

C-RAD AB – Consolidated Year End Report 2014

Press release, January 30, 2015



Highest order intake per quarter in C-RAD's history

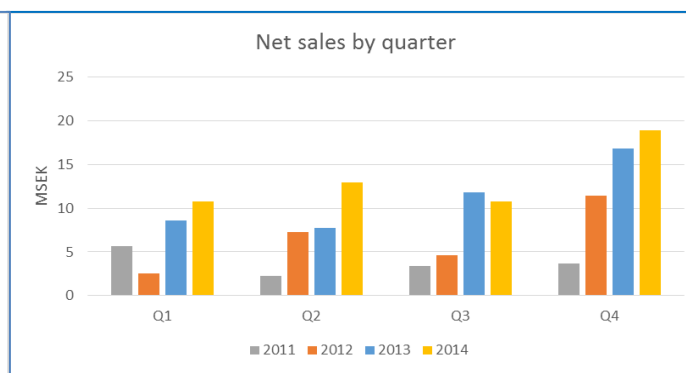
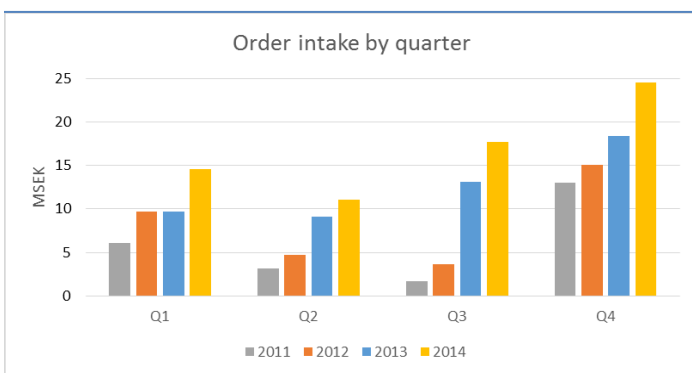
Key events in the period January-December 2014

- Net sales:
 - Jan-Dec 53.2 (45.0) MSEK, +18%
 - Oct-Dec 18.6 (16.8) MSEK, +10%
 - Order intake:
 - Jan-Dec 68.4 (50.3) MSEK, +36%
 - Oct-Dec 24.6 (18.4) MSEK, +33%
 - Operating loss:
 - Jan-Dec -13.0 (-20.3) MSEK
 - Oct-Dec -4.7 (-2.8) MSEK
 - Net results per share
 - Jan-Dec -0.31 (-1.15)
 - Oct-Dec -0.23 (-0.12)
- In Q4:**
 - C-RAD has been approved for listing on NASDAQ Stockholm
 - C-RAD concludes sales agreement with Elekta K.K. for Japanese Market
 - Order of three systems from German customer
 - C-RAD launches global Research Fellow Program - cooperation with leading radiation therapy centers
 - Subsidiary involved in legal claim
 - In Q1-Q3:**
 - C-RAD has been chosen by Skandionkliniken, the first clinic for proton therapy in Scandinavia
 - First Catalyst order from an important university hospital in UK
 - A new sales manager was recruited and an expansion of the product portfolio in the Nordic region is in progress
 - Production of diode detectors for IBA Dosimetry ceased in Q4
 - The Chinese Food and Drug Administration has approved the Sentinel system

Key events after the reporting period

- C-RAD starts direct sales in France
- C-RAD signs sales and service agreement for Switzerland

Comparison by quarter



Summary, consolidated financial results

Amounts in SEK (thousands)	Jan-Dec	
	2014	2013
Net sales	53 192	45 036
Operating loss	-13 005	-20 318
Net results after tax	-6 299	-20 995
Cash	7 623	10 262
Share price 1)	16,5	19,9
Order intake	68 370	50 315
Order backlog	36 364	21 423

1) in SEK, end of period

Comments from Tim Thurn, CEO:



Our activity level in 2014 has definitely been accelerating, and C-RAD is increasing its international presence in major markets, with very positive results. Our order intake in 2014 was the highest in C-RAD's history, increasing by 36% to 68.4 MSEK (50.3). Revenue increased by 19%, behind expectations, but many orders arrived in Q4, and we now have a substantial order book, totaling about 36 MSEK.

We experienced extremely good results for the German-speaking countries, with order intake up over 60%, and the USA more than doubling, compared to 2013. The successful launch of the Catalyst HD demonstrated that it really fulfills customer needs and expectations, gaining significant market share in North America. The OEM business is also starting to develop. Sales of our service products exceeded our expectations.

Asia and the Nordic regions were behind expectations, with some projects postponed. The ongoing product registration for the Chinese market has delayed our planned entry there. The Skandionkliniken Uppsala tender that we won in Q3 is still under appeal by a competitor, with the timeframe for a court decision still open. This order is not included in order intake 2014.

The year was capped by a big change: C-RAD has an increasingly international presence, with about 80 percent of total sales outside the Nordic region. In order to attract attention from larger funds and foreign investors, we successfully obtained listing on NASDAQ Stockholm Small Cap, where the C-RAD share has been traded since December 16.

In the GEMini project, we can see satisfactory progress and significant improvements in image quality. Our current challenge is to optimize the assembly set-up as we prepare to meet the demands of OEM and clinical customers.

The pace quickened enormously towards the end of the year. In November we achieved a fantastic distinction, being named the third fastest-growing healthcare company in Sweden in the Deloitte Sweden Technology Fast 50, based on our revenue growth the last five years. And there is still high growth potential in our current product portfolio.

The same month, Swedish company Beamocular AB – which is chaired by C-Rad AB's previous CEO Erik Hedlund – sued C-RAD Positioning AB in the Stockholm District Court. Beamocular asserts a claim to IP described in a C-RAD patent application. C-RAD is of the firm opinion that the claim is unfounded and will defend its IP rights.

November also witnessed approval from the Japanese authorities for Catalyst and Sentinel and concluded an agreement with Elekta K.K. for sales and service in Japan. In December we demonstrated systems live for the first time to customers at JASTRO, Japan's major radiotherapy convention.

Looking ahead, we see financial growth continuing in 2015 and we have ambitious revenue targets of more than 50% annually over the next three years. We are strengthening our European sales force in several countries, including a new salesperson in France, marking the start of direct sales in that country. We look forward to a strong order flow and a continued spotlight on an increasingly strong product portfolio.

Key events Q4 2014

C-RAD has been approved for listing on NASDAQ Stockholm

Since December 16, 2014 C-RAD is listed on NASDAQ Stockholm Small Cap.

C-RAD concludes sales agreement with Elekta K.K. for Japanese Market

C-RAD and Elekta K.K. have signed an agreement for sales and service of Catalyst™ and Sentinel™ systems in Japan. Both products have received approval from the Japanese authorities. With the approvals for Sentinel 4DCT and Catalyst, C-RAD and its partner are allowed to quote, sell and install these systems in Japan.

Order of three systems from German customer

C-RAD received an order for a total of three systems from the German customer Klinikum Chemnitz in Chemnitz. The order comprises two CATALYST HD™ systems and one Sentinel™ system. An option for a long-term service contract has also been negotiated.

C-RAD launches global Research Fellow Program - cooperation with leading radiation therapy centers

C-RAD has started a cooperation with ten leading radiation therapy centers in North America, Europe and Asia. The objective of the Research Fellow Program is to conduct research on existing C-RAD technology, and also to strengthen close partnerships with key opinion leaders at radiation therapy centers for future product developments.

C-RAD involved in legal claim

On November 28, 2014 the Swedish company Beamocular AB, which is chaired by C-Rad AB's previous CEO Erik Hedlund, sued C-Rad Positioning AB in the Stockholm District Court. Beamocular asserts it has an entitlement claim to a patent applications stemming from the invention described in the C-Rad patent application PCT/SE2008/050778 "Patient Radiation Monitoring Machines". C-Rad is of the firm opinion that the claim is unfounded and will defend its intellectual property rights.

Key events Q3 2014

C-RAD chosen by Skandionkliniken

C-RAD was chosen in a tender by Skandionkliniken Uppsala, the first clinic for proton therapy in Scandinavia, to deliver its surface tracking solutions for Patient Positioning, Motion Monitoring and Respiratory Gating. The tender includes systems for in total four rooms with an option for two more. The competitor, however, has filed an appeal. The case is pending with the appropriate court. The timeframe for a court decision is open. The order is not included in order intake 2014.

Successful exhibition at ASTRO meeting in San Francisco

C-RAD demonstrated its patient positioning solutions at the ASTRO. The CATALYST HD™ system enjoyed considerable attention among the visitors. It was the first presentation of the system after its release to radiation oncologists in North America.

C-RAD secures order to equip radiation therapy clinic in Germany

C-RAD received an order for a total of four systems and a long-term service contract from the Clinic for Radiation Therapy and Radio Oncology in Lüneberg, Germany. The order comprises two Catalyst systems, a Sentinel 4DCT system and a Cyrpa Laser system for virtual simulation.

Change of CEO for C-RAD Imaging AB

Tim Thurn takes over as interim CEO for C-RAD Imaging AB. Kristofer Maad, who was previously in charge, resigned his position. The development of GEMini™ will continue unaffected.

First Order of C-RAD Catalyst from UK Customer

C-RAD secured an order from the James Cook University Hospital in Middlesbrough, UK. The customer opted for a Catalyst™ System including the software packages for Patient Positioning and Motion Monitoring.

Key events Q2 2014

Order of three systems from Mälarsjukhuset in Eskilstuna

C-RAD signed a contract for a total of three C-RAD systems with Mälarsjukhuset in Eskilstuna. The order includes two Catalyst™ and one Sentinel 4DCT™ System. The procurement was conducted through a public tender, specifically for surface tracking devices.

The radiotherapy center in Eskilstuna is equipped with two Elekta linear accelerators and a GE CT. The installation of the Sentinel 4DCT™ System will take place after the summer. The installation of the Catalyst™ systems will follow.

Orders of Four C-RAD Systems from US customers

C-RAD received two orders for a total of four systems from customers in the US. The two orders include a Catalyst HD™ and a Sentinel 4DCT™ System. The first systems will be installed in Q3.

C-RAD business expansion in the Nordic region

C-RAD has strengthened its sales force by hiring a new sales manager for the Nordic region, Lars Lilja. At the same time C-RAD will expand its product portfolio to customers and partners in the Nordic countries.

Outstanding C-RAD presentation at ESTRO meeting

In the C-RAD booth the CATALYST HD™ system has been presented at a European conference for the first time. The GEMini™ was demonstrated in combination with the software package from Cablon Medical for portal dosimetry and imaging. The joint product from C-RAD and Cyrpa for 4D Imaging and Virtual Simulation was also shown to clinical customers and representatives of the major CT vendors. During the conference C-RAD organized site visits to a clinical CATALYST HD™ installation in Vienna. Around 40 customers joined the presentation of the system.

C-RAD and ScandiDos have decided to end their cooperation in the North American market

C-RAD and ScandiDos, two Uppsala-based companies both active in the field of radiation therapy, have decided to discontinue their sales cooperation in the North American market. With the upcoming introduction of new products from both companies, a partly competitive situation has arisen and the sales cooperation was therefore terminated. C-RAD has rearranged its sales territories following the cancellation to cover the entire region with its own resources. The previous product manager has transitioned into a full-time sales role. Currently three regional sales managers are employed at C-RAD in the US. One sales manager is based in the Boston area to cover the Northeast, one in Delray Beach to cover the Southeast and one salesperson is located in San Francisco, covering the West Coast.

Shareholders elected a new Board of Directors

The shareholders elected Brian Holch Kristensen and Bengt Rolén as new board members at the Annual General Meeting on April 16th. Erik Hedlund and Bengt Lind left the Board. Börje Bengtsson was reelected as the Chairman of the Board.

Key events Q1 2014

New issue of 700 000 shares

As authorized by the 2013 AGM, C-RAD AB has completed a share issue for a total value of 11.4 MSEK before deduction of issue costs. Subscription came from both private and institutional investors at a price of 16.25 SEK per share through bookbuilding process. The purpose of the decision to issue new shares deviating from shareholder's preferential rights, is to strengthen the working capital for the planned change of listing to NASDAQ OMX. Both private and institutional investors subscribed for the shares.

GEMini™ joint testing and validation with TheraView Technology by Cablon Medical B.V.

The technical integration work of GEMini™ has been proceeding well and, based on pre-clinical results, C-RAD and Cablon Medical B.V. have agreed to progress to the next phase by starting up joint testing and validation activities in collaboration with a leading radiation therapy center, UMC Utrecht in the Netherlands. It is expected that joint testing will be finalized after 6 months.

The Chinese Food and Drug Administration has approved the Sentinel system

A CFDA approval is a prerequisite for medical technology providers to participate in most public procurements for government-funded hospitals in China. The majority of cancer centers in China are regionally financed or are military hospitals. The approval covers functionality for patient positioning and motion detection.

IBA Dosimetry placed frame order for 2014

IBA placed orders for a total of 4.6 MSEK for the production of diode detectors. Earlier this year, a frame order worth 3.6 MSEK signed. A second order worth 1 MSEK was signed in May. Since January 1, 2010, the subsidiary C-RAD Imaging AB has been responsible for the manufacturing and the further development of the IBA diode detector program. Following current trends in radiation therapy, demand for diode detectors is expected to decrease steadily. C-RAD has therefore decided to restructure the activities and to focus resources on the prosperous business with advanced products for patient positioning in radiation therapy. The agreed volume was produced until October 2014, when production was terminated.

Östersund office closed in 2014

The board has decided to close down operations in Östersund. Following that, Swedish operations will only be located in Uppsala. Management has estimated that no significant costs will be incurred in relation to this. On the other hand, operational expenses are expected to decrease compared with the previous year.

Key events after the reporting period

C-RAD starts direct sales in France

C-RAD is further developing its direct sales organization, and has appointed a new sales manager for France. With around 200 radiation therapy centers, France is the second largest radiotherapy market in Europe. The new sales manager, Celya Lopez, has a wide range of sales experiences within radiation therapy. Prior to her employment at C-RAD she worked for a number of companies offering patient positioning products. Lopez is based in central east France. Employing a sales manager and establishing direct sales in France will contribute to further growth over the coming years in central Europe.

C-RAD signs sales and service agreement for Switzerland

C-RAD has signed a distribution agreement with MedTech Consulting Cossmann GmbH to market the C-RAD product portfolio to Swiss customers. The new partner will also provide service and clinical training.

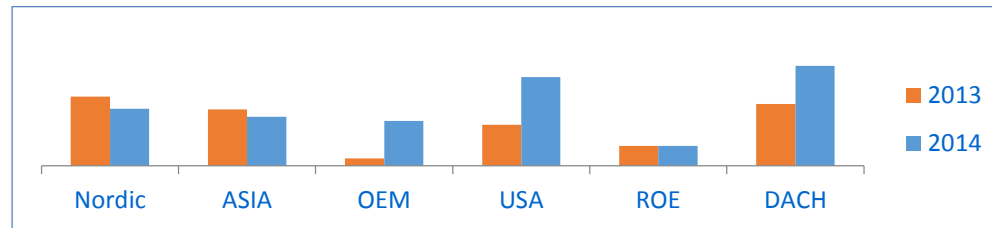
MedTech Consulting Cossmann was founded by Peter Cossmann, MD, PhD, who was chief medical physicist at a number of radiation therapy centers in Switzerland and elsewhere before starting the company, which he now heads. While MedTech Consulting was initially focused on providing clinical training as well as consultancy services, the company evolved by offering products and related services to its customers.

Financial development - Group

Order intake

Order intake during 2014 amounted to 68.4 MSEK compared to 50.3 MSEK in previous year. The increase was primarily driven by the positioning products (Catalyst, Sentinel and HIT lasers).

Order intake for positioning products increased by 40% from previous year and amounted to 55.3 (39.4) MSEK in 2014. The increase was mainly driven by the German-speaking countries, USA and OEMs. The diagram below demonstrates the order intake development by markets.



Order intake in the fourth quarter amounted to 24.6 MSEK compared to 18.4 MSEK in previous year. The quarter was mainly driven by orders for positioning products.

Revenues

Revenues for 2014 amounted to 53.2 MSEK and increased by 18% from previous year. Sale of positioning products accounted for 41.4 MSEK or 78% of revenues in the period, compared to 77% in 2013.

	YTD 14	YTD 13
Positioning	41,4	34,7
CYRPA production	3,7	1,7
IBA production	6,2	6,0
IBA distribution	1,9	2,6
	53,2	45,0

Revenues in the fourth quarter amounted to 18.6 MSEK and were below our expectations. This was due primarily to delayed projects, for instance due to outstanding product registration. The Q3 2014 revenues amounted to 16.8 MSEK.

Financial development - Group

Gross profit

The gross profit margin has been increasing and was 60% in 2014 compared to 57% in the previous year. This increase is driven by increased sales volumes in positioning products, which have higher margins than other products. Fluctuations in gross profit can be expected in shorter periods due to the limited volume of systems.

Gross profit margin in Q4 2014 was 55%, compared to 61% reported in Q4 2013. This is mainly due to sale of Catalyst HD systems in Q4 2014. Catalyst HD systems have lower profit margin than regular Catalysts as hardware is a larger part of the system, three cameras instead of one.

Operational expenses

Operational expenses for 2014 amounted to 22.4MSEK compared to 19.9 MSEK in the previous year. The increase was driven by sales-related costs, such as travel costs, transportation and changes in currency exchange rates. The closing of Östersund contributed to a cost reduction in the fourth quarter. Costs of 1.0 MSEK which were recognised in Q4 are related to previous quarters.

Personnel expenses

Personnel expenses amounted to 7.2 MSEK in Q4 2014, similar level as the 7.5 MSEK in Q3 2014. For the full year 2014 the amount was 25.0 MSEK, compared to 23.7 MSEK in 2013. This increase is mainly driven by the increase in the number of employees, which was on average 28 of 2014 compared to 27 in the previous year. Estimated bonus and commission for the year 2014 were not accrued over the year, but fully booked in the fourth quarter. As a result, 0.9 MSEK of personnel expenses in Q4 relate to previous quarters.

Net results after tax

Net results after tax 2014 was negative by 6.3 MSEK compared to net loss of 21 MSEK in 2013. The improvement is mainly driven by increase in sales, higher gross profit margins and recognition of a deferred tax asset of 7.1 MSEK.

Net results after tax during Q4 2014 were 2.2 MSEK below Q4 2013. This is mainly due to stock exchange related costs and service costs incurred during the quarter.

Capitalized development costs

Capitalized development costs amounted to 10.9 (10.8) MSEK. Capitalization in 2014, which was fully related to the Gemini project, amounted to 3.5 MSEK.

Capitalised development expenditure		
Project	Carrying amount	Status
Catalyst/Sentinel	4.2	Launched
Catalyst HD	1.1	Launched
Gemini	5.6	Ongoing development
	<u>10.9</u>	

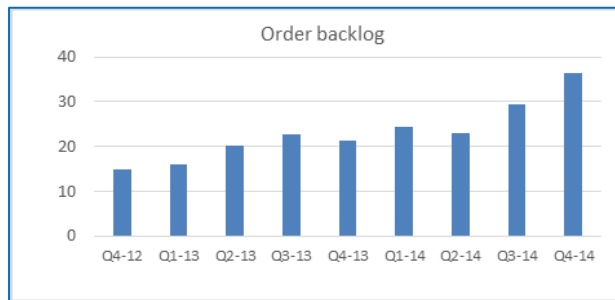
Financial development - Group

Seasonality

There is a seasonal pattern in C-RAD's operations. The second half of the year and mainly the fourth quarter that are usually the strongest periods, both in terms of order intake and revenues. This is due to the fact that a large number of customers are hospitals and clinics which have annual budgets per calendar year, and they tend to wait until the end of the year to place orders.

Order backlog

Order backlog represents orders that have been placed but not delivered and invoiced. The backlog amounted to 36 364 KSEK at the end of 2014, compared to 21 423 KSEK at end of 2013.



Order conversion rate - positioning products

The weighted order conversion rate, i.e. the time from receiving an order until the order is delivered, weighted by order amount, was around 120 days for deliveries in 2014. This time can vary significantly between projects.

The order backlog for positioning products amounted to 35 MSEK. Weighted average of the outstanding orders is around 4.8 months.

Personnel

At the end of the period the number of employees in the Group amounted to 25 (28) persons.

Exchange rate

The financial statements are presented in SEK, the functional currency of C-RAD. Changes in foreign currencies have an impact on the results. Sales and orders are largely generated in foreign currency, mainly EUR and USD and, in addition, foreign subsidiaries and associates are included in the consolidation. The average EUR rate in 2014 was 9.1 (8.6), while the average USD rate in the period was 6.9 (6.5). This has a positive influence on the comparison of revenues and order intake generated in these currencies, but on the other hand negative impact on the comparison of costs, as a large part of the Group's costs are generated in either USD or EUR.

Financial development - Group

Deferred tax asset

The group had an unused taxable losses of 122 MSEK at the beginning of the year while no deferred tax asset had been recognized. If it is probable that taxable profits will be generated as deferred tax assets shall be recognized in accordance with IAS 12. Improved results from operations in recent quarters supports management's view that taxable profits will be generated in the coming years. Based on our expectations for the coming years and taking into account reasonable conservative measures, we recognized in Q2 2014 a deferred tax asset of 7.1 MSEK in the balance sheet with direct impact on the income statement. Remaining unused taxable losses amount to 98 MSEK and there are currently no time constraints regarding utilization of these losses against future taxable profits.

New share issue

In February, the company completed a directed share increase of 11.4 MSEK before issue costs. The price was 16.25 per share. The issue resulted in the number of shares increasing by 700 000 shares, from 19 575 323 shares to a total of 20 275 323 shares, and share capital increased by 105 000 SEK, from 2 936 299 SEK to 3 041 299 SEK.

Cash flow and financing

Cash flow during 2014 was negative by 2,8 MSEK. Negative cash flow from operations amounted to 16.6 MSEK while an increase in working capital had a negative impact of 2,4 MSEK on cash flow. The working capital increase is primarily related to an increase in accounts receivable, which is in line with the increase in revenues. During Q4 2014 C-RAD took a loan of 5 MSEK and increased bank overdraft from 2 MSEK up to 5 MSEK to finance additional needs for working capital. The Bank overdraft is currently not being utilized. Proceeds from the share issue in February and the loan in the fourth quarter covered the negative flow from operations and working capital needs.

The Company is not expected to need additional funding in the coming 12 months to finance operations and budgeted activities.

Significant risks and uncertainties

Reference is made to Annual Report 2013 regarding significant risks, uncertainties and how these are managed. The capitalized development costs of the Gemini project increased to carrying amount of 5.6 MSEK at Dec 31, 2014. Until the project is launched and starts to generate revenue a certain degree of uncertainty prevails. If the project does not develop in line with expectations, the company will be forced to write down all or part of the capitalized development costs.

Parent Company

No operations are carried in the Parent Company except Group Management and administration.

Segment reporting

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:** Development and sales activities for products in the field of patient positioning during radiotherapy., including Catalyst, Sentinel and HIT lasers.
- **Imaging:** Development of imaging devices and detectors for cancer treatments and dosimetry.

Assets and liabilities are not analyzed on segment level by the chief decision maker. Such analysis is therefore excluded from this segment reporting.

Activities between segments: Some of the personnel employed within the Imaging segment have conducted work for the Positioning segment. Intern sales covers the direct cost of these cross-segment services.

<i>Amounts in SEK (thousands)</i>	Segment revenues		Segment operating profit	
	2014	2013	2014	2013
Positioning extern customers	46 922	38 755	-16 840	-16 997
Imaging extern sales	6 270	6 282	3 835	-3 321
Imaging intern sales	1 095	1 790	0	0
Elimination intern sales	-1 095	-1 790	0	0
Total	<u>53 192</u>	<u>45 036</u>	<u>(13 005)</u>	<u>(20 318)</u>
Share in results of associates			-261	-426
Financial items			-127	-252
Profit/loss before tax			<u>(13 393)</u>	<u>(20 995)</u>

Segment reporting is based on the same accounting principles as applied in the consolidated financial statements 2013. No impairment has been made. Sales by geographical market are based on sales to customers in each country. Two customers each represent over 10 percent of sales from January to December 2014. Revenues for production of IBA detectors are now categorized as sales to German-speaking countries but not Nordic as in previous reports. In 2013 the amount was 6.3MSEK, which is now included in revenues from German-speaking countries.

Revenue by geographical market

	2014	2013
Nordic	11 068	13 006
German speaking countries	12 966	13 456
RoE	14 243	9 430
America	7 950	3 845
Asia	6 965	5 299
	<u>53 192</u>	<u>45 036</u>

Condensed consolidated statement of comprehensive income

(Amounts in SEK)	2014	2013	2014	2013
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Operating income				
Net sales	18 572 262	16 796 057	53 191 613	45 036 184
Work performed by the company for its own use and capitalized	487 551	1 444 303	3 460 326	3 853 416
Other operating income	1 864 767	0	4 031 971	0
Total operating income	<u>20 924 580</u>	<u>18 240 360</u>	<u>60 683 909</u>	<u>48 889 600</u>
Operating expenses				
Raw material and consumables	-8 280 906	-6 494 378	-21 289 961	-19 502 876
Other external costs	-8 295 192	-5 848 329	-22 361 312	-19 934 982
Personnel costs	-7 190 308	-7 463 095	-25 009 391	-23 693 801
Depreciations	-1 888 219	-1 162 594	-5 028 650	-5 733 461
Other operating expenses	0	-42 018	0	-342 018
Total operating expenses	<u>-25 654 624</u>	<u>-21 010 414</u>	<u>-73 689 314</u>	<u>-69 207 138</u>
Operating profits/loss	-4 730 045	-2 770 053	-13 005 405	-20 317 538
Result from participation in associated companies (2)	208 977	-232 098	-260 889	-425 580
Financial income	15 684	623 212	153 375	985 740
Financial costs	-78 235	0	-279 767	-1 237 352
Profit (loss) before tax	<u>-4 583 618</u>	<u>-2 378 939</u>	<u>-13 392 686</u>	<u>-20 994 730</u>
Income tax	0	0	7 094 209	0
Net results for the period	-4 583 618	-2 378 939	-6 298 477	-20 994 730
Translation difference from foreign operations	-1 647 443	21 000	-623 366	88 555
Comprehensive results for the period (1)	<u>-6 231 061</u>	<u>-2 357 939</u>	<u>-6 921 843</u>	<u>-20 906 175</u>
Results per share before dilution	-0.23	-0.13	-0.31	-1.15
Results per share after dilution	-0.21	-0.12	-0.29	-1.05

(1) 100% attributable to shareholders in the Parent Company

(2) Based on unreviewed financial results

Condensed consolidated statement of financial position

Assets	Dec 31, 2014	Dec 31, 2013
Assets		
Intangible assets		
Capitalized development expenditure	10 901 443	10 836 871
Patents, licenses and similar rights	1 342 029	1 543 353
	<u>12 243 472</u>	<u>12 380 224</u>
Tangible assets		
Equipment	4 057 105	3 294 474
Financial assets		
Shares of associates	8 299 824	8 560 713
Long-term receivables	4 964 255	4 766 623
Total financial assets	<u>13 264 078</u>	<u>13 327 336</u>
Other non-current assets		
Deferred tax asset	7 094 209	0
Total non-current assets	<u>36 658 864</u>	<u>29 002 035</u>
Current assets		
Inventory	8 032 454	4 105 460
Trade receivables	15 241 464	11 956 816
Other receivables	4 690 063	5 645 889
Prepayments and accrued income	417 372	800 108
Cash and bank	7 623 092	10 261 549
Total current assets	<u>36 004 444</u>	<u>32 769 822</u>
Total assets	<u><u>72 663 309</u></u>	<u><u>61 771 857</u></u>

Condensed consolidated statement of financial position

Equity and liabilities	Dec 31, 2014	Dec 31, 2013
Equity		
Share capital	3 041 639	2 936 639
Additional paid in capital	171 331 689	161 222 725
Retained earnings	-128 037 092	-105 136 796
Translation difference		
Profit (loss) for the year	-6 298 477	-20 994 730
Total equity	<u>40 037 759</u>	<u>38 027 838</u>
Long term liabilities		
Convertible bonds	11 667 483	11 505 851
Other long term liabilities	5 000 000	0
	<u>16 667 483</u>	<u>11 505 851</u>
Current liabilities		
Accounts payable	6 635 323	3 711 703
Warranty provisions	900 000	680 000
Other current liabilities	3 617 915	4 587 518
Accrued expenses and deferred income	4 804 830	3 258 947
Total current liabilities	<u>15 958 068</u>	<u>12 238 168</u>
Total liabilities	32 625 551	23 744 019
Total equity and liabilities	<u><u>72 663 309</u></u>	<u><u>61 771 857</u></u>
Pledges	13 620 000	7 670 000
Contingent liability	-	-

Condensed consolidated statement of cash flow

Statement of cash flow	2014 Oct-Dec	2013 Oct-Dec	2014 Jan-Dec	2013 Jan-Dec
Operating activities				
Profit (loss) before financial items	(4 730 045)	(2 400 538)	(13 005 405)	(20 317 538)
Adjustment for non-cash items, etc	(1 121 139)	(739 140)	(953 482)	6 163 461
Interests received	0	0	0	17 360
Interests paid	(78 235)	(62 690)	(279 767)	(613 455)
Cash flow from operating activities before working capital changes	(5 929 418)	(3 202 368)	(14 238 654)	(14 750 172)
Working Capital Changes	5 556 958	3 594 882	(2 373 180)	(8 106 157)
Cash flow from operating activities	(372 459)	392 514	(16 611 834)	(22 856 329)
Cash flow from investing activities	(1 669 575)	(66 983)	(2 070 836)	(18 519 854)
Cash flow from financing activities	5 000 000	2 572 641	15 834 687	43 631 311
Net increase (decrease) in cash and cash equivalents	2 957 966	2 898 172	(2 847 983)	2 255 128
Cash and cash equivalents at beginning of period	4 567 576	7 348 462	10 261 549	7 961 462
Exchange rate differences	97 551	14 915	209 527	44 959
Cash and cash equivalents at end of period	<u>7 623 093</u>	<u>10 261 549</u>	<u>7 623 093</u>	<u>10 261 549</u>

Condensed consolidated statement of changes in equity

Statement of changes in equity	2014	2013
	Jan-Dec	Jan-Dec
At beginning of period	38 027 838	16 263 517
Share increase	11 375 000	45 407 399
Issue expense	(540 313)	(3 030 074)
Equity part of convertible loan	(161 632)	212 591
Translation difference	(2 364 658)	169 135
Changes in the period	<u>8 308 397</u>	<u>42 759 051</u>
Loss for the period	<u>(6 298 477)</u>	<u>(20 994 732)</u>
Closing balance at end of period	40 037 758	38 027 836

Parent company Financial Statements

Income statement	2014 Jan-Dec	2013 Jan-Dec	Statement of Financial Position	2014 31 Dec	2013 31 Dec
Total income	15 731 597	15 541 847	Assets		
Personnel costs	-6 395 941	-6 254 799	Tangible assets	82 420	104 864
Other costs	-7 631 625	-8 561 498	Shares in group companies	68 874 000	57 124 000
Total operating expenses	<u>-14 027 566</u>	<u>-14 816 297</u>	Investments in associates	8 986 293	8 986 292
Result from financial items	-84 684	-3 653 415	Receivables in Group companies	37 479 921	33 388 705
Result before tax	1 619 346	-2 927 865	Other receivables	5 757 681	5 578 660
Tax	0	0	Cash and bank	<u>3 012 761</u>	<u>2 218 448</u>
Net results	<u>1 619 346</u>	<u>-2 927 865</u>	Total assets	124 193 076	107 400 969
Statement of comprehensive results			Equity and liabilities		
Net results	1 619 346	-2 927 865	Share capital	3 041 639	2 936 639
Translation difference from foreign operations	-623 366	88 555	Other equity	98 816 433	86 467 398
Total comprehensive results	<u>995 980</u>	<u>-2 839 310</u>	Total equity	<u>101 858 072</u>	<u>89 404 037</u>
Statement of cash flow	2014	2013	Convertible bonds	11 718 442	11 718 442
	Jan-Dec	Jan-Dec	Long term liabilities	5 000 000	
Operating activities			Other liabilities	5 616 562	6 278 490
Profit (loss) before tax	1 619 346	-2 927 865	Total liabilities	<u>22 335 004</u>	<u>17 996 932</u>
Adjustment for non-cash items	-11 727 556	3 472 408	Total equity and liabilities	124 193 076	107 400 969
Cash flow from operating activities before working capital changes	-10 108 210	544 543			
Working Capital Changes	-840 949	2 778 274	Statement of changes in equity	2014	2013
Cash flow from operating activities	<u>-10 949 159</u>	<u>3 322 817</u>		Jan-Dec	Jan-Dec
Cash flow from investment activities	-4 091 216	-47 818 757	At beginning of period	89 404 037	50 315 661
Cash flow from financing activities	<u>15 834 687</u>	<u>45 031 317</u>	Share increase	10 834 688	42 377 325
Net change in cash and cash equivalents	794 312	535 377	Other	0	-361 084
Cash and cash equivalents at beginning of period	2 218 448	1 683 071	Net results for the period	<u>1 619 346</u>	<u>-2 927 865</u>
Cash and cash equivalents at end of period	<u>3 012 760</u>	<u>2 218 448</u>	Closing balance at end of period	101 858 071	89 404 037

Ratios

	2014 31-dec	2013 31-dec	2012 31-dec
Number of shares	20 275 323	19 575 323	15 868 820
Average number of shares	20 177 246	18 183 249	15 868 820
Average number of diluted shares	21 402 662	20 800 739	17 473 028
Number of options outstanding	1 225 416	1 225 416	1 604 208
Solvency	55%	62%	43%
Result per share before dilution	(0.31)	(1.15)	(1.22)
Result per shares after dilution	(0.29)	(1.05)	(1.11)
Equity per share before dilution	1.97	1.94	1.02
Equity per share after dilution	1.86	1.83	0.93
Operating margin	Neg.	Neg.	Neg.

Accounting principles

Accounting principles

This interim report is prepared, for the Group, in accordance with IAS 34, RFR1 "Redovisning för koncerner" and the Annual Accounts Act and, for the Parent company, the Annual Accounts Act and RFR 2.

Applied accounting principles are consistent with what is stated in note 1 in the Financial Statements for 2013.

From Januari 1, 2014 C-RAD applies the following updates and changes in IFRS:

- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IAS 27 Separate Financial Statements (2011)
- IAS 28 Investments in Associates and Joint Ventures (2011)
- Amendments to IAS 36: Recoverable Amount Disclosure for Non-Financial Assets
- Amendments to IAS 39: Novation of Derivatives and Continuation of Hedge Accounting

The updated IFRS standards and interpretations from IFRIC have no impact on the Group or the Parent Company's results or financial position.

Exchange rates

Orders and income statement are translated at the period-average exchange rate while order backlog and balance sheet items are translated at the closing rate.

Related party transactions

Erik Hedlund, previously a board member in C-RAD until the Annual General Meeting 2014 and currently one of the larger shareholders in the Company, holds 30% of the shares in Scandiflash AB. C-RAD and Scandiflash have an agreement regarding assembly, inventories and related accessories in Sentinel and Catalyst. In 2012 and 2013 Scandiflash invoiced C-RAD for around 2 MSEK and 5 MSEK respectively for service in accordance with the agreement.

Until April 16, when Erik Hedlund left the board of C-RAD, Scandiflash had invoiced C-RAD for around 1.2 MSEK. After Erik left the board, Scandiflash is no longer defined as a related party.

No other related party transactions occurred during the period.

Capitalized development costs

Development expenses that fulfil the recognition criteria in IAS38 are capitalized. At least annually an impairment test is performed. The progress of current development projects is reviewed on a regular basis.

Deferred tax

Deferred tax asset is reviewed at the end of each reporting period and adjusted in line with the probable future taxable result.

Other information

This interim report provides a true and fair view of the Group's operations, financial position and earnings. If there should be any deviation between the reports in English and Swedish, the Swedish version is valid. This year end report has not been reviewed by the company auditors.

Uppsala, January 30, 2015

Börje Bengtsson
Chairman of the Board

Tim Thurn
CEO

Peter Hamberg
Board member

Frank Lohr
Board member

Brian Holch Kristensen
Board member

Bengt Rolén
Board member

Financial information, publication dates:

Annual meeting 2015	April 16, 2015
Annual report	March 31, 2015

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Since December 2014 C-RAD AB is listed at Nasdaq Stockholm Small Cap.

The information in the interim report is such that C-RAD is required to disclose publicly in accordance with the Swedish Securities and Clearing Operations Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication on January 30, 2015 at 3.00 pm.