



C-RAD AB (publ), Interim report 1 January- 31 March 2010

Key events during first quarter

- The detector system GEMini ED has been released for sale
- 6 Sentinel systems has been ordered by the Swedish Medical Center in Seattle, USA
- IBA Dosimetry has ordered 1400 diode detectors to a value of 4,3 MSEK.
- 3 new employees have hired in sales, R/D and manufacturing
- The new share issue was oversubscribed by 35 %
- Since March 2010 the C-RAD B-share is listed at NASDAQ OMX First North Premier
- Bookings of 6 MSEK
- Net sales 2 779 kSEK (1 028)
- Profit after tax of - 1 608 kSEK (-2 569 kSEK)
- Earnings per share after tax of -0,16 SEK (- 0,27 SEK)
- Operating profit of -1 462 kSEK (-2 426 kSEK)
- Equity ratio of 72 % (76)
- Cash of 12 225 kSEK (9 777 kSEK)
- Numbers of employees were 19 (18).

Key events after the close of the reporting period

- A great interest for C-RAD Sentinel at physics meetings in Scandinavia
- New Agreements have been signed with distributors in India and China
- Clinical reports from reference sites in Italy and Sweden
- C-RAD is moving to larger facilities

Comments by Erik Hedlund, president of C-RAD AB.

“2010 has been challenging for C-RAD and its employees. Except for planned activities for GEMini and Sentinel the IBA diode detector activities have been integrated with the C-RAD group. New products have added to the program for direct sales in Scandinavia. Bookings has during first quarter developed well.

In addition a share issue was carried out. The confidence shown by the shareholders will make it possible to further push investments in marketing and R/D. Larger markets will to a larger extent be supported by C-RAD sales persons. The cooperation with partners will be pursued.”

C-RAD AB (publ)

Interim report

1 January- 31 March 2010

Figures in brackets refer to the same period of last year.

The board of Directors and the Managing Director of C-RAD AB (publ) hereby present the interim report for the period 1 January – 31 March 2010.

The company

C-RAD is developing new innovative solutions for use in radiation therapy. The group is offering products and systems for positioning, imaging and radiation therapy of the patient. End users are radiation therapy clinics all over the world.

The product developments are taking place in the fully owned subsidiaries C-RAD Positioning AB, C-RAD Imaging AB and C-RAD Innovation AB. C-RAD Imaging AB is located in the city of Östersund. The other companies are located in Uppsala. Number of employees at present are 19..

The activities of C-RAD AB are originating from developments at Karolinska Institute and the Royal School of Technology in Stockholm. They were outsourced from 2001 to 2004.

The class B shares of the Parent Company C-RAD AB have since July 2007 been traded at Aktietorget. 8 March 2010 trade of the C-RAD B- shares have been moved to NASDAQ OMX First North Premier. Mangold Fondkommission has been appointed as Certified Advisor of C-RAD.

Key events during first quarter

- GEMini ED mainly for use in MV has been released for sales. The development, that started in 2005, has technically been very challenging for the C-RAD Imaging employees. The technology is offering unique performances regarding energy range, frame rate, image quality and radiation resistance.
- Swedish Medical Center in Seattle, USA has placed the so far largest order of Sentinel systems. 6 systems will be

installed during second half of 2010.

The order is a result of the cooperation with Elekta.

- Since January 2010 C- RAD Imaging AB is responsible for the manufacturing and the further development of the IBA diode detector program. For 2010 orders of 1400 diode detectors to a value of 4,3 MSEK was placed by IBA.
- As a result of the agreements with IBA three new employees have been hired. Two of these employees are working with the manufacturing and the further development of detectors. One sales person has been hired to sell C-RAD systems, IBA dosimetry program and a safety system to radiation therapy clinics in Scandinavia.
- In March 2010 a new share issue was carried out. The interest was great and the new share issue was over subscribed with 35 %. The board decided to fully use the authorization decided by the annual assembly. Shares to a value of 30,2 MSEK were subscribed, thereof 12,4 MSEK as a new share issue with preferential rights and 17,8 MSEK as a directed share issue. In addition Norrlandsfonden took the decision to defend its position by signing a convertible of 1, 8 MSEK.
- Since 8 March 2010 the C-RAD B-share is traded at NASDAQ OMX First North Premier. This segment is intended for companies with accounting according to IFRS and with the objective to be listed on the main list.

Key events after the close of the reporting period

- C-RAD Sentinel was presented at physics meetings in all Scandinavian countries. The interest of the C-RAD solutions to secure high precision in radiation therapy was great.
- To strengthen sales in the US a C-RAD sales manager has been employed. The cooperation with the present distributor ROS and the service company Acceletronics will continue.

- Since the cooperation with the German company LAP until further notice has been discontinued agreements have been signed with distributors for the fast growing markets in India and China. Rosalina, is a company specialized in radiation therapy, will promote the C-RAD program in India. Kanglida with head quarter in Beijing will promote the C-RAD activities in the northern and central parts of China.
- An important and necessary mean to support the C-RAD activities are clinical data and reports. Two clinical reports were published. A first study was by clinicians of the University Hospital in Lund, Sweden presented at a Tomotherapy user`s meeting. The report is, when working with the Sentinel system, showing major time savings, improved precision and lower dose to healthy tissue. The second study, performed in Careggi, Italy, has been going on for a year and is extensive. The study is showing improved precision and lower dose to healthy tissue when using the Sentinel system.
- Mainly as a result of the agreements with IBA the C-RAD activities in Uppsala will be moved to new facilities. Part of the space will equipped with laboratories especially designed to meet the high requirements in radiation therapy.
- The Sentinel backlog of orders was 11 systems as of 28 May 2010.

Financial performance during January-March 2009

The Group's net sales amounted to kSEK 2 779 (1 028), during first quarter 2010.

Gross profit reached kSEK -1 462 (- 2 462), an enjoyable improvement compared with the same period last year due to an increase in net sales. Operating profit first quarter amount to -1 608 ksSEK (- 2 569).

The subsidiary C-RAD Positioning AB has during this quarter made amortizations on R&D expenses. It amounted to kSEK 624 (499).

Work performed by the Group for its own use and capitalized amounted to kSEK 2 115 (2 495) during first quarter 2010. The Group's investment in capitalized development expenses totaled 33 257 (27 857) kSEK.

The Group's cash and cash equivalents at 31 March 2010 totaled kSEK 12 225 (9 777). Cash flow for the period was 8 244 (-6 571) kSEK. The main explanation for the positive cash flow was the C-RAD capital increase, taking place during feb-march 2010.

New accounting standards

The revised IAS 1, Presentation of Financial Statements, is applied with effect from 1 January 2009. Among other things, the revision means that income and expenses that were previously recognized directly in equity are now recognized in connection with the income statement.

IFRS 8, Operating Segments, is applied with effect from 1 January 2009. The standard requires adaptation of segment information to the reporting used internally by the company's management for monitoring of operations.

Personnel

The number of employees at 31 March 2010 totaled 19 (18).

Transactions to related parties

ScandiFlash AB has been appointed as the manufacturer of C-RAD Sentinel™ and LAP Galaxy. ScandiFlash AB is fulfilling the high quality requirements to manufacture the hardware of the systems. Erik Hedlund, President of C-RAD AB, is holding 30 % of the shares of ScandiFlash AB.

Risk and uncertainty factors

The Group's capitalized development expenditures amounts to 33 MSEK, divided in the two products Sentinel and GEMini. Should these investments fail in part or in full, C-RAD may be forced to recognize an impairment loss on all or parts of the projects.

Future outlooks

The Group have started to introduce and launch the products on markets worldwide and are expecting fluctuating sale figures from quarter to quarter.

Consolidated Income statements

(Amount in SEK 000s)	2010	2009	2009	2008
	Jan-March	Jan-March	Jan-Dec	Jan-Dec
	(3 mon)	(3 mon)	(12 mon)	(12 mon)
Operating income				
Net sales	2 779	1 028	4 899	1 291
Work performed by the company for its own use and capitalized	2 115	2 495	7 473	9 594
Other operating incomes	90	110	494	126
Operating expenses				
Raw materials and consumables	-761	-324	-2 943	-1 251
Other external costs	-1 661	-1 496	-4 479	-5 700
Personnel costs	-3 322	-3 589	-12 705	-13 309
Depriciations	-702	-650	-2 651	-1 364
Other operating expenses	-	-	-13	-14
Operating loss	-1 462	-2 426	-9 925	-10 627
Financial items	-146	-143	-326	-95
Loss after financial items	- 1 608	-2 569	-10 251	-10 722
Tax on profit of the year				
NET PROFIT/LOSS OF THE PERIOD	-1 608	-2 569	-10 251	-10 722
<u>Other comprehensive income</u>	0	0	0	0
Comprehensive income for the period	-1 608	-2 569	-10 251	-10 722

Consolidated balance sheets

(Amount in SEK 000s)	2010	2009	2009	2008
	31 March	31 March	31 Dec	31 Dec
Intangible assets	33 257	27 857	31 598	25 851
Tangible assets	578	348	580	407
Financial assets	106	764	106	764
Inventories	2 237	1 024	2 293	1 194
Current receivables	5 325	3 141	6 279	3 819
Cash and bank balances	12 225	9 777	3 981	16 349
Total assets	53 728	42 911	44 837	48 383
Equity	38 593	32 624	29 816	35 049
Long-term liabilities	8 036	4 542	7 002	4 273
Current liabilities	7 099	4 859	8 019	9 061
Total equity and liabilities	53 728	42 911	44 837	48 383

Key ratio	2010	2009	2009	2008
	31 March	31 March	31 Dec	31 Dec
Class A shares	1 302 810	1 302 810	1 302 810	1 302 810
Class B shares	9 624 399	8 218 644	8 673 190	8 218 644
Average number of shares	10 031 170	9 521 454	9 948 727	8 370 781
Average number of shares after dilution	11 066 439	10 379 523	10 668 803	9 130 450
Equity ratio	72 %	76 %	67 %	72 %
Basic earnings per share (average numbers of shares) (SEK)	-0,16	-0,27	-1,06	-1,28

Diluted earnings per share	-0,15	-0,25	-0,96	-1,17
Equity per share (SEK)	3,53	3,43	2,99	3,68
Diluted equity per share	3,49	3,14	2,79	3,85
Profit margin	Neg.	Neg.	Neg.	Neg.

Segment reporting

Starting on 1 January 2009, the Group has implemented IFRS 8 Operating Segments. The Group Management has analyzed the Group's internal reporting and established that the Group's operations are managed and evaluated based on the following segments:

- Positioning. A Laser scanner for positioning of patients during radiation therapy.
- Imaging. A detection plate for location of a cancer tumor before treatment. Diode detectors for use in the field of dosimetry
- Innovation. A system for external radiation therapy.

(Amounts in SEK 000s)	Jan- March 2010	Jan-March 2008	2009	2008
<u>Revenue by segment</u>				
Positioning	1 667	1 028	4 899	1 291
Imaging	1 112	0	0	0
Innovation	0	0	0	0
	2 779	1 028	4 899	1 291
<u>Gross profit by segment</u>				
Positioning	1 284	769	3 634	954
Imaging	792	0	0	0
Innovation	0	0	0	0
<u>Trade receivables by segment</u>				
Positioning	2 753	1 399	3 713	1 159
Imaging	459	0	0	0
Innovation	0	0	0	0
<u>Revenue by geographical market</u>				
<u>Sales</u>				
Scandinavia	76	0	941	887
Europe	1 036	1 028	2 202	0
USA	0	0	1 756	404
Asia	1 667	0	0	0
	2 779	1 028	4 899	1 291

Consolidated Cash flow statements

(Amount in SEK 000s)	2010	2009	2009	2008
	Jan- March	Jan-March	Jan-Dec	Jan-Dec
<u>Operating activities</u>				
Operating profit/loss	-1 462	-2 496	-9 924	- 10 647
Adjustments for non-cash items, etc	702	650	2 651	1365
Interest received	-	-	-	375
Interest paid	-146	-143	-326	-470
Cash flow from operating activities before working capital changes	-906	-1 919	-7 599	- 9 377
Working capital changes	-2 411	189	- 1 127	- 679
Cash flow from operating activities	-3 317	-1 730	-8 726	-10 056
Cash flow from investing activities	-2 358	-2 597	-7 914	- 12 697
Cash flow from financing activities	13 919	-2 244	4 272	17 438
Cash flow at end of period	8 244	- 6 571	-12 368	- 5 314
Cash and cash equivalents at beginning of period	3 981	16 349	16 349	21 663
Cash and cash equivalents at end of period	12 225	9 778	3 981	16 349

Consolidated statements of changes in equity

(Amount in SEK 000s)	2010	2009	2009	2008
	Jan-March	Jan-March	Jan-Dec	Jan-Dec
	(3 mon)	(3 mon)	(12 mon)	(12 mon)
At beginning of period	29 816	35 049	35 049	31 659
New share issue	12 366		5 000	14 722
Issue expenses	-1 947		-23	-777
Dissolved negativ goodwill				
Warrants in C-RAD AB			-	270
Equity on convertible loan	-34	144	41	-102
Loss for the period	-1 608	-2 569	-10 251	-10 723
At end of period	38 593	32 624	29 816	35 049

Accounting policies

The consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) established by the International Accounting Standards Board (IASB) and the interpretations published by the International Financial Reporting Interpretations Committee (IFRIC) that have been endorsed by the European Commission for application in the EU.

This interim report has been prepared for the Group in accordance with IAS 34, Interim Financial Reporting, and the Annual Accounts Act.

The Group apply the same accounting and valuation principles as in the 2009 annual report.

Financial calendar

Next interim report will be published August 24 2010

This interim report provides a true and fair picture of the business activities, financial position and results of operation of the Group, and describes the significant risks and uncertainties to which the Group are exposed. If there should be deviations between the reports in english and swedish, the swedish version is valid. The Swedish report has not been reviewed by the group auditor.

Uppsala, 28 May 2010

Börje Bengtsson

Board Chairman

Erik Hedlund

Managing Director

Board member

Mats Thorén

Board member

Anders Brahme

Board member

Bengt Lind

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