaranteeing accuracy of 0.1 mm.



Catalyst⁺HD

Catalyst PT

Catalyst⁺HD on Ring Gantry

CATALYST⁺ HD

TREATMENT ROOM

Accessory validation	Validation of Patient ID	Patient positioning	Motion monitoring & shielding	DIBH SRS SGRT
cAccessory cAutoVerify	cAutoVerify	CYRPA LASER	Visual Coaching	

CATALYST⁺ HD

- For advanced stereotactic radiation therapy.
- Three cameras at optimal angles.
- Maximum patient surface coverage.
- Accurate positioning during non-coplanar treatments.
- Intra-fraction detection to help maintain initial patient position.
- Maximum dose delivery within the target.

CATALYST⁺ PT

- Dedicated proton and particle therapy solution.
- Several cameras to capture the patient surface independent of couch rotation.
- Automatic reference adjustments ensure uninterrupted motion monitoring.
- High flexibility with custom-made optimised mounting solutions.
- Extra neutron shielding.

> C-RAD helps customers with solutions that improve the quality of care for the most common forms of cancer.

Board of Directors

Holdings as at 16/03/2023

Lars Nyberg,
Chair of the Board of Directors

Chair of the Board since 2016.
Born: 1951.
Lars Nyberg was, during 2007–2013, President and CEO at Telia-Sonera AB. From 1995 to 2003 he was Chair of the Board and CEO of US-based IT company NCR Corp (NYSE: NCR) and until 2005 its Chair of the Board. Lars has held various managerial positions at Philips and he was also a member of the Philips Group Management Committee.
Holdings in C-RAD: 70,000 A shares, 2,462,930 B shares. The shareholding includes his family's holdings.

Kicki Wallje-Lund
Board member

Board member since 2015.
Born: 1953.
Kicki Wallje-Lund has vast international experience in business development at various international companies, primarily in banking and finance. She has held senior positions at NCR, Digital Equipment, AT&T, Philips, ICL and Unisys. She is Chair of the Board at Embracer Group AB (publ).
Holdings in C-RAD: 0 A shares, 6,000 B shares.

Jenny Rosberg
Board member

Board member since 2021.
Born: 1966.
Jenny Rosberg has extensive international and Nordic experience from senior positions and Board work within the financial and IT sectors, including as Deputy CEO at Nasdaq Nordic, Senior Vice President at Nasdaq Inc. and on the Boards of the local stock exchanges in the Nordic region. She currently runs ROPA and BOARDA and is a Board member and chair of the audit committee at Mips AB (publ), a Board member and member of the acquisition committee of CAG Group AB (publ), a Board member of AB Persson Invest and Chair of the Advisory Board of Hamberg Förvaltning AB. Jenny holds an Executive MBA from Stockholm School of Economics.
Holdings in C-RAD: 0 A shares, 11,000 B shares.

Åsa Hedin
Board member

Board member since 2017.
Born: 1962.
Åsa Hedin has previously held various senior positions at companies operating in the medtech industry. Other previous positions include CEO of Elekta Instrument AB, Executive Vice President Marketing and Corporate Development at Elekta AB and Executive Managing Director at Elekta Neuroscience and Senior Vice President Strategic Development at Gambro AB. She is Chair of the Board at Tobii Dynavox AB and at Artificial Solutions International AB, and is also a Board member of Cellavision AB, Biotage AB, Industrifonden and Nolato AB. Åsa also holds a position as Industrial Advisor at the Chalmers Dept of Microtechnology and Nanoscience. Åsa has previously been a Board member of Immunovia AB, Hermes Medical AB, Swedish Space Commission AB, Stiftelsen Ruter Dam, Elekta NeuroMag Oy (Chair of the Board), and MedCap AB. Åsa holds a Master of Science in Biophysics/Bioengineering from the University of Minnesota.
Holdings in C-RAD: 0 A shares, 0 B shares.

Per-Arne Blomquist
Member of the Board and Chair of the audit committee

Board member since 2019.
Born: 1962.
Per-Arne Blomquist has previously held senior positions at companies such as Alfa Laval, Telia, TeliaSonera and SEB. Today he is CEO of investment company Qarlbo AB, and he is on several Boards, either as Chair or as a member. Per-Arne is currently a Board member of Bufab AB (publ). Previous Board assignments include chair of the audit committee at Lernia and Neste Oil as well as Chair of the Board for BlueStep Bank, Zmarta Group and IP-Only, as well as a Board member of DIF Hockey. Per-Arne holds a Bachelor of Business Administration and Finance from Stockholm School of Economics.
Holdings in C-RAD: 0 A shares, 288,275 B shares.

David Sjöström
Board member

Board member since 2017.
Born: 1974.
David Sjöström is Head of Medical Physics at Herlev Hospital, Department of Oncology, Division of Radiotherapy, Herlev, Denmark. David Sjöström holds a Master of Science (Major in Physics) from the University of Lund.
Holdings in C-RAD: 0 A shares, 0 B shares.

Johan Engstam
Authorised Auditor
Authorised Public Accountant at Öhrlings PricewaterhouseCoopers AB.
Born: 1966.
Johan Engstam is lead partner for PWC's segment Pharma and Life Science.

Senior executives

16/03/2023

Cecilia de Leeuw
CEO

CEO since 21 December 2022 (succeeding Tim Thurn, who had then been the company's CEO for almost ten years).
Born: 1968.
Cecilia de Leeuw has broad international experience in global product management, commercialisation, global sales and driving organisational development. She began her career at Ericsson in 1995 and has since held various senior positions both internationally and in Sweden during 1995–2017. She joins us from Tietoevry Transform, where she was Vice President and Head of Telecom and Consumer Industry. She is a Board member at Kambi and at Net Insight AB. She holds a Master of Science in Industrial Engineering and Management from Linköping University.
Holdings in C-RAD:
0 A shares, 10,000 B shares, 0 warrants.

Lars Levin
Interim CFO

Interim CFO since 19 September 2022 (Henrik Bergentoft was CFO from March 2020 to November 2022; Christoffer Herou is taking up the post of CFO at the end of Q2 2023.)
Born: 1971.
Lars Levin comes most recently from the role of CFO of Westpay AB (Publ) and also has solid experience from financial positions at various entrepreneurial and growth companies. He holds a Master of Science in Business and Economics from Lund University.
Holdings in C-RAD:
0 A shares, 0 B shares, 0 warrants.

Håkan Axelsson
COO

COO since 2019.
Born: 1968.
Håkan Axelsson has a background from the biopharma, telecom and radiotherapy industries. He has previously held various management roles within R&D, portfolio management and service at GE Healthcare, Ericsson and Scanditronix. He holds a Master in Business Administration and an MSc in Engineering Physics from Uppsala University.
Holdings in C-RAD:
0 A shares, 0 B shares, 12,163 warrants.

Johan Danielsson
Director Global Services

Johan Danielsson has been Director Global Services since April 2022.
Born: 1976.
Johan Danielsson is responsible for installations, maintenance and troubleshooting as well as clinical application training for C-RAD products worldwide. He has a background in product development and field service activities, with more than ten years serving in various management roles, including executive positions. Johan has held Service and Product Director roles with globally distributed teams. He holds a Master of Science in Mechanical Engineering from the Royal Institute of Technology (KTH) in Stockholm, and a Ship's Officer Class VIII certificate.
Holdings in C-RAD:
100 B shares and 1,000 warrants.

Kashif Ikram
Vice President Sales EMEA

President EMEA since 2022.
Born: 1968.
Kashif has over 25 years of sales & marketing leadership experience within the medtech sector. For example, he was previously Head of Sales EMEA for Corindus Vascular Robots at Siemens Healthineers. He holds a Bachelor's degree in Psychology and Zoology, a Master of Science degree in Applied Biology, a Master of Arts degree in Marketing and an Executive MBA from the Henley Business School.
Holdings in C-RAD:
0 A shares, 0 B shares, 5,000 warrants.

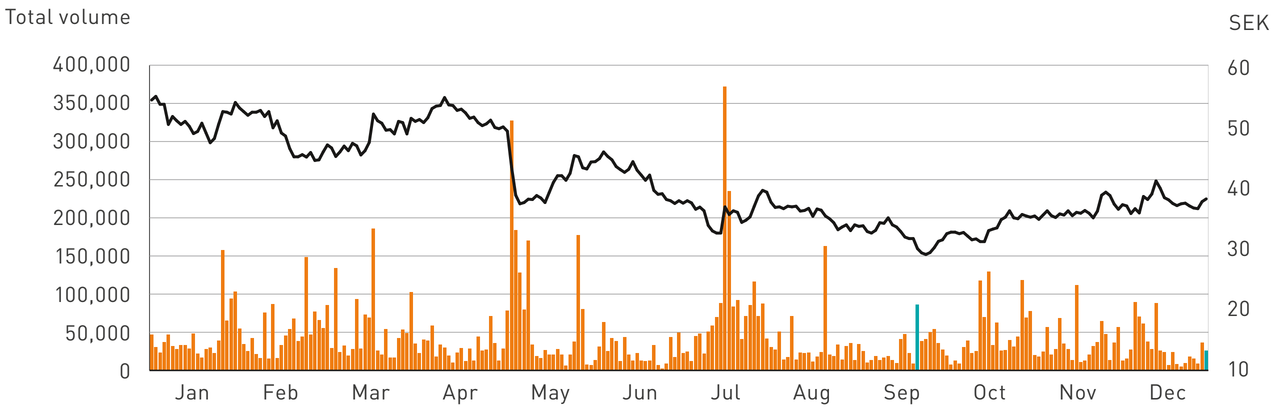
Ivan Astralaga
President C-RAD Americas

President C-RAD Americas since May 2021.
Born: 1968.
Ivan Astralaga brings 20 years of sales and marketing experience for capital goods and projects in radiotherapy. He has held leading roles within radiation oncology sales and in the medtech sector, most recently as VP Business Development/ Sales at Mevion Medical System. Ivan holds a Master in Business Administration with a concentration in finance from St John's University and a Bachelor's degree in Marketing from Roanoke College.
Holdings in C-RAD:
0 A shares, 0 B shares, 7,230 warrants.

Kurt Xiaodong Wang
President C-RAD China

President of C-RAD China since 2018 and Sales Director of C-RAD China since 2015.
Born: 1979.
Kurt Xiaodong Wang has over 17 years of experience in the radiation therapy market. He has previously worked as Senior Oncology Solution manager for Cardinal Health China, as Product manager for Elekta China and as Sales manager for CMS (TPS company, acquired by Elekta). He holds a Master's degree in Biomedicine from Tsinghua University and a Bachelor's degree in Material Science and Technology from Xi'an Jiaotong University.
Holdings in C-RAD:
0 A shares, 40,000 B shares, 32,163 warrants.

The C-RAD share



10 largest shareholders as at 31/12/2022	CRAD A	CRAD B	Total	Capital, %	Votes, %
Svea Bank AB	100,000	3,924,969	4,024,969	11.93	11.86
Lars Kling	–	2,568,500	2,568,500	7.61	6.18
Lars Nyberg and family	70,000	2,462,930	2,532,930	7.50	7.62
Avanza Pension	–	1,892,399	1,892,399	5.60	4.56
Hamberg Förvaltning AB	379,762	822,671	1,202,433	3.56	11.12
Eiffel Investment Group SAS	–	1,186,922	1,186,922	3.52	2.86
Berenberg Funds	–	1,173,889	1,173,889	3.48	2.83
Nordnet Pensionsförsäkring	–	1,127,833	1,127,833	3.34	2.72
Margareta Hamberg	–	1,060,722	1,060,722	3.14	2.55
Cliens Fonder	–	783,826	783,826	2.32	1.89
Total 10 largest shareholders	**549,762**	**17,004,661**	**17,554,423**	**51.99**	**54.18**
Total number of shares	**862,887**	**32,904,048**	**33,766,935**	**100.00**	**100.00**

Source: Modular Finance AB. Data compiled from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority.

Share capital

The share capital in C-RAD AB amounts to SEK 5,065,285 divided into 862,887 A shares and 32,904,048 B shares. The number of outstanding shares amounts to a total of 33,766,935 shares with a quota value of SEK 0.15 per share. All outstanding shares are fully paid. C-RAD's Articles of Association stipulate that the share capital shall amount to a minimum of 22,000,000 shares and a maximum of 88,000,000 shares. Holders of A shares in C-RAD may request conversion from A shares to B shares from the Board. Class A and Class B shares can each be issued up to the highest number corresponding to 100 percent of the share capital.

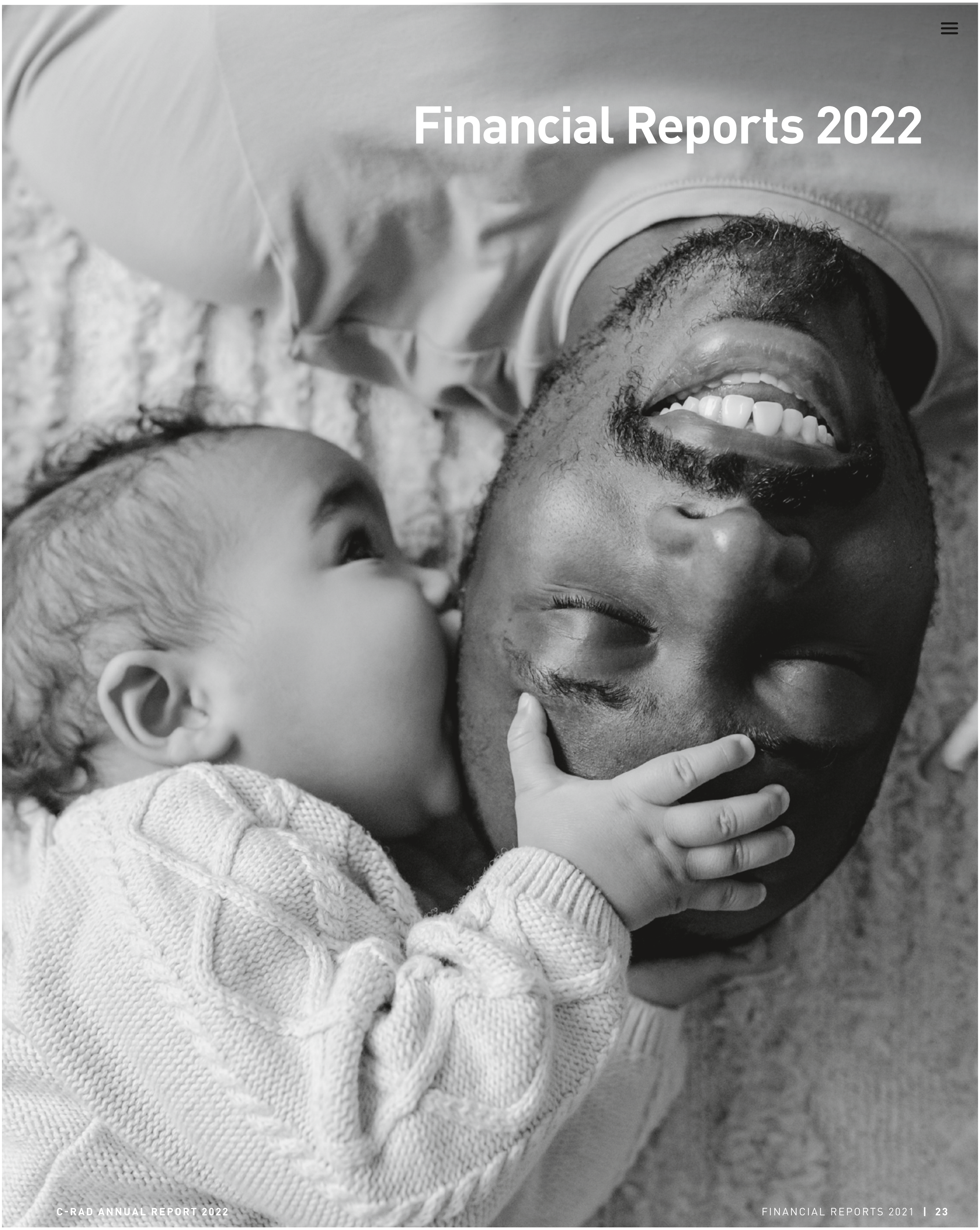
Trading in C-RAD shares

The C-RAD share has been traded since 16 December 2014 on Nasdaq Stockholm, Small Cap, under the short name CRAD and with ISIN code SE00 0201 6352. In 2022, a total of 11.3 million shares were traded for the equivalent of 467 MSEK. The average number of shares traded was 44,787 (59,671) at an average value of 1.8 MSEK (3,4). An average of 145 (204) trades were made per trading day.

Share trend and market capitalisation

The highest price for the B share in 2022 was SEK 56.10 on 1 February 2022. The lowest price for the B share during the year was SEK 23.10 on 23 September. At year-end, 30 December 2022, the closing price of C-RAD's B share was SEK 38.10 (55.70). The value of the share was therefore 32 percent lower at the end of the year than at the beginning of the year.

Financial Reports 2022



Administration Report including Corporate Governance Report

The Board of Directors and CEO of C-RAD AB (publ), company reg. no. 556663-9174, with its registered office in Uppsala, Sweden, hereby submit the annual accounts and consolidated accounts for financial year 2022. The financial reports have been approved for publication on 6 April 2023. The consolidated and Parent Company financial statements are to be approved at the Annual General Meeting on 5 May 2023.

Figures in parentheses refer to the previous year. All amounts presented in tables and notes are in SEK thousand unless stated otherwise.

About C-RAD in general

C-RAD is a Swedish company headquartered in Uppsala. The company develops, manufactures and sells products and systems on the world market, which provide higher precision, increased efficiency and better safety in radiation treatment of cancer patients. The company's innovations originate from Karolinska Institutet and the Karolinska Hospital in Solna. The Group also includes CYRPA International, which develops innovative products for positioning and virtual simulation in radiation therapy.

C-RAD started its operations at the turn of the year 2004/2005. The business initially focused on research and development and today the company delivers its products to radiation treatment clinics all over the world.

In recent years, C-RAD has been in an expansion phase, laying the foundations for global growth. The basis for these conditions consists of innovative and clinically accepted products and systems as well as a continued expansion of the sales organisation and service. During these years, we have built up trust and our customers feel confident in our advanced products. Powerful testimonials from our customers underscore the clinical benefits that come with our technology. This has now led to a wider acceptance and an increasing demand for our products and solutions.

C-RAD sells systems directly to customers via diagnostics and accelerator companies as well as through specialised distributors. The company's own direct sales organisation has expanded in recent years and has become increasingly important. C-RAD currently has a sales organisation for the Nordic countries, the German-speaking countries, France, East Asia and North America.

Significant events during the financial year

On 21 June, C-RAD announced that the Board had decided to appoint Cecilia de Leeuw as the new CEO, beginning on 21 December. Cecilia succeeds Tim Thurn, who is leaving the role after almost ten years at the helm. Cecilia de Leeuw has broad international experience in global product management, commercialisation, global sales and driving organisational development. She began her career at Ericsson in 1995 and has since held various senior positions both internationally and in Sweden during 1995–2017. She joins us from Tietoevry Transform, where she was Vice President and Head of Industry Telecom and Consumer. She is a Board member at Kambi and at Net Insight AB. She holds a Master of Science in Industrial Engineering and Management from Linköping University.

C-RAD announced in July that Henrik Bergentoft, CFO since March 2020, had decided to leave his role in order to take up a similar position at a larger listed company. Christoffer Herou has been appointed the new CFO and is expected to take up his post at the end of Q2 2023. In the meantime, Lars Levin has acted as interim CFO.

In October, C-RAD announced the decision from a nationwide tender for positioning technology in Italy. The tender for SGRT (Surface Guided Radiation Therapy) was won by C-RAD distributor Tecnosan SRL and includes Catalyst and Sentinel 4DCT systems. The decision was subject to an appeal deadline, which expired in December. On 6 December, C-RAD consequently announced the order relating to the tender, worth a total of 46 MSEK. Italy currently has around 432 linear accelerators installed, spread across 192 cancer centres. This order for Catalyst and Sentinel 4DCT systems will extend C-RAD's market dominance to over 100 SGRT systems in Italy. The delivery and installation of these systems is expected to begin in spring 2023 and is estimated to be completed by the end of 2024.

On 16 November, C-RAD announced a partnership agreement with Renova Oncology Group, based in Hyderabad, India. The agreement includes an order for several Catalyst+

Five-year summary	2022	2021	2020	2019	2018
Key figures, amounts in MSEK					
Order intake	484.6	353.5	312.6	269.8	246.8
Revenue	301.3	261.2	221.6	205.4	190.1
Gross profit	195.2	165.7	131.6	121.0	110.1
Gross profit margin, %	65	63	59	59	58
Operating profit/loss	21.8	36.0	17.1	(9.6)	0.8
Operating margin, %	7.2	13.8	7.7	(4.7)	0.4
Profit/loss before tax	21.5	35.7	16.4	(11.4)	0.2
Profit/loss after tax	7.5	25.1	14.4	(13.8)	21.2
Earnings per share (SEK)	0.22	0.74	0.43	(0.45)	0.69
Total assets	339.2	306.7	270.5	157.8	146.6
Order backlog	616.0	425.3	350.5	267.1	194.0
Equity ratio, %	72	75	74	53	64
Average number of employees	74	62	59	55	52

See page 73 for definitions of key figures.

HD and Sentinel 4DCT systems and a multi-year service contract. Renova Oncology Group is a private healthcare provider founded in Hyderabad and is in the process of establishing oncology centres throughout India. The first installation will be at Renova's main centre in Hyderabad and this will become a Centre of Excellence, with the aim of establishing a reference site and a training facility. The agreement opens the door for joint research projects. The systems will be delivered with the complete software suite, including modules for respiratory gating, patient setup & positioning and motion monitoring, as well as dedicated software to support stereotactic treatments.

Sales, operating profit and expenses

For the full year, revenue increased by 15 percent to 301.3 (261.2) MSEK, 8 percent in constant currencies. Broken down geographically, revenues for the full year in EMEA increased 15 percent to 147.5 MSEK, while revenues in the Americas increased 38 percent to 70.6 MSEK. APAC revenues were 83.3 MSEK, which was 1 percent higher than the previous year. Revenue for Life Cycle Business (services) continues to represent an increasing part of the company's total revenue and services now account for 16 percent of revenue. Gross profit margin for the full year was 65 (63) percent. Fluctuations in gross profit can be expected between periods as it is dependent on the product mix and a variation of sales channels in our different markets, where a larger share of direct sales was the main driver behind the improved gross margin during the year. Personnel expenses for the full year amounted to 103.3 (71.7) MSEK. This increase is the result of the expansion of the number of personnel during the year with the aim of strengthening the organisation for the future. C-RAD has personnel expenses in foreign currencies, primarily USD and EUR, and the weakening of the SEK has increased personnel expenses by around 4.0 MSEK for the full year. Other expenses for the full year amounted to 75.8 (52.5) MSEK. Last year's external expenses were impacted by the pandemic, with little travel and no physical marketing events taking place. The year's expenses, both in the quarter and in the full year, were affected by costs relating to forward-leaning investments in the organisation within sales, service and support, product development and research collaborations. There was greater use of external consultants in our R&D projects compared with last year, also reflected in the capitalised development cost described below. These consultants will gradually be replaced by employed resources. For the full year, 10.1 (4.6) MSEK of development costs have been capitalised and 4.5 (3.8) MSEK has been amortised. The increased capitalisation compared with last year is due to more time being put into development and the fact that external consultants have also been engaged to a greater extent compared with last year. Total capitalised development costs amounted to 21.5 (15.8) MSEK at the end of 2022. Operating income for the full year amounted to 21.8 (36.0) MSEK, corresponding to a margin of 7.2 (13.8) percent. Excluding non-recurring costs connected with the change of management, operating income for the full year amounted to 26.1 (36.0) MSEK and the operating margin to 8.6 (13.8) percent. Net results after tax for the full year amounted to 7.5 (25.1) MSEK, corresponding to 0.22 (0.74) SEK per share.

Cash flow

Cash flow from operating activities amounted to 9.7 (18.2) MSEK for the full year. During the second quarter the warrant programme from 2019 was converted into shares, generating a capital increase, and in the same quarter the 2022 programme was initiated, totalling 1.0 MSEK. Total liquid funds at the end of the period amounted to 121.9 (122.4) MSEK. In addition, the company has an unused credit facility of 20 MSEK. Net financial income amounted to -0.3 (-0.3) for the full year. The company has no external debt, hence the negligible financial cost.

Equity

The Group's equity amounted to 242.5 (231.1) MSEK. The Group's equity ratio has decreased from 75 percent in 2021 to 72 percent in 2022.

Non-current liabilities

At the balance sheet date, the company had non-current liabilities of 4.1 (6.4) MSEK, in its entirety attributable to the non-current portion of lease liabilities.

Deferred tax asset

The deferred tax asset is impairment tested at each quarter. In 2022, 14.0 MSEK was reported as a tax expense, thus reducing the deferred tax asset. The deferred tax asset amounted to 0.0 (13.1) MSEK as at 31 December. The remaining tax loss in the foreign subsidiaries is 146.3 MSEK. The majority of this relates to the US subsidiary where there is a time limit of 20 years for utilisation of the loss against future taxable gains, while for others there is no restriction. The tax deficit in the foreign subsidiaries has not been capitalised as a deferred tax asset.

Parent Company

No operations are conducted in the Parent Company except for Group Management and administration. The Parent Company's revenues for the full year 2022 amounted to 28.9 (25.5) MSEK and the operating income was -0.8 (0.4) MSEK. Most of the Group's administrative costs arise in the Parent Company. Revenues in the Parent Company consist of invoiced administration fees to subsidiaries and grants received in development projects.

Research and development

A prerequisite for C-RAD's business success is strong and innovative R&D with cutting-edge expertise in clinical application and hardware and software.

During the year, the company has continued development work around its core product, Catalyst™.

Capitalised development costs during 2022 amounted to 10.1 MSEK and relate in their entirety to the product development of positioning products. Total capitalised development costs amounted to 21.5 (15.8) MSEK at the balance sheet date.

Significant risks and uncertainties

A number of risks have been identified and the impact of these factors is difficult to assess. These factors could have both a positive and negative impact on the company. The risks are described in Note 6.

When assessing the continued development of the company, these risks must also be considered. The factors are listed below in no particular order.

Pandemics

Unforeseen and, in addition, rapid spread of diseases can mean that society functions, including healthcare, shift their focus and, at least in the short term, cannot focus on investments in new equipment. This could adversely affect C-RAD's sales, as well as the ability to deliver products already ordered. As mentioned, C-RAD is also dependent on third parties in the form of suppliers and cooperation agreements. There is a risk that a pandemic will affect these parties in such a way that they cannot fulfil their obligations to C-RAD, with the subsequent risk of negative effects on both sales and delivery capacity for C-RAD.

Political risks

Political risk is the risk of financial, market or personnel losses occurring due to political decisions or disruptions. The following are examples of political risk actions that potentially could have an effect on C-RAD in specific markets: decisions made by government leaders regarding taxes, currency valuation, trade tariffs/barriers, investment, wage levels, labor laws, environmental regulations, and development priorities.

Market growth

The market for advanced radiation therapy is expected to see continued strong growth, especially in the US, which accounts for almost half of the global market. There is a risk that this growth will slow down and that the market in the rest of the world may not grow at the expected rate, which may be impacted by political risks described above. A lower growth rate could have an adverse impact on the company's business, earnings and financial position.

Technological development

The medical device industry is still undergoing major changes, largely as a result of technological developments in the field. C-RAD develops solutions for use in advanced radiation therapy. If a completely new technology should arise in the field in which C-RAD is active, combined with changing demands and preferences of customers, this could have a negative impact on the company's business, earnings and financial position.

Intellectual property rights

Business and sales are to some extent dependent on C-RAD applying for and receiving patent protection for its innovations in the field of radiation therapy in strategically important markets. There are no guarantees that the company will receive patents that are pending or that it will be able to protect patents that have been granted. Even if the company receives patent protection, competing solutions could be developed. There is also no guarantee that in the future a third party will not bring an infringement action against the company. The above risks related to intellectual property rights may have adverse effects on C-RAD's business, earnings and financial position.

Permits and approvals

Marketing and sales of C-RAD's products often require regulatory approvals in the relevant markets. The approval process for medical device products varies between countries and between different healthcare systems, which means that it can be difficult to predict what resources in terms of time and costs will be required to obtain product approvals in different markets. There is also no guarantee that the company will be able to obtain and maintain such permits. If C-RAD does not receive strategically important permits and maintain the permits it has for products marketed and sold in strategic markets, this could have material adverse effects on the company's business, earnings and financial position.

Technical risks

The company manufactures and sells the Sentinel, Catalyst™ and Catalyst HD™ systems and Cyrpa lasers. Interest in the systems is strong and the company's assessment is that the cash flow for the systems will provide good profitability, which means that no indication of impairment is present. Should this investment fail, partially or completely, the company may be forced to write down parts or all of the projects.

Competitors in the accelerator field

If a competitor of C-RAD were to initiate a major investment and product development, this could have a negativeimpact on C-RAD's sales. Moreover, companies with global operations that currently work in adjacent areas may decide to become established in the same areas of business. Such companies could have larger financial and organisational resources than C-RAD. If C-RAD is unable to adapt its business and products to meet market demand, there is a risk of losing competitiveness, which in turn could have an adverse impact on the company's business, earnings and financial position.

Dependence on key personnel

Success is based largely on the skills of the employees in general and of key personnel in particular. The future development of the company largely depends on the ability to attract and retain skilled personnel. If any key personnel should choose to leave the company, it could result in delays in development and higher costs for both product development and recruitment, at least in the short term.

Dependence on suppliers

C-RAD's products are usually manufactured by subcontractors. It cannot be ruled out that one or more of these could choose to terminate cooperation with C-RAD and that the company would be unable to replace the subcontractor in a timely, qualitatively or financially satisfactory manner. There is also a risk that C-RAD's suppliers and manufacturers could fail to meet quality requirements, resulting in product liability claims. Similarly, establishment of new suppliers or manufacturers could be more expensive and take longer than C-RAD has calculated. Both Sentinel and Catalyst™ contain components with long delivery times that are currently only available from a few suppliers. If these components could not be delivered for any reason, or if deliveries should be delayed, deliveries to C-RAD's customers could be delayed. Overall, this could have an adverse impact on the company's business, earnings and financial position.

Dependence on cooperation agreements

C-RAD's sales are made directly to radiation therapy centres and in cooperation with distributors and industrial partners. Building an efficient distribution network is of great importance for the company's sales performance and requires time and costs for training initiatives and visits to key customers. The company is, and will continue to be, dependent on cooperation agreements with external parties for the sale of the products. If such collaborations with external partners should fail, the company will find it difficult to implement its development plans. There is also a risk that the companies with which C-RAD has signed, or will sign, cooperative agreements will be unable to meet their obligations under these agreements. Existing cooperation agreements may also be terminated or changed. Overall, this could have an adverse impact on the company's business, earnings and financial position.

Cyber security risks

Cyber security risks relate to the loss of confidentiality, integrity or availability of information, data or control systems and reflect the potential negative effects on the company's operations, such as assignments, functions or reputation.

Ability to manage growth

C-RAD's business may grow substantially through a sudden and unexpected increase in demand for its products, which would place great demands on management as well as the operational and financial structure of the company. As the business grows, the company needs to ensure that efficient planning and management processes are in place, which may require investments and allocation of management resources to be able to implement the business plan in a market undergoing rapid development. A fast and strong market response could result in delivery problems. The inability to handle such increased capacity requirements could have a negative impact on the business, earnings and financial position.

Financial risks

The company is exposed to various financial risks such as currency risk, credit risk, interest rate risk, liquidity risk and financing risk.

Currency risk is associated primarily with future transactions, recognised assets and liabilities, as well as investments in foreign subsidiaries.

The Group's credit risk is related to accounts receivable. Customers largely consist of public and private cancer clinics around the world. The company has thus far not written off any accounts receivable due to a customer's inability to pay. The Parent Company's credit risk is related to the financing of its subsidiaries' operations through loans.

Interest rate risks are associated with changes in interest rates that have an adverse effect on the company. On the balance sheet date, the company did not have any long-term interest-bearing loans. Excess liquidity is placed in the bank and/or fixed income securities with high ratings. Liquidity risk is the risk of being unable to meet payment obligations as a result of insufficient liquidity. The Group has products in the commercialisation phase and technical risks and market acceptance may lead to cash flow delays.

Financing risk is the risk of being unable to obtain the financing necessary to cover the needs of current operations at any given time.

See note 6 for more information on financial risks and financial risk management.

Employees

At the turn of the year, the Group had a total of 79 (66) employees. The average number of employees in 2022 was 74 (62). The majority of employees work in research and development and related activities. The employees possess cutting-edge competencies within their respective disciplines and several also have extensive experience of radiation therapy and radiation physics.

Incentive programmes for employees

At the Annual General Meeting on 6 May 2022, an incentive programme was approved through the issue of 100,000 warrants in C-RAD. Current employees of the C-RAD Group subscribed for a total of 54,700 warrants. A summary of active incentive programmes is presented in Note 16. Share-based payments.

Environment

The Group's environmental impact mainly relates to transport and electricity consumption that delivered and installed products require for their operation. The Group's operations are not subject to licensing or reporting requirements under the Swedish Environmental Code.

Significant events after the end of the financial year

On 2 January, C-RAD announced that Christoffer Herou has been appointed CFO, starting at the end of Q2, 2023.
On 2 March, the Nomination Committee's proposal for the new Board of Directors of C-RAD was announced. Kristina Willgård is proposed as the new Chair of the Board. C-RAD's Nomination Committee also proposes the election of Susanne Ekblom and Peter Simonsbacka. Chair of the Board Lars Nyberg has notified the Nomination Committee that he is not standing for re-election to the Board. Per-Arne Blomquist, Kicki Wallje-Lund and Åsa Hedin have also notified the Nomination Committee that they are not standing for re-election to the Board.

On 15 February, C-RAD announced an order from Nordstrahl in Nuremberg, Germany. The order includes multiple systems and a multi-year service contract. The total order value is approximately 8.3 MSEK.

Future development

The strengths of C-RAD's products, the continued strong growth of the industry and the actions that the company is taking to uniquely position C-RAD in the marketplace create expectations of future growth. C-RAD will become even further established in proven and new markets and help to make cancer treatment more efficient for healthcare providers, better in quality and safer for patients and medical personnel.

Corporate Governance Report

Corporate Governance

C-RAD is a Swedish public limited company based in Uppsala. Corporate governance at C-RAD AB is based on Swedish legislation, primarily the Swedish Companies Act, the Swedish Code of Corporate Governance
(the "Code"), the Nasdaq OMX Stockholm's listing requirements as specified in the "Rules for Issuers" and the internal instructions and policy documents that the company has established and adopted. The company's shares have been admitted to trading on Nasdaq OMX Stockholm since 16 December 2014. As of this date, the company is obligated to apply the Code. The company applies

the Code from the time of admission to trading of its shares on Nasdaq OMX Stockholm. If any deviation from the Code should arise, such deviations must be explained in connection with each section.

General Meeting

The General Meeting is the company's highest decision-making body. By law, the Annual General Meeting must be held within six months following the end of the financial year. The Annual General Meeting decides on issues such as adopting the income statement and balance sheet, the allocation of the company's earnings, discharge from liability, election of Board members and appointment of auditors. Notice of the Annual General Meeting, as well as Extraordinary General Meetings where questions regarding amendments to the Articles of Association are addressed, must be issued no earlier than six and no later than four weeks before the Meeting. Notice of other General Meetings must be issued no earlier than six and no later than three weeks before the Meeting. Shareholders recorded in the register maintained by Euroclear on behalf of C-RAD no later than five business days before the meeting and who have expressed their intention to participate to the company as described in the Notice of the Meeting have the right to attend and vote at the Annual General Meeting. Shareholders may be represented by proxy. Notice of the meeting is issued in accordance with the Companies Act no earlier than six and no later than four weeks before the meeting.

Authorisation granted by the 2022 General Meeting

The AGM authorised the Board to decide on C-RAD potentially issuing a maximum of 2,500,000 new Class B shares.

Articles of Association

C-RAD's Articles of Association contain no restrictions on how many votes each shareholder may cast at a General Meeting. Each Class A share entitles the holder to ten votes and each Class B share carries one vote at the Annual General Meeting. The total number of shares at the balance sheet date was 33,766,935. Moreover, C-RAD's Articles of Association do not include any specific provisions on the appointment and dismissal of Board members or on amending the Articles of Association.

Nomination Committee

The Nomination Committee's task is to submit proposals prior to the Annual General Meeting regarding, among other things, the Chair of the Board, Board members, auditors, remuneration to the Board and, where appropriate, proposals for appointment of auditors and for their fees. The principles for appointing the Nomination Committee are decided by the Annual General Meeting. C-RAD's Nomination Committee prior to the 2023 Annual General Meeting consists of Anna Frick, Gaetan Boyer and Lars Nyberg. The Nomination Committee appointed Gaetan Boyer to be the chair of the Committee.

Board of Directors

The Board conducts its work as described in the Swedish Companies Act, the Code and other rules and regulations applicable to the company. The overarching task of the Board of Directors is to manage the company's affairs and organisation. The Board currently consists of six members and the company has ensured that the composition is adapted to meet the requirements of the Code. For additional information about the current Board of Directors and Group management, please see the relevant sections on pages 18 to 21.

All Board members are independent of the company and of the company's major shareholders.

Rules of procedure and Board meetings

At the statutory Board meeting following the Annual General Meeting, the Board of Directors of C-RAD adopts the rules of procedure with instructions regarding the rules of procedure between the Board of Directors and the Chief Executive Officer, as well as instructions for financial reporting. The Board holds at least four ordinary meetings in addition to the statutory meeting. Meetings are coordinated as far as possible with the timing of financial reporting and the Annual General Meeting. In addition to ordinary meetings, the Board of Directors is called to further meetings as the situation requires. In 2022, the Board met 13 times, including the statutory meeting at which the rules of procedure were adopted. In addition to the ordinary meetings, the Board of Directors held five extraordinary Board meetings to discuss the change of company CEO. The work of the Board of Directors was also carried out through meetings of the Audit Committee. The Chair of the Board also maintained an ongoing dialogue with the Board members between ordinary Board meetings.

By far the most important issue during the year was the appointment of a new CEO. In autumn 2021, Tim Thurn announced his long-term intention to leave the company. In 2016, C-RAD's sales totalled 80 MSEK and the company made a loss of 30 MSEK. Following strong growth, the company broke even in 2018 and by 2022 sales were almost four times higher than in 2016, with positive earnings and cash flow.

The Board of Directors decided that the change of CEO was an opportunity for C-RAD to take the next step to establish itself as a market leader, improve efficiency and increase focus on strategically important areas; such as continued profitable growth, service becoming a larger part of the business, a strengthening of the sales organisation in key markets and an increased focus on product development. The process to recruit the company's new CEO was extensive and the Board devoted a lot of time to this. The Board met several candidates during the process and before the appointment of Cecilia de Leeuw as the new CEO, all the Board members had individual meetings with her. The Board decided that Cecilia de Leeuw is the right person to take C-RAD to the next level. As in previous years, the Chair of the Board held two meetings per month with the CEO during the year, to provide support and to act as a sounding board. This routine continued with Cecilia de Leeuw immediately after her appointment and the transition to a new CEO went smoothly.

Attendance at board meetings in 2022

Board member	Number of meetings
Lars Nyberg	13
Kicki Wallje-Lund	11
David Sjöström	12
Åsa Hedin	11
Jenny Rosberg	13
Per-Arne Blomquist	13

The Board's work is evaluated once per year. The Chair of the Board organises the evaluation through questionnaires, compiles the results and presents them at the following Board meeting where discussions are ongoing and any improvement areas identified.

Board committees and committee work

The Audit Committee consists of Per-Arne Blomquist as Chair of the Committee and Kicki Wallje-Lund and Jenny Rosberg as members. The committee had six meetings in 2022. The Remuneration Committee consists of Lars Nyberg, David Sjöström and Åsa Hedin.

Internal control

According to Swedish corporate governance rules, the Board of Directors shall ensure that C-RAD has adequate internal controls and remains informed of and evaluates the company's internal control systems. Since 2016, the Board has appointed an Audit Committee that monitors the current affairs of the company through regular meetings with the company's finance department. An important part of the control environment is that the organisation and decision-making procedure, as well as responsibilities and authorities, are clearly defined and communicated in policy documents. Any identified risks within the financial reporting will be handled within the company's control structure and will result in a number of control activities.

C-RAD has adopted policies and procedures relating to financial reporting, as well as a finance handbook that includes accounting policies, financial policy and reporting procedures. Control activities are designed to prevent, detect and correct errors and deviations and include, for example, comparison of profit and loss items, account reconciliation, monitoring and reconciliation of Board decisions and policies adopted by the Board. The Board reviews the interim and annual reports before publication.

Levels and rules for approval of transactions within the company and with external partners are set through an authorisation procedure. The company also has rules for approval of transactions.

Internal audit

The Board has determined that existing internal control processes and functions at C-RAD are adequate and there is no need to introduce an internal audit function. The monitoring provided by the Board, management and the company's external auditors is currently considered to fulfil this need. However, the Board conducts an annual assessment to determine whether such a function is necessary to maintain good control of the company and the Group.

Financial reporting and follow-up

Under applicable laws and stock exchange rules as well as other regulations applicable from time to time, the company strives to regularly provide accurate, reliable and timely financial information. Financial information is published regularly as quarterly reports, annual reports and press releases containing news and significant events that may affect the share price, in accordance with the company's information policy. The company's CFO prepares a monthly report on key performance indicators for the Board.

Ownership

At the end of the year, C-RAD had 4,578 shareholders according to Euroclear. The two largest shareholders together held 19.5 percent of the shares and 18.1 percent of the voting rights. As at the balance sheet date, the company's share capital amounted to SEK 5,065,284, with a quota value of SEK 0.15 per share, divided into 33,766,935 shares, of which 862,887 were class A shares and 32,904,048 were class B shares. Each Class A share entitles the holder to ten votes and each Class B share carries one vote at the Annual General Meeting. The total number of votes in the company is 41,532,918. No known shareholder agreements exist.

Remuneration to the Board of Directors

The Annual General Meeting decides on remuneration to the Board of Directors. The Annual General Meeting of 6 May 2022 resolved that the Chair of the Board shall be paid SEK 400,000 in remuneration annually and that the other Board members shall be paid SEK 200,000 each. Members of the Audit Committee shall be paid SEK 30,000 each.

Ownership structure – 10 largest shareholders in terms of votes

Shareholders as at 31/12/2022	A shares	B shares	Total shares	Capital, %	Votes, %
Svea Bank AB	100,000	3,924,969	4,024,969	11.93%	11.86%
Hamberg Förvaltning AB	379,762	822,671	1,202,433	3.56%	11.12%
Lars Nyberg and family	70,000	2,462,930	2,532,930	7.50%	7.62%
Lars Kling	0	2,568,500	2,568,500	7.61%	6.18%
Olle Stenfors	180,000	341,000	521,000	1.54%	5.15%
Avanza Pension	0	1,892,399	1,892,399	5.60%	4.56%
Anders Brahme	133,125	0	133,125	0.39%	3.21%
Eiffel Investment Group SAS	0	1,186,922	1,186,922	3.52%	2.86%
Berenberg Funds	0	1,173,889	1,173,889	3.48%	2.83%
Nordnet Pensionsförsäkring	0	1,127,833	1,127,833	3.34%	2.72%
Other	0	17,402,935	17,402,935	51.53%	41.90%
	862,887	**32,904,048**	**33,766,935**	**100.00%**	**100.00%**

Remuneration to senior executives

The total remuneration in 2022 to the senior executives Tim Thurn, Cecilia de Leeuw, Håkan Axelsson, Kurt Wang, Ivan Astralaga, Lars Levin, Henrik Bergentoft, Annica Jämtén Ericsson, Emelie Gessner Gozzi, Kashif Ikram and Johan Danielsson amounted to 18.9 MSEK, of which 3.2 MSEK related to remuneration for the outgoing CEO Tim Thurn and the newly appointed CEO Cecilia de Leeuw. The average number of senior executives was 7 in 2022. All amounts relating to remuneration to senior executives are exclusive of social security contributions. The pension cost for senior executives in 2022 amounted to 1.6 MSEK. Management's pension terms are in line with other employees within the Group. Tim Thurn, Cecilia de Leeuw, Henrik Bergentoft and Håkan Axelsson are/were employed at the Parent Company C-RAD AB, while Annica Jämtén Ericsson, Emelie Gessner Gozzi, Kashif Ikram and Johan Danielsson are/were employed at the subsidiary C-RAD Positioning AB, Ivan Astralaga is employed at the subsidiary C-RAD Inc and Kurt Wang is employed at the subsidiary C-RAD Medical Device Co Ltd. Lars Levin has not been employed as he acted as interim CFO.

Guidelines for remuneration to senior executives

The 2020 Annual General Meeting resolved on guidelines for remuneration to senior executives, which remains for 2022. The guidelines for remuneration to senior executives are as follows. The term 'senior executives' refers to the CEO and the people who are in Group management. Remuneration to the CEO and other senior executives will consist of fixed salary, variable remuneration, other benefits and pension provisions. The total remuneration will be market-based and competitive, and also be related to responsibility and authority. The variable remuneration of the company management may amount to a maximum of 100 percent of the fixed remuneration. Upon termination of the employment contract by the company, termination and severance pay will not exceed eight (8) months' salary. Pension benefits will follow the ITP plan and any additional portions will be based on defined contributions, unless specific reasons indicate otherwise. The retirement age for Executive Management shall normally be 65 years. The Board may only deviate from these guidelines if special reasons exist in individual cases.

Remuneration to auditors

At the 2022 Annual General Meeting, Öhrlings Pricewaterhouse Coopers AB was re-elected to serve as auditor for the company, with Johan Engstam as principal auditor. Remuneration is paid to the auditor on a time and materials basis. For further information on fees, see note 13. Audit assignments refer to auditing of the annual accounts, accounting records and administration by the Board and the CEO, as well as other duties that the company's auditor is obligated to perform, as well as the provision of advice or other assistance as a result of observations made in conjunction with such an examination or the performance of such other duties. Everything else is classified as other assignments.

Proposed allocation of earnings

The following funds in the Parent Company are at the disposal of the Annual General Meeting (SEK):

Share premium reserve 373,172,548
Retained earnings . . . . -135,127,955
Profit/loss for the year 16,273,117
Total retained earnings: 254,317,710

The Board of Directors and the CEO propose that the retained earnings of SEK 254,317,710 be carried forward.

Consolidated statement of comprehensive income

All amounts in SEK thousand unless otherwise stated.

	Note	2022	2021
Operating income			
Revenue	11	301,326	261,152
Cost of goods and services sold		-106,137	-95,495
Gross profit		**195,189**	**165,657**
Operating expenses			
Other external costs	13, 14	-75,762	-52,479
Personnel costs	15	-103,344	-71,698
Own work capitalised	21	10,113	4,572
Depreciation and amortisation of property, plant and equipment, as well as intangible assets	14, 20, 21	-10,112	-9,707
Other operating income	12	7,474	1,294
Other expenses	12	-1,800	-1,643
Total operating expenses		**-173,431**	**-129,662**
Operating profit/loss (EBIT)		**21,758**	**35,995**
Financial income	17	162	10
Financial expenses	17	-434	-266
Profit/loss before tax		**21,486**	**35,739**
Income tax	18, 19	-14,006	-10,637
Profit/loss for the year		**7,479**	**25,102**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Translation difference from foreign operations		2,969	1,992
Total comprehensive income for the year[1]		**10,449**	**27,094**
Earnings per share			
Earnings per share, basic (SEK)	23	0.22	0.74
Earnings per share, diluted (SEK)	23	0.22	0.74

1) 100% attributable to Parent Company shareholders.

Consolidated statement of financial position

	Note	31/12/2022	31/12/2021
NON-CURRENT ASSETS			
Intangible assets			
Capitalised development expenditure	21	21,506	15,844
Distribution rights	21	142	989
Patents	21	68	119
Total		**21,715**	**16,952**
Property, plant and equipment			
Equipment	20	3,110	3,314
Right-of-use assets	14	6,996	9,273
Total		**10,106**	**12,587**
Financial assets			
Non-current receivables	6	–	–
Deferred tax assets	19	227	13,085
Total		**227**	**13,085**
Total non-current assets		**32,049**	**42,624**
CURRENT ASSETS			
Inventories	7	40,009	17,222
Accounts receivable	6, 27	105,845	96,662
Other receivables		9,440	11,190
Prepaid expenses and accrued income	8	29,935	16,589
Cash and cash equivalents	6, 26	121,896	122,420
Total current assets		**307,125**	**264,083**
TOTAL ASSETS		**339,174**	**306,707**

Consolidated statement of financial position, cont.

	Note	31/12/2022	31/12/2021
EQUITY	23		
Share capital		5,065	5,063
Other contributed capital		381,458	380,455
Translation reserve		1,649	-1,321
Retained earnings, including profit/loss for the year		-145,628	-153,107
Total equity attributable to Parent Company shareholders		**242,543**	**231,090**
NON-CURRENT LIABILITIES			
Non-current lease liabilities	6, 14	4,076	6,374
Total non-current liabilities		**4,076**	**6,374**
CURRENT LIABILITIES			
Accounts payable	6	31,007	22,641
Warranty provisions	28	3,048	3,174
Other current liabilities	6	18,634	11,604
Accrued expenses and deferred income	29	39,865	31,824
Total current liabilities		**92,555**	**69,243**
Total liabilities		**96,630**	**75,617**
TOTAL EQUITY AND LIABILITIES		**339,174**	**306,707**

Consolidated statement of cash flows

	Note	2022	2021
Operating activities			
Operating profit/loss (EBIT)		21,758	35,995
Adjustments for non-cash items	25	9,863	10,098
Interest received		151	1
Interest paid		-320	-2
Cash flow from operating activities before changes in working capital		**31,452**	**46,092**
Increase/decrease in operating receivables		-20,779	-42,349
Increase/decrease in inventories		-22,778	8,481
Increase/decrease in operating liabilities		21,795	5,945
Cash flow from operating activities		**9,690**	**18,168**
Investing activities			
Capitalised development expenditure	21	-10,113	-4,572
Acquisition of property, plant and equipment	20	-1,109	-1,226
Cash flow from investing activities		**-11,222**	**-5,798**
Financing activities			
New share issue		697	3,753
Issue costs		–	-17
Warrants issued		307	454
Amortisation of debt		–	–
Amortisation of lease liability	14	-3,389	-3,162
Cash flow from financing activities		**-2,384**	**1,045**
Cash flow for the year		-3,917	13,414
Opening cash and cash equivalents		122,420	108,045
Exchange rate differences in cash and cash equivalents		3,393	961
Closing cash and cash equivalents	26	**121,896**	**122,420**

Consolidated statement of changes in equity

	Share capital	Other contriuted capital	Translation reserve	Retained earn-ings, including profit/loss for the year	Total
Opening equity 1 Jan 2021	**5,049**	**376,262**	**-3,313**	**-178,209**	**199,789**
New share issue	14	3,756			3,770
Issue costs		-17			-17
Warrants issued		454			454
Total transactions with shareholders	**14**	**4,193**			**4,207**
Total comprehensive income for the year			1,992	25,102	27,094
Closing equity 31 Dec 2021	**5,063**	**380,455**	**-1,321**	**-153,107**	**231,090**
New share issue	2	695			697
Issue costs					
Warrants issued		307			307
Total transactions with shareholders	**2**	**1,002**			**1,005**
Total comprehensive income for the year			2,969	7,479	10,449
Closing equity 31 Dec 2022	**5,065**	**381,458**	**1,649**	**-145,628**	**242,543**

Parent Company income statement

	Note	2022	2021
Operating income			
Net sales	10	28,854	25,539
Total operating income		**28,854**	**25,539**
Operating expenses			
Other external costs	13, 14	-14,481	-12,551
Personnel costs	15	-20,132	-14,513
Depreciation of property, plant and equipment	20	-106	-93
Amortisation of intangible assets	21	-847	-847
Other operating income		5,892	2,863
Other operating expenses		–	–
Total operating expenses		**-29,674**	**-25,141**
Operating profit/loss (EBIT)		**-821**	**398**
Interest income and similar profit/loss items	17	135	133
Interest expense and similar profit/loss items	17	21,205	-2,030
Profit/loss before tax		**20,519**	**-1,499**
Tax on profit/loss for the period	18, 19	-4,246	-110
Profit/loss for the year		**16,273**	**-1,609**
Total comprehensive income for the year		**16,273**	**-1,609**

The Parent Company has no items in other comprehensive income.

Parent Company balance sheet

	Note	31/12/2022	31/12/2021
PROPERTY, PLANT AND EQUIPMENT			
Equipment	20	282	341
INTANGIBLE ASSETS			
Distribution rights	21	142	989
FINANCIAL ASSETS	22		
Shares in Group companies	10	103,531	103,531
Receivables from Group companies	10	101,914	79,875
Deferred tax asset	19	0	4,246
Total financial assets		**205,445**	**187,652**
Total non-current assets		**205,869**	**188,982**
CURRENT ASSETS			
Other receivables		512	289
Prepaid expenses and accrued income	8	4,375	2,948
Cash and bank balances	26	59,203	60,567
Total current assets		**64,091**	**63,804**
TOTAL ASSETS		**269,959**	**252,786**

Parent Company balance sheet, cont.

	Note	31/12/2022	31/12/2021
EQUITY			
Restricted equity	23		
Share capital		5,065	5,063
Non-restricted equity			
Share premium reserve		373,173	372,170
Retained earnings		-135,128	-133,519
Profit/loss for the year		16,273	-1,609
Total equity		**259,383**	**242,105**
NON-CURRENT LIABILITIES			
Non-current liabilities		–	–
		–	**–**
CURRENT LIABILITIES			
Accounts payable		4,650	1,841
Liabilities to Group Companies	10	0	5,155
Other current liabilities		957	375
Accrued expenses and deferred income	29	4,969	3,310
Total liabilities		**10,576**	**10,681**
TOTAL EQUITY AND LIABILITIES		**269,959**	**252,786**

Parent Company statement of cash flows

	Note	2022	2021
Operating activities			
Operating profit/loss before financial items excl. interest		-821	-1,499
Adjustments for non-cash items	25	-4,150	-217
Interest received		130	133
Interest paid		–	-4
Cash flow from operating activities before changes in working capital		**-4,841**	**-1,586**
Increase/decrease in operating receivables		2,623	-557
Increase/decrease in accounts payable		-70	1,657
Increase/decrease in operating liabilities		-34	-1,110
Cash flow from operating activities		**-2,322**	**-1,596**
Investing activities			
Acquisition of property, plant and equipment		-47	–
Shareholder contributions paid		0	-2,026
Payment of loans to Group companies		0	-1,148
Investments in subsidiaries		0	–
Cash flow from investing activities		**-47**	**-3,175**
Financing activities			
New share issue		697	3,753
Warrants		307	454
Cash flow from financing activities		**1,005**	**4,207**
Cash flow for the year		-1,364	-564
Opening cash and cash equivalents		60,567	61,121
Exchange rate differences in cash and cash equivalents		0	**9**
Closing cash and cash equivalents	26	**59,203**	**60,567**

Parent Company statement of equity

	Share capital	Share premium reserve	Retained earnings	Total
Opening equity 1 Jan 2021	**5,049**	**367,977**	**-133,519**	**239,508**
New share issue	14	3,756		3,770
Issue costs		-17		-17
Warrants issued		454		454
Total transactions with shareholders	**14**	**4,193**		**4,207**
Profit/loss for the year 2021			-1,609	-1,609
Closing equity 31 Dec 2021	**5,063**	**372,170**	**-135,128**	**242,105**
Opening equity 1 Jan 2022	**5,063**	**372,170**	**-135,128**	**242,105**
New share issue	2	695		697
Issue costs				
Warrants issued		307		307
Total transactions with shareholders	**2**	**1,002**		**1,005**
Profit/loss for the year 2022			16,273	16,273
Closing equity 31 Dec 2022	**5,065**	**373,173**	**-118,855**	**259,383**

Notes

1. Nature of the business

The primary business of C-RAD AB and its subsidiaries (the Group) is to develop, manufacture and sell products and systems that ensure high precision, efficiency and safety in radiotherapy of patients with cancer.

2. General information and compliance with IFRS

The Parent Company of the Group, C-RAD AB, is a public limited company formed and with its registered office in Sweden. The headquarters and principal place of business of C-RAD Group is at the address Sjukhusvägen 12K, 753 09 Uppsala, Sweden. C-RAD AB's shares are listed on Nasdaq OMX Stockholm.

The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act, the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups, and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) as approved by the EU Commission for application within the EU. The preparation of financial statements in compliance with IFRS requires the use of a number of important estimates for accounting purposes. Furthermore, when applying the Group's accounting policies, management must make certain assessments. Areas which involve a high degree of assessment, which are complex, or such areas in which assumptions and estimates are of material significance are presented in Note 33.

The Parent Company applies the same accounting policies as the Group except in those cases described below under "Parent Company accounting policies". The differences arising between the accounting policies of the Parent Company and those of the Group are attributable to limitations on the ability to apply IFRS in the Parent Company as a result of the Swedish Annual Accounts Act and the Pension Obligations Vesting Act, and to some extent based on tax considerations.

The annual accounts and the consolidated financial statements for the year ending 31 December 2022 (including comparative figures) were approved for issue by the Board on 6 April 2023. Regulations in Sweden stipulate that the financial statements may not be changed once they have been approved.

3. New and updated standards applied by the Group

Any new or revised IFRS standards and IFRS IC interpretations that have come into effect since 1 January 2022 have not been judged to have any significant effect on the consolidated financial statements.

4. Standards, amendments and interpretations relating to existing standards that are not yet effective and have not been adopted early by the Group

A number of new standards and interpretations have come into effect that apply to financial years beginning on or after 1 January 2022 and these have not been applied in the preparation of these financial statements. These new standards and interpretations are not expected to have any significant effect on the consolidated financial statements in current and future periods nor on future transactions.

5. Summary of accounting policies

The principal accounting policies used in preparing the consolidated financial statements are summarised below.

5.1 Basis of consolidation

The consolidated financial statements include the operations of the Parent Company and the subsidiaries. The Parent Company has a controlling influence over the subsidiary if the company is exposed to, or has rights to variable returns from its involvement in the subsidiary, and has the ability to affect yields by exercising its controlling influence over the subsidiary. The balance sheet date for all subsidiaries is 31 December.

The consolidated accounts include the Parent Company C-RAD AB and the following wholly owned subsidiaries: C-RAD Positioning AB (Sweden), C-RAD Imaging AB (Sweden), C-RAD Innovation AB (Sweden), C-RAD Incorporated (USA), C-RAD GmbH (Germany), C-RAD (Shanghai) Medical Device Co Ltd. (China), C-RAD Australia & New Zealand PTY Ltd (Australia), as well as Cyrpa International S.P.R.L. (Belgium) and its subsidiary Sarl Cyrpa Innovations (France).

All intra-Group transactions and balance sheet items are eliminated on consolidation, including unrealised losses on intra-Group sales of assets.

Net income and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the date on which the acquisition or disposal enters into force, as appropriate.

The purchase method is used to recognise the Group's acquisitions of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given as consideration, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable acquired assets and assumed liabilities and contingent liabilities in a business combination are initially measured at fair value on the acquisition date, regardless of the scale of any non-controlling interests. The surplus that comprises the difference between the cost and the fair value of the Group's share of identifiable acquired net assets is recognised as goodwill. Acquisition costs are expensed as incurred.

5.2 Translation of foreign currencies

The consolidated financial statements are presented in SEK, which is also the Parent Company's functional currency.

Transactions in foreign currencies are translated to the functional currency of each Group company, based on the prevailing exchange rates on the transaction date (spot rate). Gains and losses on foreign currency as a result of settlement of such transactions and due to the revaluation of monetary items using the exchange rate on the closing date are recognised in profit and loss.

Non-monetary items are not translated on the balance sheet date, but are valued at historical cost (adjusted for the rate on the transaction date), except for non-monetary items measured at fair value, which are translated at the exchange rate at the date when fair value was determined.

The order backlog contains received but not yet delivered orders in their respective currencies, revalued at the average exchange rate.

5.3 Financial statements of foreign operations

Assets and liabilities of foreign subsidiaries are translated from the respective Group company's functional currency to the Group's reporting currency at the rate on the balance sheet date. Revenues and expenses in foreign operations are translated into SEK at the average rate, which is an approximation of the rates on each transaction date. The average rate is calculated quarterly. Exchange differences arising on translation of foreign operations are recognised in other comprehensive income. The functional currency of Group companies has remained unchanged during the reporting period.

5.4 Segment reporting

The Group is seen as a single operating segment. Up until 2019 the Group had two segments, but the operations of what was called Imaging were discontinued in 2019. When identifying operating segments, the Group management usually follows the Group's business areas corresponding to the main products and services offered by the Group (see Note 11).

5.5 Revenue

Revenue arises from the sale of goods and provision of services, typically under service contracts. Revenue is measured at the fair value of the consideration the Group receives or will receive for goods supplied and services rendered, excluding sales tax, rebates and trade discounts. Sales of goods are recognised when the control of the goods has been transferred to the buyer, normally when the customer has possession of the goods, usually on delivery or installation, depending on the agreed terms of delivery. Products are usually invoiced on delivery. Services are sold in separate longer-term contracts, usually three to five years, with annual invoicing. Revenue from service contracts is accrued over the contract period.

5.6 Operating expenses

Operating expenses are recognised in profit and loss when the service is utilised or when the event occurs. Warranty costs are recognised when the Group incurs an obligation, which usually occurs when the product is sold.

5.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and are recognised in "Financial expenses". The Group currently has no qualifying assets.

5.8 Intangible assets

Expenses directly attributable to the development phase of a project are recognised as intangible assets provided they meet the following requirements:

- The development expenditure can be reliably measured.
- The project is technically and commercially feasible.
- The Group intends and has sufficient resources to complete the project.
- The Group has the ability to use or sell the product.
- The product will generate probable future economic benefits.

Development expenditures that do not meet these criteria for capitalisation are expensed as incurred.

Directly attributable costs include personnel costs incurred during product development, along with an appropriate portion of relevant overheads.

Reporting in subsequent periods

All intangible assets, including capitalised internal development, have a finite useful life. They are therefore recognised at cost, whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each balance sheet date. In addition, impairment testing is carried out as described in Note 21.

Other intangible assets

Other intangible assets acquired by the Group are recognised at cost less accumulated amortisation and impairment.

The following useful lives are applied:

- Capitalised development costs: 5–10 years.
- Patents: 10 years.
- Licences and similar rights: 5–10 years.

Internally developed products that are not yet finalised and that have been capitalised, are not amortised but tested for impairment in accordance with Note 21.

Amortisation is included in the item "Depreciation and amortisation of property, plant and equipment, as well as intangible assets".

Subsequent expenditures on maintenance of products and patents are expensed as incurred.

5.9 Property, plant and equipment

Property, plant and equipment owned are initially recognised at cost or manufacturing costs, including expenses for bringing the asset to the location and into the condition required for it to be used for the purpose intended by the Group management. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation is linear based on cost less the estimated residual value. The following useful lives are applied: IT equipment and other equipment: 3–10 years.

Significant estimates of residual values and estimated useful lives are updated as necessary, though at least once a year.

Right-of-use assets

Lease agreements where C-RAD is the lessee are recognised as right-of-use assets and are depreciated over the useful life. The Group leases offices, office equipment and vehicles. Lease agreements are normally signed for a fixed period of up to five years, but may include the option for extension. The reasonableness of extension options, residual value guarantees and similar variable contractual terms are evaluated regularly. Lease payments are discounted by the implicit interest rate of the lease. If this interest rate cannot be easily determined, as is the case with most of the Group's lease agreements, the lessee's incremental borrowing rate should be applied. This is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a

similar value to the right-of-use asset in a similar economic environment. The Group determines the incremental borrowing rate as follows:
To the extent possible, a recent external financing arrangement is used as a starting point, to be adjusted to reflect changes in the prerequisites for obtaining financing since the financing was approved. Right-of-use assets are valued at cost, including the following:

- the amount at which the lease liability was initially recognised,
- leasing fees paid at or before the start date, after deduction of any benefits received in conjunction with the signing of the lease agreement,
- initial direct expenses,
- expenses for restoring the asset to the condition stipulated in the terms of the lease.

Right-of-use assets are normally depreciated on a straight-line basis over the shorter of the useful life and the lease period. Payments for short-term contracts for equipment and vehicles, and all low-value leases, are expensed on a straight-line basis in the income statement. Short-term contracts are leases with a term of 12 months or less. Low-value leases include IT equipment and small items of office furniture.

5.10 Impairment

When there is an indication that an asset or group of assets has declined in value, its carrying amount is assessed. In cases where the carrying amount exceeds the estimated recoverable amount, the carrying amount is immediately written down to the recoverable amount. Impairment testing of intangible assets is performed quarterly and when there are indications of impairment. The recoverable amounts of the assets are determined based on calculations of the value in use. When determining the value in use, the future cash flows that the asset is expected to generate during its useful life are discounted to present value. Impairment testing is performed at the lowest level at which separate cash flows can be identified. Future cash flows are taken from the company's business plan.

The amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value in use, is recognised as an impairment loss. To determine value in use, Group management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of these cash flows. The data used for impairment testing purposes is directly linked to the Group's budget, adjusted as necessary to exclude the effects of future reorganisations and improvements of assets.

Discount factors are determined individually for each cash-generating unit and reflect Group management's assessment of their respective risk profiles, such as market and asset-specific risk factors.

5.11 Financial instruments

Financial assets valued at amortised cost
Financial assets are recognised and valued at amortised cost using the effective interest method. The carrying amount of these assets is adjusted by any expected credit losses recognised (see impairment below). Interest income from these financial assets is recognised using the effective interest method and is included in financial income. Financial assets valued at amortised cost consist of accounts receivable, other receivables and cash and bank balances.

Financial liabilities valued at amortised cost
Financial liabilities are recognised and valued at amortised cost using the effective interest method. Borrowings are recognised net of transaction costs and any difference between the amount received (net of transaction costs) and the repayment amount is recognised in the income statement divided over the loan period, applying the effective interest method. Other financial liabilities consist of borrowing from credit institutions, accounts payable and other current liabilities.

General principles
Purchases and sales of financial assets and liabilities are recognised on the trade date – the date on which the Company undertakes to purchase or sell the asset or liability. Financial assets are derecognised from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Company has transferred virtually all risks and benefits associated with ownership. Financial liabilities are derecognised from the balance sheet when the contractual obligation has been fulfilled or otherwise extinguished.

Financial assets are included in current assets with the exception of items with a due date more than 12 months after the balance sheet date, which are classified as non-current assets. Financial liabilities are classified as current liabilities unless the company has an unconditional right to defer payment of the liability for at least 12 months after the end of the reporting period.

The carrying amount of current financial liabilities and assets is presumed to correspond to their fair value, as these items are short-term in nature. The book value of the company's other financial assets and liabilities is deemed to correspond to their fair value.

Impairment of financial assets

The Company assesses the future expected credit losses associated with assets recognised at amortised cost. The Company recognises a credit allowance for such expected credit losses at each reporting date.

For accounts receivable, the simplified approach for credit allowances is applied. Under this method, the allowance is based on expected credit losses over the expected life of the receivable. The allowance is based on the expected credit loss, where the amount corresponds to the present value of the difference between the expected recoverable amount and the contractually agreed amount.

5.12 Provisions

Provisions are recognised when the Group has or may be considered to have an obligation as a result of past events and it is probable that payments will be required to settle the obligation. A further condition is that a reliable estimate can be made of the amount that has to be paid. Estimated costs for product guarantees are charged against operating expenses in conjunction with income recognition of the products; see Note 28 for more information.

5.13 Fair value

Group management uses valuation techniques in calculating the fair value of financial instruments in those cases where there are no prices in active markets and for non-financial assets. This involves making estimates and assumptions that are consistent with how market participants would price the instrument.

Group management bases its assumptions as far as possible on observable data, but these are not always available. In such cases, Group management uses the best information available. An estimated fair value may differ from the actual price that could be achieved in a transaction on commercial terms on the balance sheet date.

5.14 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost includes all costs directly attributable to the manufacturing process. Costs for commonly replaceable items are allocated according to the first in, first out principle. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

5.15 Equity and reserves

Share capital represents the nominal value of issued shares.

Share premium includes premiums (if any) received on the issue of share capital. Transaction costs directly attributable to the issue of new shares or warrants are recognised, net of tax, in equity as a deduction from the proceeds.

5.16 Deferred tax

Deferred tax is recognised using the balance sheet method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is calculated based on the tax rates decided on or announced as of the balance sheet date, which can be expected to be in effect when the relevant deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be used.

5.17 Pensions and remuneration to employees

A plan in which the company's obligation is limited to the fees that the company has undertaken to pay is considered to be a defined contribution pension plan. In this case, the amount of the employee's pension depends on the contributions paid by the company to the plan or to an insurance company and the return on capital provided by the contributions. Consequently, it is the employee who bears the actuarial risk and the investment risk. The Company's obligations for contributions to defined contribution plans are recognised as an expense in the profit and loss for the year as they are earned.

The Company's pension plans have been classified as defined contribution plans and correspond with the public pension plan. Other remuneration to employees, in the form of salary, paid holiday, etc., is recognised as it is earned.

5.18 Government grants

Government grants are recognised at fair value when there is reasonable assurance that the grant will be received and that the company will comply with all attached conditions.

Government grants relating to expected costs are recognised as deferred income. The grant is recognised in the period when the costs for which the grant is intended to compensate arise. Government grants relating to the acquisition of property, plant and equipment reduce the carrying amount of the asset.

5.19 Research and development costs

Research costs are expensed as incurred. Development expenditure, where research findings or other knowledge is applied to create new products or applications, is recognised as an intangible asset when the criteria for capitalisation under IAS 38 are met. The carrying amount includes all directly attributable costs, such as materials, purchased services and benefits to employees, alongside an appropriate portion of the relevant overheads. For further information on the capitalisation of development expenditure, see section 5.8 Intangible assets.

5.20 Statement of cash flows

The statement of cash flows is prepared using the indirect method. The reported cash flow includes only transactions involving payments received and disbursements.

5.21 Contingent liabilities and contingent assets

A contingent liability is recognised when there is a possible commitment arising from past events and whose existence is confirmed only by one or more uncertain future events or when there is a commitment that is not recognised as a liability or provision because it is unlikely that an outflow of resources will be required.

A contingent asset is recognised when an external party has a possible commitment to the Company arising from past events and whose existence is confirmed only by one or more uncertain future events or when an external party has a commitment to the Company that is not recognised as a liability or provision because it is unlikely that an outflow of resources will be required.

5.22 Parent Company accounting policies

The Parent Company has prepared its annual accounts according to the Swedish Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 2 Reporting for Legal Entities. RFR 2 means that the Parent Company shall apply IFRS as far as this is possible within the framework of the Annual Accounts Act and with consideration given to the relationship between accounting and taxation. The differences between the accounting policies of the Group and those of the Parent Company are stated below. The following accounting policies for the Parent Company were applied consistently in all periods shown in the Parent Company's financial reports.

Shareholder contributions

Shareholder contributions are recognised directly in equity by the recipient and capitalised as shares and participations by the issuer, to the extent no impairment loss is identified.

Group contributions

The general rule is applied. Group contributions received from subsidiaries are recognised as financial income.

Revenues

The Parent Company's revenues consist primarily of invoiced management fees from subsidiaries.

Shares in Group companies

Shares in Group companies are recognised using the cost method less impairment. Acquisition-related transaction costs are included in cost. Where there is an indication that shares in subsidiaries or associates have decreased in value, the recoverable amount is estimated. If this is lower than the carrying amount, an impairment loss is recognised. Impairment losses are recognised in financial items in the income statement.

Leases

Leases, whether operating leases or finance leases, are recognised as operating leases at the Parent Company.

6. Asset management, risks and risk management

Asset management

The Group's objective for asset management is to secure the ability to continue operations and to provide adequate return to shareholders by pricing products and services at an equivalent level of risk.

Financial risk management

The Group is exposed to various kinds of financial risk in its business operations. Financial risk refers to fluctuations in the company's profits and cash flow as a result of changes in currency exchange rates, interest rates, and financing and credit risks. The Group's finance policy for managing financial risks has been prepared by the Board and forms a framework of guidelines.

The Group does not engage in active trading in financial assets for speculative purposes. The most significant financial risks to which the Group is exposed are described below.

Sensitivity to foreign currency

Exposure to exchange rate fluctuations arises from the Group's sales to and purchases from other countries. These sales and purchases are mainly denominated in USD and EUR.

The Group monitors cash flows that are not denominated in SEK to reduce its exposure to foreign exchange risk. The Group does not use foreign exchange forward contracts to reduce its currency risk.

Disclosure of financial assets and liabilities in foreign currencies that expose the Group to foreign currency risk is provided below.

The following table shows the sensitivity of profit/loss and equity in terms of the Group's financial assets and financial liabilities and the USD/SEK and EUR/SEK exchange rates "other things being equal". A change of +/- 10 percent in the SEK/USD exchange rate is assumed for the year ending 31 December 2022 (10 percent). A change of +/- 5 percent is assumed for the SEK/EUR exchange rate (5 percent). A larger range has been used for the USD/SEK rate as historically it has varied more compared with EUR/SEK. The sensitivity analysis is based on the Group's consolidated financial assets and financial liabilities in foreign currency held on each balance sheet date.

If the SEK had appreciated against the USD by 10 percent (10 percent) and against the EUR by 5 percent (5 percent), this would have had the following effect:

	Short-term exposure	
31/12/2022	**EUR**	**USD**
Financial assets	85,446	39,470
Financial liabilities	-39,414	-21,438
Total exposure	**46,032**	**18,032**

31/12/2021	**EUR**	**USD**
Financial assets	88,844	24,487
Financial liabilities	-35,101	-11,775
Total exposure	**53,743**	**12,712**

	Profit/loss for the year		Equity	
	EUR	**USD**	**EUR**	**USD**
31 December 2022	-624	-3,898	233	-10,463
31 December 2021	-1,177	-2,783	-124	8,326

If the SEK had depreciated against the USD by 10 percent (10 percent) and against the EUR by 5 percent (5 percent), this would have had the following effect:

	Profit/loss for the year		Equity	
	EUR	**USD**	**EUR**	**USD**
31 December 2022	624	3,898	-233	10,463
31 December 2021	1,177	2,783	124	-8,326

Sensitivity to interest rate risk

The Group's policy is to minimise exposure to interest rate risk relating to cash flows in long-term financing. As at 31 December, the Group was not exposed to changes in the market interest rates through interest on bank loans and invoice discounting.

Credit risk analysis

Credit risk is the risk that a counterparty will not fulfil an obligation to the Group.

The Group is exposed to this risk by granting loans to and receivables from customers.

The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets at 31 December, as summarised below:

Types of financial assets – carrying amounts	2022	2021
Accounts receivable	105,845	96,662
Loans	0	0
Cash and cash equivalents	121,896	122,420
Total exposure	**227,741**	**219,083**

The Group continuously monitors defaults from customers and other counterparties. The Group's credit risk is limited as customer operations are usually financed, directly or indirectly, by public funds. Credit losses have historically been low.

	Group	
Age analysis of total accounts receivable	**2022**	**2021**
Less than 3 months	83,411	83,210
3 to 6 months	9,545	10,918
Over 6 months	12,889	2,534
Total accounts receivable	**105,845**	**96,662**
Past due at the end of the financial year	**50,345**	**37,829**

	Group	
Currency analysis of total accounts receivable	**2022**	**2021**
SEK	2,444	3,141
EUR	59,241	71,044
USD	37,089	21,085
Other	7,071	1,392
	105,845	**96,662**

Financial instruments

The table below shows the Group's financial assets and liabilities by category, with the fair value and carrying amount for each item.

	31/12/2022		31/12/2021	
Financial assets recognised at amortised cost:	**Fair value**	**Carrying amount**	**Fair value**	**Carrying amount**
Accounts receivable	105,845	105,845	96,662	96,662
Accrued income	23,737	23,737	11,599	11,599
Loans	-	-	–	–
Cash and cash equivalents	121,896	121,896	122,420	122,420

	31/12/2022		31/12/2021	
Financial liabilities recognised at amortised cost:	**Fair value**	**Carrying amount**	**Fair value**	**Carrying amount**
Accounts payable	31,007	31,007	22,641	22,641
Liabilities to credit institutions (invoice discounting)	-	-	–	–
Bank loans	-	-	–	–
Total financial liabilities recognised at amortised cost	**31,007**	**31,007**	**22,641**	**22,641**

	Group	
Age analysis of total accounts payable	**2022**	**2021**
Due within 30 days	24,419	14,125
Due within 60 days	-	–
Due after 60 days	-	–
Past due at the end of the financial year	6,588	8,516
Total accounts payable	**31,007**	**22,641**

Liquidity and financing risk analysis
Liquidity risk is the risk that the Group is unable to meet its obligations. The Group manages liquidity needs by monitoring projected cash inflows and outflows in day-to-day operations.

On the balance sheet date, the Group had external financing in the form of an unused credit facility of 20 MSEK with Nordea. As security for the loan, Nordea holds company mortgages in C-RAD Positioning AB of 20 MSEK and the Parent Company has a general unlimited guarantee commitment to C-RAD Positioning AB and C-RAD Imaging AB.

Group	Granted	Utilised at balance sheet date	Term	Interest rate
Credit facility				
Overdraft facility, Nordea AB	20 MSEK	0 MSEK	Until further notice	5.25%

The terms for the different credit facilities are listed below.

Group	Cash and cash equivalents	Loans	Lease liabilities	Total
Net debt				
Net debt as at 1 January 2021	108,045	–	-9,947	98,099
Cash flow	13,414	–	3,162	16,577
Acquisition – leases			-2,629	-2,629
Exchange rate differences	961			961
Net debt as at 31 December 2021	**122,420**	**–**	**-9,413**	**113,007**
Cash flow	-3,928	-	3,397	-531
Acquisition – leases	-	-	-1,259	-1,259
Exchange rate differences	3,404	-	-	3,404
Net debt as at 31 December 2022	**121,896**	**-**	**-7,275**	**114,621**

Parent Company	Cash and cash equivalents	Lease liabilities	Total
Net debt			
Net debt as at 1 January 2021	61,121	-8,459	52,662
Cash flow	-564	1,925	1,361
Acquisition – leases		-307	-307
Exchange rate differences	9		9
Net debt as at 31 December 2021	**60,566**	**-6,841**	**53,725**
Cash flow	-1,364	2,011	647
Acquisition – leases		-89	-89
Exchange rate differences	-	-	-
Net debt as at 31 December 2022	**59,202**	**-4,919**	**54,283**

7. Inventories

Inventories consist of:

	2022	2021
Spare parts	7,278	5,595
Finished goods	32,731	11,626
	40,009	**17,222**

8. Prepaid expenses and accrued income

Prepaid expenses relate to rent, leasing costs for low value assets, insurance and other accrued costs that are allocated over time.

	Group		Parent Company	
	2022	2021	2022	2021
Prepaid expenses	6,198	4,990	3,253	2,948
Accrued income	23,737	11,599	1,122	0
	29,935	**16,589**	**4,375**	**2,948**

9. Related party transactions

Jenny Rosberg, Board member, invoiced 50 TSEK for communication advice related to the change of CEO. Besides remuneration to the Board of Directors and senior executives, there were no other transactions with related parties during the 2022 financial year.

10. Parent Company intra-Group balances

About the Parent Company

The Parent Company is a limited liability company based in Uppsala, Uppsala County.

Purchasing and sales between Group companies

Below is the percentage of purchases and sales for the year regarding Group companies.

	2022	2021
Purchases, %	0	0
Sales, %	100	100

Operating assets/liabilities in respect of related party	2022	2021
C-RAD AB (Parent Company) has a claim on C-RAD Positioning AB	84,352	61,783
C-RAD AB (Parent Company) has a debt to/claim on C-RAD Imaging AB	-3,268	-205
C-RAD AB (Parent Company) has a claim on C-RAD Innovation AB	-109	161
C-RAD AB (Parent Company) has a claim on C-RAD Incorporated	13,458	6,217
C-RAD AB (Parent Company) has a claim on C-RAD GmbH	929	752
C-RAD AB (Parent Company) has a claim on Cyrpa International Sprl	6,058	5,546
C-RAD AB (Parent Company) has a claim on C-RAD (Shanghai) Medical Device Co Ltd	494	467
	101,914	**74,721**

Loans or commitments to or for related parties and senior executives	2022	2021
Loans from shareholders amount to	0	0

Share options issued

There are no share options issued to Board members. Senior executives have received 57,556 issued share options and others received 136,624.

11. Segment reporting

Group Management has analyzed the Group's internal reporting and determined that the Group's operations are managed and evaluated based on one segment, which relates to products in the field of patient positioning during radiotherapy, including Catalyst™, Sentinel and HIT lasers. Segment reporting is based on the same accounting principles as applied in the consolidated financial statements for 2021.

Revenue by region is based on sales to customers in each region. No individual customer represented more than 10 percent of net sales in 2022.

Revenue by area	2022	2021
Sweden	8,666	21,730
Other Nordic countries	12,111	5371
DACH (Germany, Austria, Switzerland)	31,876	40,599
France	15,268	13,906
RoE (Rest of Europe)	77,977	46,273
USA	70,750	50,550
South and Latin America	689	655
Asia	83,990	82,069
	301,326	**261,152**

Revenue by product category	2022	2021
Positioning products	246,303	211,847
HIT Laser	11,754	15,643
Life Cycle Business	43,269	33,662
	301,326	**261,152**

12. Other operating income/expenses

Other operating income	2022	2021
Contributions received	217	126
Other revenue	7,256	1,168
	7,474	**1,294**

Other operating expenses	2022	2021
Currency exchange losses	0	-569
Other expenses	-1,800	-1,074
Impairment of current assets	0	0
	-1,800	**-1,643**

13. Remuneration to auditors

	Group		Parent Company	
Öhrlings PricewaterhouseCoopers AB	**2022**	**2021**	**2022**	**2021**
Audit assignment	1,067	846	858	712
Audit work outside audit assignment	175	169	175	169
Tax consultation	84	51	0	0
Other services	0	37	0	37
	1,326	**1,103**	**1,033**	**918**

Audit assignment refers to auditing of the annual accounts and accounting records, as well as the administration by the Board and the CEO, other duties that the company's auditor is obligated to perform, as well as the provision of advice or other assistance as a result of observations made in conjunction with such an examination or the performance of such other duties. Audit work outside audit assignment refers to certificates provided and additional reviews in connection with share issues or similar. All remuneration to Öhrlings PricewaterhouseCoopers refers to the audit company and no part of the fee refers to other network companies. No fees have been paid for valuation services.

14. Leases

Lease liabilities relating to leases for offices and vehicles during 2022 amounted to the following:

	Group		Parent Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Lease liability, offices	4,798	6,948	4,537	6,255
Lease liability, vehicles	2,477	2,472	382	586
Due within 1 year:	3,199	3,046	1,981	1,923
Due in more than 1 year but within 5 years:	4,076	6,374	2,938	4,919
Due later than 5 years:	0	0	0	0

The following assets related to leases are recognised on the balance sheet:

Right-of-use assets	31/12/2022	31/12/2021
Contracts for premises	4,621	6,803
Vehicles	2,375	2,471
Total	**6,996**	**9,273**

Acquired right-of-use assets in 2022 amounted to 1,067 (2,480) TSEK.

The following are recognised in the income statement:

Depreciation of right-of-use assets	2022	2021
Contracts for premises	-2,181	-2,189
Vehicles	-1,213	-889
Total	-3,394	-3,078
Interest expense (included in financial expenses)	-191	-149
Expenses for short-term and low value leases	-58	-72

Total cash flow for leases in 2022 was -1,654 (-3,162) TSEK.

The Group leases offices, office equipment and vehicles. Lease agreements are normally signed for a fixed period of up to five years, but may include the option for extension. The reasonableness of extension options, residual value guarantees and similar variable contractual terms are evaluated regularly.

Lease payments are discounted by the implicit interest rate of the lease. If this interest rate cannot be easily determined, as is the case with most of the Group's lease agreements, the lessee's incremental borrowing rate should be applied. This is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The implicit interest rates applied during 2022 are 3.2 percent for vehicle leases and 3.3 percent for office leases.

The Group determines the incremental borrowing rate as follows:

- To the extent possible, a recent external financing arrangement is used as a starting point, to be adjusted to reflect changes in the prerequisites for obtaining financing since the financing was approved.

Right-of-use assets are valued at cost, including the following:

- The amount at which the lease liability was initially recognised
- Leasing fees paid at or before the start date, after deduction of any benefits received in conjunction with the signing of the lease agreement
- Initial direct expenses
- Expenses for restoring the asset to the condition stipulated in the terms of the lease.

Right-of-use assets are normally depreciated on a straight-line basis over the shorter of the useful life and the lease period.

Payments for short-term contracts for equipment and vehicles, and all low-value leases, are expensed on a straight-line basis in the income statement. Short-term contracts are leases with a term of 12 months or less. Low-value leases include IT equipment and small items of office furniture.

15. Average number of employees and cost of remuneration to employees and the Board of Directors

Average number of employees by gender:

	Group		Parent Company	
	2022	2021	2022	2021
Women	20	15	4	5
Men	54	47	2	3
Total	**74**	**62**	**6**	**8**

	Group		Parent Company	
Salaries and remuneration:	2022	2021	2022	2021
Board of Directors and Chief Executive Officer	6,393	3,414	6,393	3,414
Other employees	70,173	52,459	5,664	6,512
Total salaries and remuneration	**76,566**	**55,873**	**12,057**	**9,926**

	Group		Parent Company	
Social security and pension costs:	**2022**	**2021**	**2022**	**2021**
Social security contributions according to law and agreements	14,341	10,437	4,616	3,587
Pension costs, Board and CEO	378	259	378	259
Pension costs, other employees	5,005	3,799	807	690
Total social security and pension costs	**19,725**	**14,494**	**5,801**	**4,535**
Total payroll costs	**96,290**	**70,367**	**17,858**	**14,461**

	2022		2021	
Board members and senior executives	**Number on balance sheet date**	**Of which men, %**	**Number on balance sheet date**	**Of which men, %**
Board members	6	50	6	54
CEO and other senior executives	7	71	7	81

Remuneration to senior executives

The Annual General Meeting decides on remuneration to the Board of Directors. The Annual General Meeting of 6 May 2022 resolved that the Chair of the Board shall be paid 400 TSEK in remuneration and that the other Board members shall be paid 200 TSEK each.

Remuneration to the CEO and other senior executives employed by the company comprises a basic salary and other benefits. Other senior executives refers to those persons who together with the CEO constitute the Group management. Upon termination by the company, there is a notice period of 6 months for the CEO. Other senior executives have a notice period in line with the Swedish Employment Protection Act, subject to a minimum of 3 months. There is an agreement in place that entitles the CEO to six months' salary as severance pay. There are no severance pay agreements for the other senior executives.

Remuneration and other benefits – Board of Directors

Chair of the Board	2022	2021
Lars Nyberg	400	400

Board member	2022	2021
Peter Hamberg	0	50
Kicki Wallje-Lund	230	230
Jenny Rosberg	230	180
Åsa Hedin	200	200
David Sjöström	200	200
Per-Arne Blomquist	230	230
Total remuneration – Board of Directors	**1,490**	**1,490**

Remuneration and other benefits – CEO and other senior executives

Variable remuneration is based on sales, order intake and profits.

2022	Basic salary	Variable remuneration	Pension and health insurance	Benefits	Other remuneration	Total
Tim Thurn, CEO	3,517*	554	321	41	56	4,490
Cecilia de Leeuw, CEO	175	**600	58	6	-	839
Other senior executives (average 7)	10,684	3,144	1,250	404	178	15,660
Total	**14,377**	**4,298**	**1,629**	**451**	**234**	**20,989**

2021	Basic salary	Variable remuneration	Pension and health insurance	Benefits	Other remuneration	Total
Tim Thurn, CEO	1,723	177	259	13	24	2,195
Other senior executives (average 7)	7,742	523	645	230	65	9,204
Total	**9,465**	**700**	**903**	**243**	**88**	**11,400**

Benefits relate primarily to company car benefit. For details of share-based payments, see Note 16.

* Includes severance payment to Tim Thurn of 1,530 TSEK. ** Includes sign-on bonus of 600 Tkr.

16. Share-based payments

In order to strengthen the company's ability to retain competent personnel and key employees, the company has introduced incentive programmes to achieve a long-term ownership perspective. The incentive programme consists of warrants, which are offered to employees at market price based on the Black-Scholes valuation model. A summary of active incentive programmes is presented below. Tim Thurn holds a total of 44,325 options purchased for SEK 236,458. Other senior executives hold a total of 57,556 options purchased for SEK 353,328.

Incentive programmes	2020/2023	2021/2024	2022/2025
Number of subscribed warrants (one warrant equals one share)	100,000	39,480	54,700
Start date	26/05/2020	24/05/2021	26/05/2022
Earliest date for exercise	01/02/2023	01/02/2024	01/02/2025
Last date for exercise	30/04/2023	30/04/2024	30/04/2025
Exercise price (SEK/share)	40.04	63.21	50.13
Average warrant price (SEK/share)	4.60	11.50	5.62
Capital contribution paid in to the company as at balance sheet date (SEK)	479,192	454,020	307,414
Additional capital increase on exercise (SEK)	4,004,000	2,495,531	2,742,111
Total capital contribution paid in on full exercise	**4,483,192**	**2,949,551**	**3,049,525**

The company's costs on exercise consist of the engagement of an issuing agent and any legal costs for the preparation of exercise documentation. The Annual General Meeting 2022 approved an incentive programme for employees and senior executives consisting of 100,000 warrants with a term of three years. Subscription and any transfer of warrants shall take place at a price corresponding to the market value of the warrants according to the Black-Scholes model. Volatility of 35 percent and a risk-free rate of zero (0) percent were used in the calculation. The exercise price is based on the volume-weighted average share price over 10 days, plus 10 percent. During the year, 14,633 warrants were converted into shares under the 2019 warrant programme.

17. Financial income and financial expenses

	Group		Parent Company	
	2022	**2021**	**2022**	**2021**
Interest income on cash and cash equivalents	162	10	135	3
Other financial income	0	0	0	130
	162	**10**	**135**	**133**

	Group		Parent Company	
	2022	**2021**	**2022**	**2021**
Interest expense on other liabilities	201	154	5	4
Borrowing costs	215	15	0	0
Other financial expenses	18	97	0	0
Impairment of shares in Group companies	0	0	0	2,026
Group contributions	0	0	21,200	0
	434	**266**	**21,205**	**2,030**

18. Tax expense

	Group		Parent Company	
	2022	**2021**	**2022**	**2021**
Profit/loss before tax	21,486	35,739	20,519	-1,499
Tax rate, %	20.6	20.6	20.6	20.6
Expected tax income/expense	-4,426	-7,362	-4,227	309

	Group		Parent Company	
Tax effect of tax-exempt revenue and non-deductible expenses	**2022**	**2021**	**2022**	**2021**
Tax-exempt revenue	0	0	0	0
Other non-deductible expenses	-173	-176	-19	-419
Deferred tax asset not booked	-9,407	-3,099	0	0
Revenue based on previously unrecognised loss carry-forwards	0	0	0	0
Tax recognised in income statement	**-14,006**	**-10,637**	**-4,246**	**-110**

	Group		Parent Company	
Tax expense consists of the following components:	**2022**	**2021**	**2022**	**2021**
Unused tax loss carryforwards	0	392	0	0
Utilisation of tax loss carryforwards from previous periods	-14,006	-11,029	-4,246	-110

19. Deferred tax

At the beginning of the year, the Group had a tax deficit of 167.9 MSEK. When the Group began reporting a profit in 2018, and the future expectations were to report a profit, the deferred tax was booked for the Swedish companies where full Group contribution rights exist with regard to tax income. For 2022, the reported tax expense amounted to 14.0 MSEK and the total book value of the tax asset as at 31 December amounted to 0 MSEK. Other tax deficits are attributable to subsidiaries in France, Germany, Belgium, China and the United States.

Accumulated tax losses in the foreign subsidiaries amounted to 146.3 MSEK on the balance sheet date. The total remaining tax deficit as at 31 December 2022 is 146.3 MSEK. The majority of this relates to the US subsidiary where there is a time limit of 20 years for utilisation of the loss against future taxable gains. There are no restrictions otherwise.

	31/12/2022	**31/12/2021**
Tax loss carryforwards	0	13,085
Recognised as:		
Deferred tax asset	0	13,085

20. Property, plant and equipment

Group	Equipment
Accumulated cost	
Opening balance 01/01/2021	13,239
Translation differences	109
Purchases	1,226
Disposals	0
Impairment	0
Closing balance 31/12/2021	**14,574**
Translation differences	194
Purchases	1,109
Disposals	0
Impairment	0
Closing balance 31/12/2022	**15,877**
Accumulated depreciation	
Opening balance 01/01/2021	10,061
Translation differences	108
Depreciation	1,090
Disposals	0
Closing balance 31/12/2021	**11,260**
Translation differences	193
Depreciation	1,314
Disposals	0
Closing balance 31/12/2022	**12,767**
Carrying amount	
As at 31/12/2020	3,178
As at 31/12/2021	3,314
As at 31/12/2022	3,110

Parent Company	Equipment
Opening balance 01/01/2021	897
Purchases	0
Closing balance 31/12/2021	**897**
Purchases	47
Closing balance 31/12/2022	**944**
Accumulated depreciation	
Opening balance 01/01/2021	464
Depreciation	93
Closing balance 31/12/2021	**556**
Depreciation	105
Closing balance 31/12/2022	**662**

Carrying amount	
As at 31/12/2020	433
As at 31/12/2021	341
As at 31/12/2022	282

Depreciation periods	
IT equipment	3–5 years
Furniture and other equipment	5–10 years

21. Intangible assets

Group	Capitalised in-house development expenditure	Distribution rights and patents	Total
Accumulated cost			
Opening balance 01/01/2021	93,281	14,726	108,007
Capitalised expenditure	4,572	0	4,572
Reclassifications	0	0	0
Translation differences	238	6	244
Closing balance 31/12/2021	**98,091**	**14,732**	**112,822**
Capitalised expenditure	10,113	0	10,113
Reclassifications	0	0	0
Translation differences	1,131	0	1,131
Closing balance 31/12/2022	**109,335**	**14,732**	**124,067**
Accumulated amortisation			
Opening balance 01/01/2021	78,225	11,915	90,140
Translation differences	200	6	206
Amortisation	3,823	1,703	5,526
Reclassifications	0	0	0
Impairment	0	0	0
Closing balance 31/12/2021	**82,247**	**13,624**	**95,871**
Translation differences	1,059	0	1,059
Amortisation	4,523	898	5,421
Reclassifications	0	0	0
Impairment	0	0	0
Closing balance 31/12/2022	**87,829**	**14,522**	**102,351**

Carrying amount	
As at 31/12/2020	17,867
As at 31/12/2021	16,951
As at 31/12/2022	21,716

Parent Company	Distribution rights
Accumulated cost	
Opening balance 01/01/2021	8,475
Purchases	0
Closing balance 31/12/2021	**8,475**
Purchases	0
Closing balance 31/12/2022	**8,475**
Accumulated amortisation	
Opening balance 01/01/2021	6,638
Amortisation	847
Closing balance 31/12/2021	**7,486**
Amortisation	847
Closing balance 31/12/2022	**8,333**

Carrying amount	
As at 31/12/2020	1,836
As at 31/12/2021	989
As at 31/12/2022	142

Capitalised costs include both internally generated and externally acquired assets. Amortisation commences when development is completed. Amortisation periods vary between 5 and 10 years depending on the estimated useful lives of the projects.

Capitalised costs (Group)	2022	2021
Internally generated assets	4,424	4,114
Externally acquired assets	5,689	458
	10,113	**4,572**

Impairment testing

Impairment testing of intangible assets was carried out on the balance sheet date in compliance with IAS 38. This year's test showed no need for impairment.

The value in use of each asset was calculated by estimating future cash flows, using assumptions about growth and margin development for the next five years, among other things. These estimates are based on the financial budget for the coming financial year as well as expected future development for up to five years. For future periods beyond five years, the extrapolation of expected cash flow was conservatively assumed at minus 5 percent.

Group	Catalyst™/ Sentinel	Gemini	Distribution rights and patents	Total
As at 31/12/2022				
Discount factor,%	13.05	–	13.05	
Impairment	0	–	0	0
As at 31/12/2021				
Discount factor,%	12.45	–	12.45	
Impairment	0	–	0	0

Sensitivity analysis

Group management has assessed that there is no need for impairment in the financial statements for 2022 but will, in accordance with IAS 38, carefully monitor any negative changes that may indicate impairment.

Impairment	
Current discount factor	0
Discount factor increased by 1%	0
Discount factor increased by 2%	0
Currently expected revenue	0
Expected revenue decreased by 5%	0
Expected revenue decreased by 10%	0
Currently expected margin	0
Expected margin decreased by 5 percentage points	0
Expected margin decreased by 10 percentage points	0

Amortisation periods	
Capitalised expenditure	5 years
Patents	10 years

22. Financial assets

	Parent Company	
Shares in Group companies	**2022**	**2021**
Opening cost	165,871	163,844
Shareholder contribution Cyrpa	–	2,026
Newly formed C-RAD Australia & New Zealand PTY Ltd	1	–
Closing balance	**165,871**	**165,871**
Opening impairment	-62,340	-60,314
Impairment for the year	–	-2,026
Closing accumulated impairment	**-62,340**	**-62,340**
Book value at year-end	**103,531**	**103,531**

Specification of Parent Company's shareholdings in Group companies

Subsidiary/co reg. no./domicile	No of shares	Holding, %	Carrying amount	Equity	Profit/loss for the year
C-RAD Positioning AB/556643-6035/Uppsala	110,000	100	99,310	104,217	1,122
C-RAD Imaging AB/556643-6043/Uppsala	116,000	100	0	55,463	34,070
C-RAD Innovation AB/556602-5382/Uppsala	100,000	100	866	3,551	0
C-RAD Incorporated/Florida/USA	1,000	100	64	-121,572	-16,434
C-RAD GmbH/Berlin/Germany	1,000	100	250	-355	-3,948
C-RAD (Shanghai) Medical Device Co Ltd/ China	N/A	100	1,502	1,437	251
C-RAD Australia & New Zealand	100	100	1	3,162	-3,129
Cyrpa Int. /Brussels/Belgium	200	100	1,538	-3,017	-3,235

	Parent Company	
Receivables from Group companies	**2022**	**2021**
Opening balance, carrying amount	79,876	75,553
Payment of loans to Group companies	22,039	4,323
Impairment	–	–
Closing balance, carrying amount	**101,914**	**79,876**

23. Share capital

The share capital consists only of fully paid ordinary shares with a nominal value of SEK 0.15. The number of shares is 862,887 A-shares with ten votes per share and 32,904,048 B shares with one vote per share. The total number of shares is 33,766,935 and the number of votes is 41,532,918.

Share capital	2022	2021
Opening balance	5,063	5,049
New share issue	2	14
Closing balance	**5,065**	**5,063**

The share	2022	2021
No of shares at 31/12	33,766,935	33,752,302
Average number of shares	33,764,008	33,738,910
Number of outstanding warrants	194,180	234,471
Number of outstanding warrants with dilution effect	0	194,991
Number of outstanding shares incl. warrants with dilution effect	33,764,008	33,933,901
Earnings per average number of shares	0.22	0.74
Earnings per share, diluted	0.22	0.74
Equity per share	7.18	6.85
Equity per share, diluted	7.18	6.84
Share price, balance sheet date	38.10	SEK 55.70
Dividend per share	0	0

The number of outstanding warrants at year-end is 194,180, with all belonging to employees under the warrant programmes of 2020, 2021 and 2022. On the balance sheet date, the share price was lower than the exercise price for all outstanding warrants from the warrant programmes of 2020, 2021 and 2022, which therefore do not dilute the earnings per share and equity per share.

Earnings per share, basic (SEK)	2022	2021
Profit/loss for the year	7,479,412	25,101,915
Average number of shares	33,764,008	33,738,910
Earnings per share, basic	**0.22**	**0.74**

Earnings per share, diluted (SEK)	2022	2021
Profit/loss for the year	7,479,412	25,101,915
Number of outstanding shares incl. warrants with dilution effect	33,764,008	33,933,901
Earnings per share, diluted	**0.22**	**0.74**

Other capital items

Group – Other contributed capital: Mainly share premium from previous share issues including deduction of directly related share issue costs.

Parent Company – Share premium reserve: share premium from previous share issues including deduction of directly related share issue costs.

	Group		Parent Company	
	2022	**2021**	**2022**	**2021**
Opening balance	380,455	376,262	372,171	367,977
New share issue	695	3,739	695	3,739
Warrants issued	307	454	307	454
Closing balance	**381,458**	**380,455**	**373,173**	**372,171**

Group/Parent Company – Retained earnings: Accumulated result from previous years.
Group/Parent Company – Profit/loss for the year: Results reported for the past year.

24. Pledged assets

	Group and Parent Company	
For own provisions and liabilities	**31/12/2022**	**31/12/2021**
Mortgages on business assets, NUTEK	0	1,500
Mortgage on business assets, Nordea	20,000	18,500
Total pledged assets	**20,000**	**20,000**

The Parent Company has a general unlimited guarantee commitment to the subsidiaries C-RAD Positioning AB and C-RAD Imaging AB.

25. Adjustments for non-cash items, etc.

	Group		Parent Company	
	2022	**2021**	**2022**	**2021**
Amortisation	10,112	9,707	953	940
Provisions	-126	391		0
Exchange rate differences	0	0	-5,103	-3,184
Other adjustments	-123	-1		0
Impairment of shares in or claims on subsidiaries	0	0		2,026
	9,863	**10,098**	**-4,150**	**-217**

26. Cash and cash equivalents

Group	31/12/2022		31/12/2021	
	Fair value	Carrying amount	Fair value	Carrying amount
Cash and cash equivalents in SEK	63,719	63,719	79,152	79,152
Cash and cash equivalents in EUR	30,601	30,601	31,523	31,523
Cash and cash equivalents in USD	27,576	27,576	11,405	11,405
Cash and cash equivalents in GBP	0	0	341	341
Total cash and cash equivalents	**121,896**	**121,896**	**122,420**	**122,420**

Parent Company	31/12/2022		31/12/2021	
	Fair value	Carrying amount	Fair value	Carrying amount
Cash and cash equivalents in SEK	55,128	55,128	60,436	60,436
Cash and cash equivalents in EUR	2,372	2,372	1	1
Cash and cash equivalents in USD	1,703	1,703	130	130
Total cash and cash equivalents	**59,203**	**59,203**	**60,567**	**60,567**

27. Accounts receivable

Group	31/12/2022	31/12/2021
Accounts receivable, gross	105,845	97,079
Provision for bad debts	0	-417
Accounts receivable	**105,845**	**96,662**

All amounts are current. The carrying amount net of provision is considered to be a reasonable approximation of fair value. All the Group's accounts receivable and other receivables have been reviewed for indications of impairment.

Change in provision for credit losses	31/12/2022	31/12/2021
Carrying amount, 1 January	-417	0
Provision for bad debts	417	-417
Carrying amount, 31 December	**0**	**-417**

28. Provisions

The Group has obligations in relation to products where the Group owns the product rights. This applies only to Catalyst™, Sentinel and HIT products. A one-year warranty is generally included, with C-RAD taking care of the warranty process. C-RAD's direct costs comprise administration, travel and service personnel. In the case of hardware faults, the cost is incurred at C-RAD's subcontractors. The current cost during the warranty period is based on the actual outcome for the previous year. The provision for the year is a percentage of the sales value of delivered Catalyst™, Sentinel and HIT systems that are within the warranty period.

In 2022, previous provisions were utilised in the amount of 126 TSEK and no new provisions were made. No other significant liabilities are expected to arise through these provisions.

Opening provisions 01/01/2021	**2,782**
Provisions utilised	-1,648
New provisions	2,039
Closing balance 31/12/2021	**3,174**
Provisions utilised	-126
New provisions	0
Closing balance 31/12/2022	**3,048**

No further payments are expected as at the date of these financial statements.

29. Accrued expenses and deferred income

	Group		Parent Company	
	2022	**2021**	**2022**	**2021**
Accrued personnel-related expenses	10,833	9,430	4,400	2,539
Deferred income	18,973	14,645	0	0
Other accrued expenses	10,059	7,749	569	771
Closing balance	**39,865**	**31,824**	**4,969**	**3,310**

30. Contingent liabilities and contingent assets

Contingent liability at the Parent Company C-RAD AB for a general unlimited guarantee commitment to C-RAD Positioning AB and C-RAD Imaging AB.

31. Proposed allocation of earnings

The following funds in the Parent Company are at the disposal of the Annual General Meeting:

Share premium reserve	373,172,548
Retained earnings	-135,127,955
Profit/loss for the year	16,273,117
Total retained earnings	**254,317,710**

The Board of Directors and the CEO propose that the retained earnings of 254,317,710 be carried forward.

32. Events after the balance sheet date

On 2 January, C-RAD announced that Christoffer Herou has been appointed CFO, starting at the end of Q2, 2023.
On 2 March, the Nomination Committee's proposal for the new Board of Directors of C-RAD was announced. Kristina Willgård is proposed as the new Chair of the Board. C-RAD's Nomination Committee also proposes the election of Susanne Ekblom and Peter Simonsbacka. Chair of the Board Lars Nyberg has notified the Nomination Committee that he is not standing for re-election to the Board. Per-Arne Blomquist, Kicki Wallje-Lund and Åsa Hedin have also notified the Nomination Committee that they are not standing for re-election to the Board.
On 15 February, C-RAD announced an order from Nordstrahl in Nuremberg, Germany. The order includes multiple systems and a multi-year service contract. The total order value is approximately 8.3 MSEK.
Dispute relating to a claim against a former employee amounting to 2.9 MSEK, which will be recognised in the income statement when refunded. The verdict was appealed by the counterparty on 22 July 2022, which has been granted by the court and is expected to take place in May 2023.

33. Critical accounting estimates and judgements

Management has discussed the development, selection and disclosure of the Group's critical accounting policies and estimates as well as the application of these policies and estimates. The estimates and judgments that involve significant risk for material adjustments to the carrying amounts during the upcoming financial year are discussed below:

A) Impairment testing of capitalised development costs. When assessing the value of cash-generating units for the assessment of potential impairment of capitalised development costs, several assumptions about future conditions have been made. Future conditions have been assessed in part based on the Group's business plans.

B) Income taxes. The Group has tax loss carryforwards that may be offset against taxable profits in the future. Following a profit for the Group for the full year 2018, a deferred tax asset was recognised for the entire taxable loss at the wholly owned Swedish companies. Deferred tax assets are subsequently recognised on an ongoing basis at the Swedish companies. Tax loss carryforwards at foreign subsidiaries are not capitalised.

C) Investments in subsidiaries and loans issued to subsidiaries. Management has included certain expectations about the future development of the subsidiaries' operations in its assessment of whether there is a need for the impairment of financial assets related to the acquisition. If these expectations are not met, impairment losses may need to be recognised in subsequent periods.

D) Provisions. A provision requires management to make a reliable estimate of the amount. A warranty period is usually 12 months after completion of installation. As the warranty provision is calculated on the basis of the past year's warranty costs, there is a risk that future warranty costs will be different, which also affects the financial statements.

E) Accounts receivable. The healthcare sector often entails extended payment times because there are several parties involved in the approval of a project. This may lead to overdue payments from customers, which is particularly common in China. Management continuously monitors and evaluates receivables to ensure their valuation is accurate.

Five-year summary	2022	2021	2020	2019	2018
Key figures, amounts in MSEK					
Order intake	484.6	353.5	312.6	269.8	246.8
Revenue	301.3	261.2	221.6	205.4	190.1
Gross profit	195.2	165.7	131.6	121.0	110.1
Gross profit margin, %	65	63	59	59	58
Operating profit/loss	21.8	36.0	17.1	(9.6)	0.8
Operating margin, %	7.2	13.8	7.7	(4.7)	0.4
Profit/loss before tax	21.5	35.7	16.4	(11.4)	0.2
Profit/loss after tax	7.5	25.1	14.4	(13.8)	21.2
Earnings per share (SEK)	0.22	0.74	0.43	(0.45)	0.69
Total assets	339.2	306.7	270.5	157.8	146.6
Order backlog	616.0	425.3	350.5	267.1	194.0
Equity ratio, %	72	75	74	53	64
Average number of employees	74	62	59	55	52

DEFINITIONS

Order intake

The value of the orders received during the period.

Gross profit

The difference between net sales and cost of products sold, presented on a separate line in the income statement.

Gross profit margin (%)

Gross profit/revenue. Presented as a percentage.

Operating profit (loss)

This measure is presented in the income statement as C-RAD considers it to provide users of the financial statements with a better understanding of the Group's operating performance from a financial perspective.

Operating margin, %

Operating profit/Revenue. Presented as a percentage.

Earnings per share (SEK)

Profit after tax/Number of shares. Presented in SEK.

Order backlog

Received but not yet delivered orders, valued at average price.

Equity ratio, %

Equity including non-controlling interests as a percentage of total assets.

Average number of employees

Average number of permanent full-time employees during the period.

Signatures of the Board

The Board of Directors hereby provides assurance that the annual report was prepared in accordance with generally accepted accounting practices in Sweden and that the consolidated financial statements were prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

The annual report and consolidated financial statements give a fair view of the financial position and results of the Parent Company and of the Group. If there are any discrepancies between the reports in English and Swedish, the Swedish version shall prevail.

The administration report pertaining to the Parent Company and the Group gives a fair review of the development of the operations, financial position and results of the Parent Company and of the Group, and describes significant risks and uncertainties facing the Parent Company and the companies included in the Group.

The Annual Report and consolidated financial statements were, as noted above, adopted by the Board of Directors on 6 April 2023.

The consolidated statement of comprehensive income and the consolidated statement of financial position and the Parent Company's income statement and balance sheet are subject to approval at the Annual General Meeting on 5 May 2023.

Uppsala, 6 April 2023

Lars Nyberg
Chair of the Board of Directors

Per-Arne Blomquist
Board member

Kicki Wallje-Lund
Board member

Jenny Rosberg
Board member

David Sjöström
Board member

Åsa Hedin
Board member

Cecilia de Leeuw
Chief Executive Officer

Our Audit Report was submitted on 6 April 2023.
Öhrlings PricewaterhouseCoopers AB.

Johan Engstam
Authorised Public Accountant

Auditor's Report

Unofficial translation.

To the general meeting of the shareholders of C-RAD AB (publ), corporate identity number 556663-9174.

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of C-RAD AB (publ) for the year 2022 except for the corporate governance statement on pages 29-31. The annual accounts and consolidated accounts of the company are included on pages 24-74 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 and the group 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 29-31. 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 consolidated income statement and the consolidated statement of financial position for the group.

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

Basis for Opinions

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

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

Our audit approach

Audit scope

C-RAD AB (publ) develops, manufactures and sells products and systems for higher precision, increased efficiency and better safety in radiation treatment of cancer patients. The business is conducted through subsidiaries in Sweden, the USA, Germany, Belgium, China and Australia. We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They 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 consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

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

Key audit matter
Capitalization and valuation of development costs
The value of capitalized development expenditures amounts to SEK 22 million as of December 31, 2022. Important estimates and judgments appear in note 5.8, 21 and note 33 in the annual report. Important estimates and judgments include, among other things, that the requirements for activation are met. When assessing the need for write-downs, the group has had to assess a number of factors, the most significant of which is assessment of future cash flows. Due to the degree of assessments, we have judged that balanced expenditure for development work is a particularly significant area in the audit.

How our audit took into account the key audit matter
We have evaluated C-RAD's routines linked to their assessment of which costs are capitalizable in order to gain an understanding of how this works and to plan our substance review on the right things. We have read the company's specification of capitalized expenses for development work and, among other things, have taken random samples of the projects and tested the accuracy of capitalizing the expenses. To determine whether capitalized expenses were directly attributable to the projects, we tested, on a random basis, underlying expenses against supporting documents. We found no significant deviations during this review. We have also reviewed the company management's examination of whether there is any need to write down capitalized expenses for development work. We evaluated the company's process for establishing forecasted cash flows and the mathematical accuracy of the models used. We have also assessed material assumptions in the impairment test. Finally, we have assessed whether the information provided in the notes to the annual report is compatible with the tests performed. We found that the company's method and assumptions were applied consistently.

Key audit matter
Revenue reporting and valuation of accounts receivable
The group's net sales amount to SEK 301 million in 2022. As of December 31, 2022, accounts receivable in the group amount to SEK 106 million. From note 6 in the annual report, it appears that a large proportion of the accounts receivable were due as of December 31, 2022. As can be seen from note 33, the valuation of accounts receivable is an item that involves significant estimates and judgments on the part of the company's management.

Due to the size of the amounts and the large proportion of accounts receivable that are past due, we have judged that the accuracy and accrual of revenue recognition and the valuation of accounts receivable is a particularly significant area of the audit.

How our audit took into account the key audit matter
We have evaluated the company's routines regarding revenue recognition and valuation of outstanding accounts receivable to gain an understanding of how this works and to plan our substance review on the right things.

We have, through a random sample, reviewed reported income against agreements with customers, customer invoices and payments from customers. Furthermore, we have reviewed accruals by reviewing deliveries around the closing date. The revenue review has been supplemented with an analytical review of gross margins.

Valuation of accounts receivable has been done by following up payments after the end of the year and supplemented with counterparty reconciliations for larger receivables that were still unpaid at the time of the review.

We found no significant deviations during this review.

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 1-23. The Board of Directors and the Managing Director are responsible for this other information. The information in "compensation report 2022" which is published on the company's website at the same time as this report also constitutes other information. The board 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 Director's 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.

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

Auditor's responsibility

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

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other legal and regulatory requirements

The auditor's examination of the administration of the company 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 Director's and the Managing Director of C-RAD AB (publ) for the year 2021 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 Director's 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 Director's 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' equity, consolidation requirements, liquidity and position in general.

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

Auditor's responsibility

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

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

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

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

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the ESEF report

Opinions

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 ABC AB (publ) for the financial 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 Opinions

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 C-RAD 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 Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for ensuring that the Esef report has been prepared 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 form an opinion with 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 audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The reasonable assurance engagement 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. 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 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 reasonable assurance engagement 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 technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 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 Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, statement of financial position, statement of changes in equity, the statement of cash flow and notes.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 29–31 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard 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.

Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of C-RAD AB (publ) by the general meeting of the shareholders on the 6 May 2022 and has been the company's auditor since the 28 April 2017.

Stockholm 6 April 2023

Öhrlings PricewaterhouseCoopers AB

Johan Engstam
Authorised Public Accountant

C-RAD AB (publ)
C-RAD Positioning AB
C-RAD Innovation AB
C-RAD Imaging AB
Sjukhusvägen 12K, SE-753 09 Uppsala
Sweden
Telephone: +46 18-66 69 30
www.c-rad.com

C-RAD Inc.
70 SE 4th Ave, Delray Beach, FL 33483
USA
Telephone: +1 561 742 9260
Fax: +1 561 742 9259
www.c-rad.com

C-RAD GmbH
Wittestr. 30 K, 13509 Berlin
Germany
Telephone: +49 30 609847560
Fax: +49 30 609847569
www.c-rad.com

C-RAD (Shanghai) Medical Device Co Ltd
Block 2 Room 503, No 608 Shengxia Road
Pudong new Area
Shanghai
P.R. China, 200060
www.c-rad.com

PRODUCTION: C-RAD IN COOPERATION WITH HALLVARSSON & HALVARSSON. PHOTO: OWN PRODUCT IMAGES AND GETTY IMAGES.