ANNUAL REPORT 2014

C-RAD

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ABOUT C-RAD

THE OPERATIONS OF THE C-RAD GROUP ARE BASED ON RESEARCH AND DEVELOPMENT THAT ORIGINATES FROM KAROLINSKA INSTITUTET AND KAROLINSKA HOSPITAL IN SOLNA, AS WELL AS THE ROYAL INSTITUTE OF TECHNOLOGY IN STOCKHOLM.

C-RAD's mission is to ensure high precision, efficiency and safety in radiotherapy of patients with cancer and thus helping to cure more people. In new advanced radiotherapy techniques, the radiation dose must be delivered to the tumor with high precision.

C-RAD was founded in 2004. The founders are researchers from Karolinska Institutet and the Royal Institute of Technology in Stockholm, clinics at Karolinska Hospital in Solna and people with extensive industrial experience in the field of radiation therapy. The C-RAD Group consists of the Parent Company C-RAD AB (publ) with company reg. no. 556663–9174, as well as the six subsidiaries C-RAD Positioning AB, C-RAD Imaging AB, C-RAD Innovation AB and C-RAD Inc. with its office in Florida, C-RAD GmbH with its office in Berlin and C-RAD WOFE (currently forming) with its office in Shanghai. The division into several subsidiaries is primarily because their activities have completely different technical, marketing and financial requirements. The C-RAD Group is headquartered in Uppsala, Sweden.

The first product was launched in 2006, when C-RAD introduced the Sentinel™ system, which was based on laser scanning technology and the c4D software platform. The technology has constantly evolved since the first deliveries were made in 2007. In 2011 C-RAD launched the Catalyst™ system, a next-generation optical surface scanning system. The most recent product, Catalyst HD™, was released in December 2013. Clinical work on the first version of the GEMini detector started in 2010.

In 2011 C-RAD began to focus on developing an international sales force in key markets like the US, Germany, China and France.

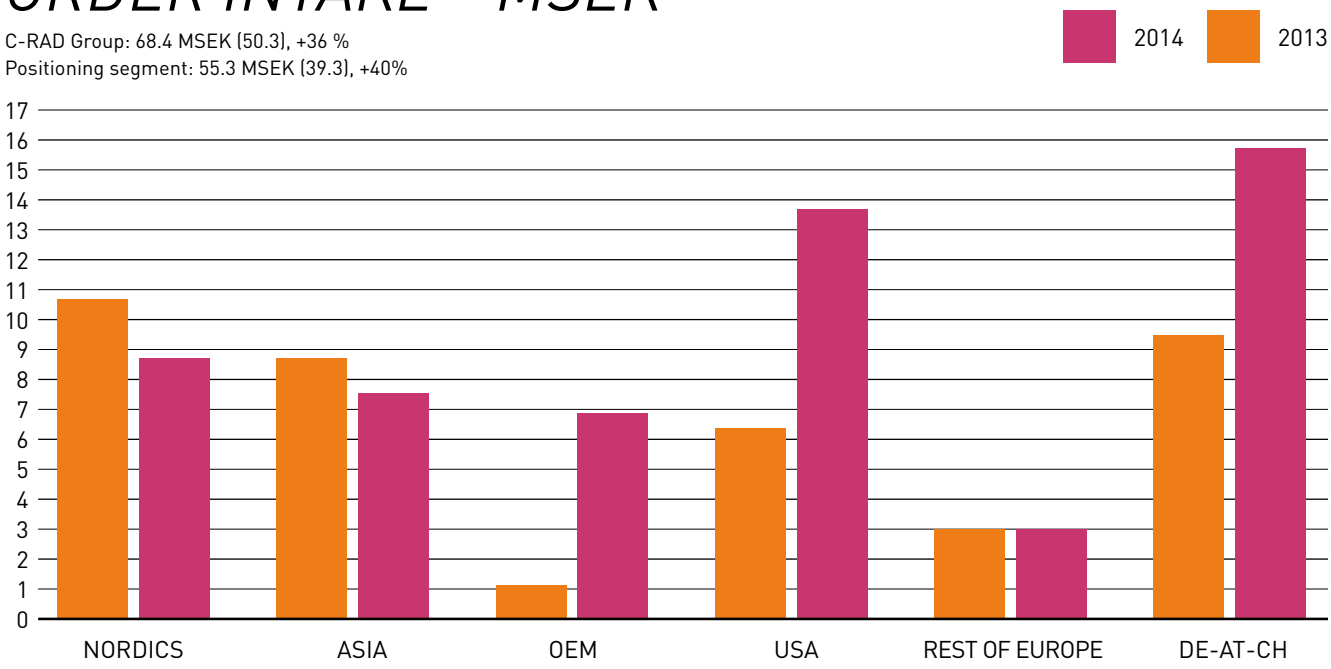
C-RAD AB has been listed on the Small Cap segment of NASDAQ Stockholm since December 16, 2014.

KEY FIGURES

Given our global cancer treatment mission, and the fact that almost 90% of our orders are from customers outside of Sweden, it was a logical step for C-RAD to move to the NASDAQ Stockholm Small Cap list on December 16, which opens up our access to major institutional investors as well as to more international attention for the C-RAD share and its investment potential.

ORDER INTAKE – MSEK

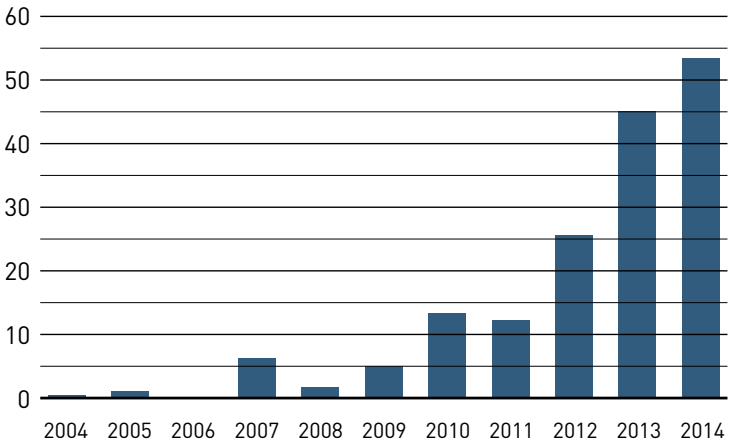
C-RAD Group: 68.4 MSEK (50.3), +36 %
Positioning segment: 55.3 MSEK (39.3), +40%



Order intake for the Positioning segment had a strong showing in the US and the German-speaking countries. We continue to strengthen our position in key markets.

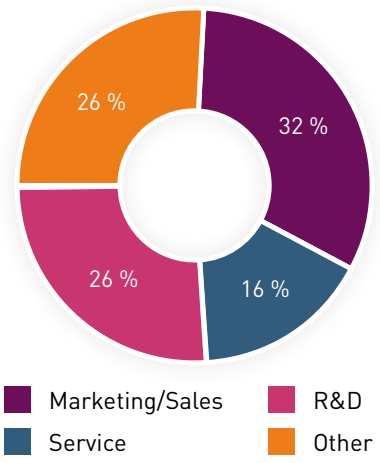
REVENUES – MSEK

53.2 MSEK (45.0), +18 %



Since 2011 C-RAD has been focused on expanding its geographic coverage. Our strategic focus on key markets is making itself felt in rising revenues.

C-RAD PERSONNEL



Nearly 50% of 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.

NASDAQ WELCOMES
C-RAD TO
THE MAIN MARKET
C-RAD
Nasdaq
Jumpsuit
$19.95
H&M
NYPD
SIGN & RIGGING

PRESIDENT'S STATEMENT

THE MARKETS WHERE C-RAD OPERATES ARE SHOWING SIGNS OF RAPID GROWTH, SINCE THE NUMBER OF PEOPLE SUFFERING FROM CANCER IS INCREASING ANNUALLY. THIS LEADS TO A NEED FOR INNOVATIVE PRODUCTS AND SOLUTIONS WITH ADDED VALUE. C-RAD'S INCREASED SALES WITH GOOD PROFIT MARGINS SHOW THAT THE COMPANY HAS POSITIONED ITSELF CORRECTLY IN THE CURRENT MARKET SITUATION.

Growing sales and record order intake

Our activity level in 2014 has accelerated, and C-RAD is increasing its presence in major markets, with very positive results. Our order intake in 2014 was the highest in C RAD's history, increasing by 36 percent to 68.4 MSEK (50.3). Revenue was behind expectations, but because many orders arrived in the fourth quarter, we now have a substantial order book for 2015 deliveries.

Consolidated sales amounted to 53.2 MSEK (45.0), an increase of about 18 percent from last year. The increase is mainly attributable to changes in the Positioning segment. C-RAD is showing an operating loss of 13.0 MSEK (loss: 20.3); but while we are not yet a profit-making company, we are moving vigorously in the right direction.

US orders in 2014 increased by 120 percent over 2013 levels, and Germany – the largest market in Europe – increased order intake by 50 percent. In 2014 the German-speaking countries contributed 1.6 MEUR in orders, making it the strongest region in total order intake.

Another positive aspect is that we are obtaining earlier orders because we are becoming involved earlier in the sales process – a sign of market confidence and organizational maturity – but the lead time between order and delivery is greater, leading to order stock growth exceeding sales growth.

Managing rapid growth

We have addressed the growth challenge by setting ambitious financial targets, aiming to grow by 50 percent a year through 2017, with a profit margin of 60 percent. In order to achieve this, we are concentrating our strategic efforts in business development.

Besides expanding in the US, the German-speaking region, and France (the second-largest European market) we will add an additional salesperson to strengthen our presence in Asia. With the recent approval of the Food and Drug Administration in China for the Sentinel, and the approval for Catalyst on its way, we are now eligible for procurements from government-funded hospitals in China. C-RAD will strengthen its eight-person direct sales force with an additional five persons in 2015, and two of them came onboard during the first quarter.

Another contributing factor to rapid sales growth and customer satisfaction is a strong service organization to back up our clinical customers all the way. In our key markets of Germany, France, Scandinavia and the US, we deploy our own service engineers. Other regions are either covered by our mobile engineers or by the growing service force located at C-RAD local offices. This way C-RAD can maintain a high service standard in all sales regions.

Now on NASDAQ Stockholm Small Cap

Given our global cancer treatment mission, and the fact that almost 90 percent of our orders are from customers outside of Sweden, it was a logical step for C-RAD to move to the NASDAQ Stockholm Small Cap list on December 16, which opens up our access to major institutional investors as well as to more international attention for the C-RAD share and its investment potential.

Cyrpa – With regard to our joint development with the Franco-Belgian company Cyrpa – in which we hold a minority stake of 29 percent – our joint product demonstrations have been well received in sales discussions with customers. Consequently, while our current plan calls for integration of Cyrpa in 2016, we are currently investigating the advantages of an earlier integration.

GEMini – GEMini technology, licensed from CERN in Geneva specifically for use in radiation therapy, offers unique advantages in imaging systems and dosimetry. C-RAD has further developed the original technology, and CERN – with its expertise in manufacturing methods and physics – is supporting us in improving the robustness of the device.

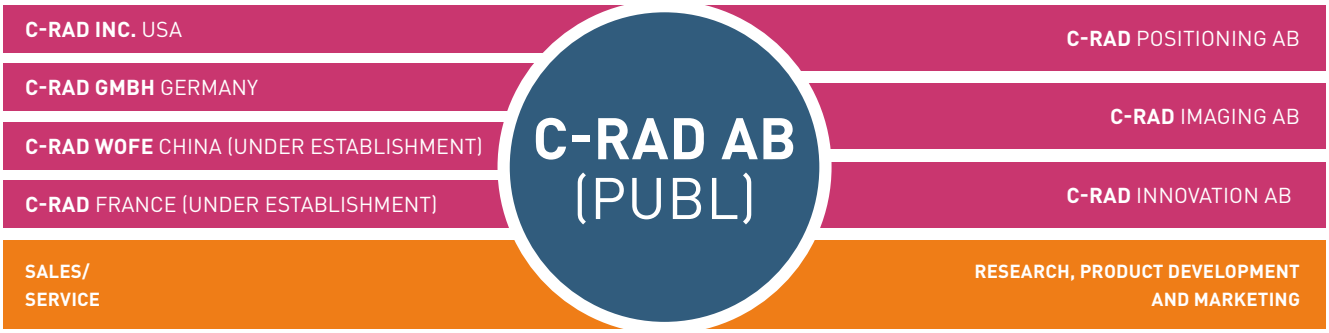
With a solid order book, a reinforced sales force and a promising R&D pipeline, C-RAD is looking forward to engaging new customers in 2015!

Uppsala, March 25, 2015
Tim Thurn
CEO & President

THE C-RAD GROUP

The Company is engaged in development and sales of innovative systems with applications in advanced radiation therapy for the treatment of cancer. The systems can be used to localize the tumor before treatment and to position the patient and monitor treatment by recording information such as patient movements during radiation treatment. The aim is to increase the accuracy and efficiency of radiotherapy as well as to minimize radiation damage to the patient's healthy tissue.

Organization and Group structure
The Parent Company C-RAD AB (publ) provides Group-wide services. The Group comprises three wholly-owned Swedish subsidiaries engaged in development, marketing and sales. There are also four foreign subsidiaries (the Chinese and French subsidiaries are being established) with responsibility for sales in selected key markets. C-RAD is also the Scandinavian distributor for dosimetry products (detectors) from a German company, IBA Dosimetry, as well as other products in the field of quality assurance and patient positioning.

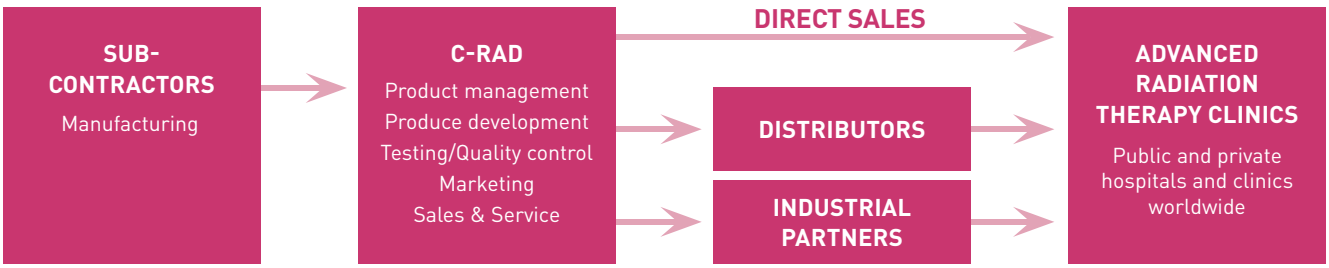


Business model
The C-RAD business model relies on subcontractors for manufacturing some of the Company's products, as well as some hardware and software development. The C-RAD subsidiaries are responsible for their own products, product development, supply chain, final assembly and testing, as well as quality control and certification of products. Each subsidiary is responsible for marketing and sales. Medical centers that provide advanced radiation therapy worldwide are the end users of C-RAD's products. C-RAD is currently focusing its sales activities on Europe, North America and East Asia, thereby covering about 80 percent of the global radiation therapy market. Depending on the market the products are distributed through three different channels:

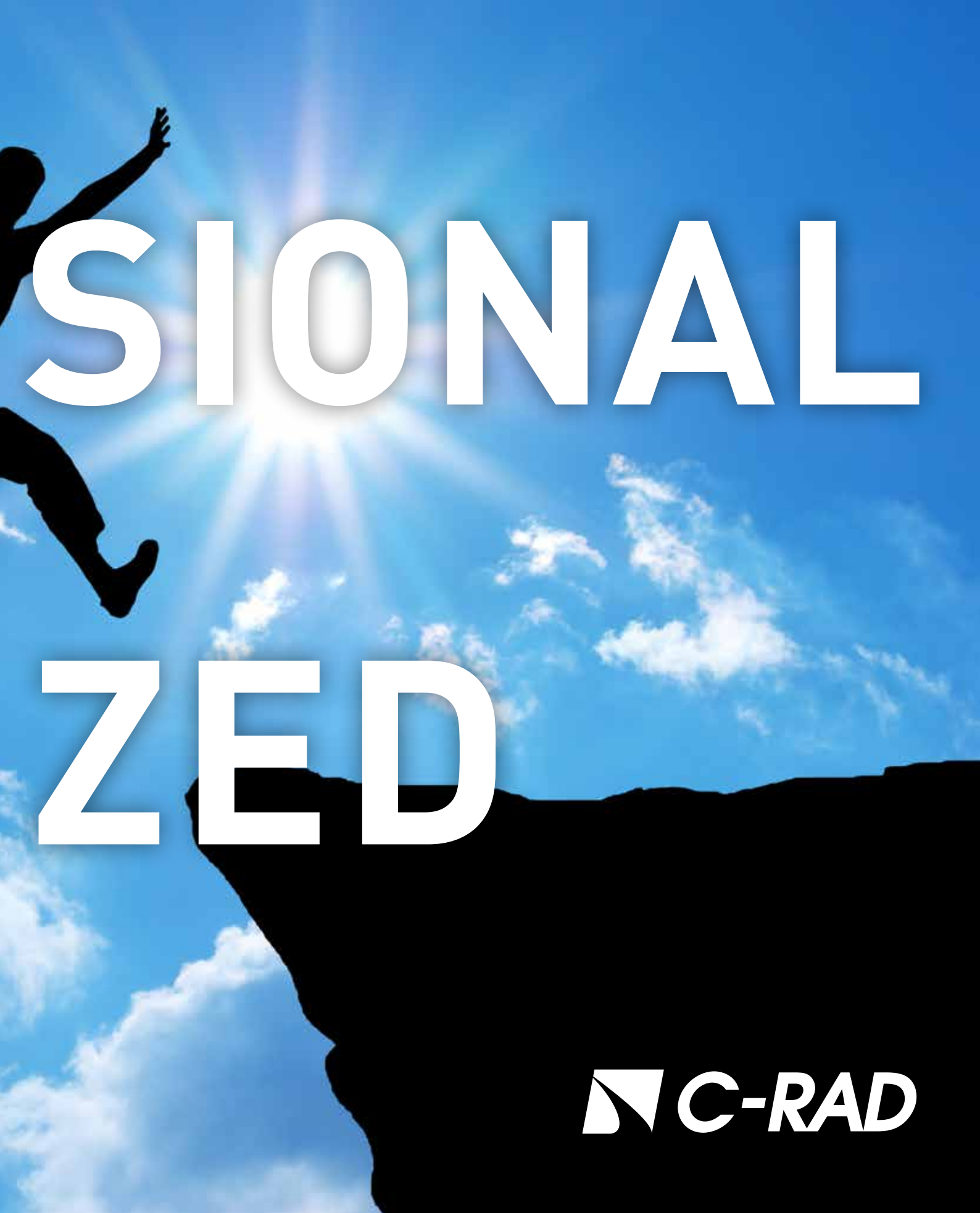
Direct sales – In Scandinavia, German-speaking countries, North America, France and partially in East Asia, the Company's systems are sold directly to radiation therapy centers.

Distributors – In several key markets, mainly in Asia and partly in Europe, independent distributors specializing in radiation therapy equipment and who have local connections are responsible for sales. 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 organization. As part of the Company's investment in Cyrpa, the sales organizations at C-RAD and Cyrpa merged in 2013.

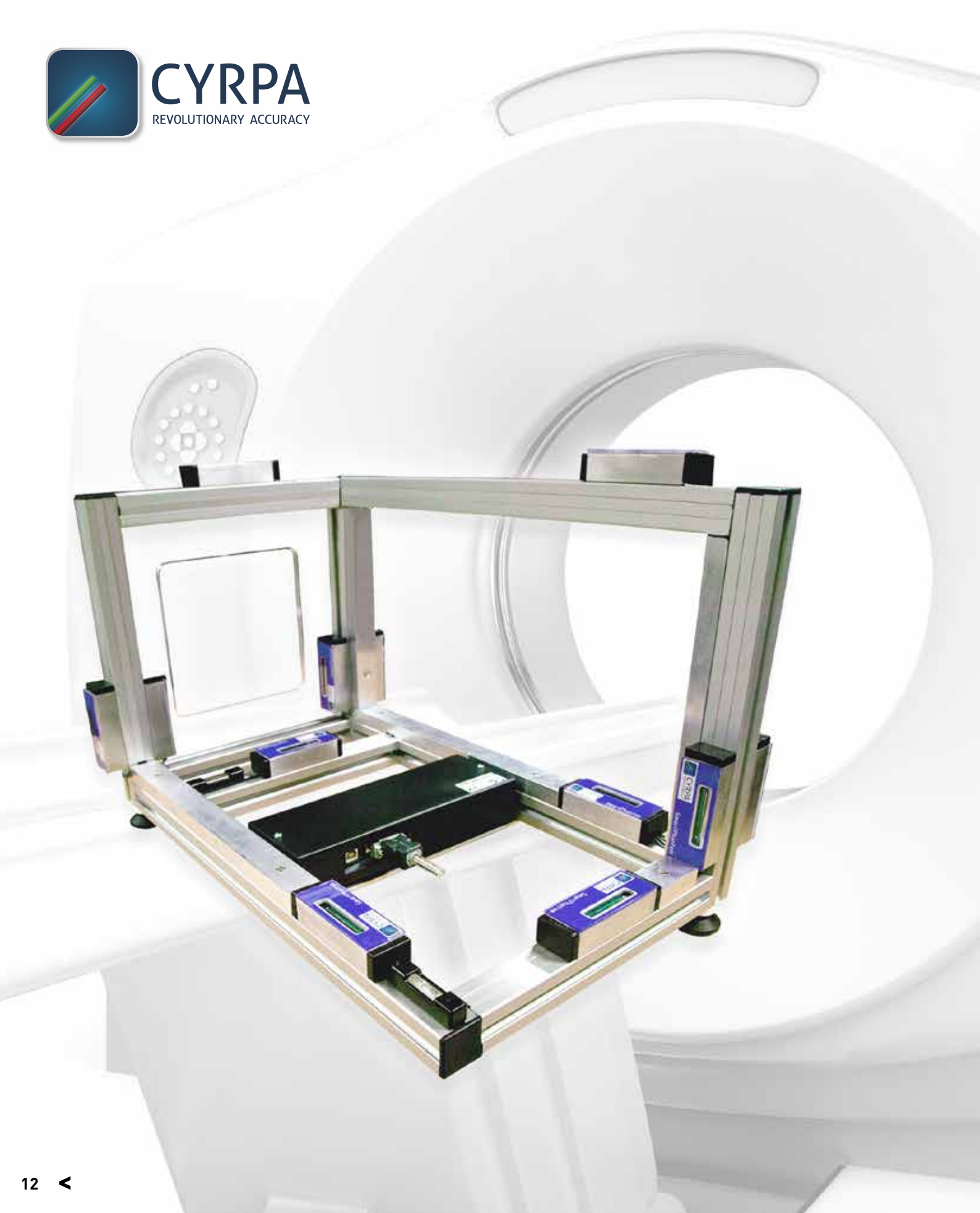
Industrial partners – Sales are also made through industrial partners active in the field of radiation therapy. Procurement processes for C-RAD systems are often conducted simultaneously with procurement processes for linear accelerators. Sales activities are therefore often carried out in close cooperation with the manufacturers of radiation equipment, such as Varian and Elekta, as well as CT vendors.



OUR CORE VALUES
PROFES
HONEST
ORGANI


SIONAL
ZED
C-RAD

CYRPA
REVOLUTIONARY ACCURACY



CYRPA

The company

In 2013 C-RAD made a strategic investment in Cyrpa by acquiring a 29 percent stake in the company. The acquisition broadened the C-RAD product portfolio while strengthening the Company's sales organization. Thus the Company can now offer a complete optical patient positioning solution to its customers around the world. Cyrpa specializes in innovative radiation therapy solutions. The company, which was founded by technical experts and an innovation investment fund, was established in Belgium in 2010.

The agreement includes an agreed mutual option to take over the remaining 71 percent of Cyrpa. C-RAD may exercise its call option during the period April to June 2016, while Cyrpa can exercise its put option during the period October to December 2016. If none of the options are exercised, the agreement will continue to run until December 31, 2025 and thereafter for five-year periods unless terminated at least six months in advance.

Sales organization

The Company's products are currently distributed in Europe, the US, Latin America, Africa and Asia. In 2011 Cyrpa launched the High Impact Technology (HIT) product line, a laser system used for patient positioning during virtual simulation and radiotherapy.

Integration

In 2013, a joint product range was launched that combined C-RAD's patient positioning and motion monitoring functionalities with Cyrpa's virtual simulation solutions. C-RAD developed the graphical interface between the products. The integration also allows coordination of marketing and sales activities. This expanded product range of integrated solutions has strengthened the basis for increased direct sales. C-RAD has assumed overall responsibility for direct sales in Scandinavia, the German-speaking countries in Europe and Asia, while Cyrpa is responsible for sales to southern and eastern Europe, Africa and South America. Sales activities in certain markets will continue to be carried out by either one company or the other.

Products

Cyrpa develops and markets advanced virtual simulation solutions associated with radiation therapy through the HIT laser system and the Smart Phantom RT calibration system. The systems are characterized by extremely high precision, thereby increasing safety for patients, while enabling radiotherapy centers to save time during both simulations and radiotherapy.

The HIT laser system consists of two major inventions: a dual diode for each laser line and Smart Phantom™, a device for automatic calibration of the laser system with high precision in the CT room. Cyrpa is the only manufacturer of positioning lasers that guarantees accuracy down to 0.1 mm. Laser systems for virtual simulation are required for all computer tomography applied in radiotherapy.

The goal is to provide quality solutions in radiotherapy with greater precision for the patient and greater safety for healthcare staff. C-RAD has integrated Cyrpa's software into its proprietary c4D software platform, thereby enabling the Company to offer its customers worldwide a unique combination of c4D reconstruction and virtual simulation.

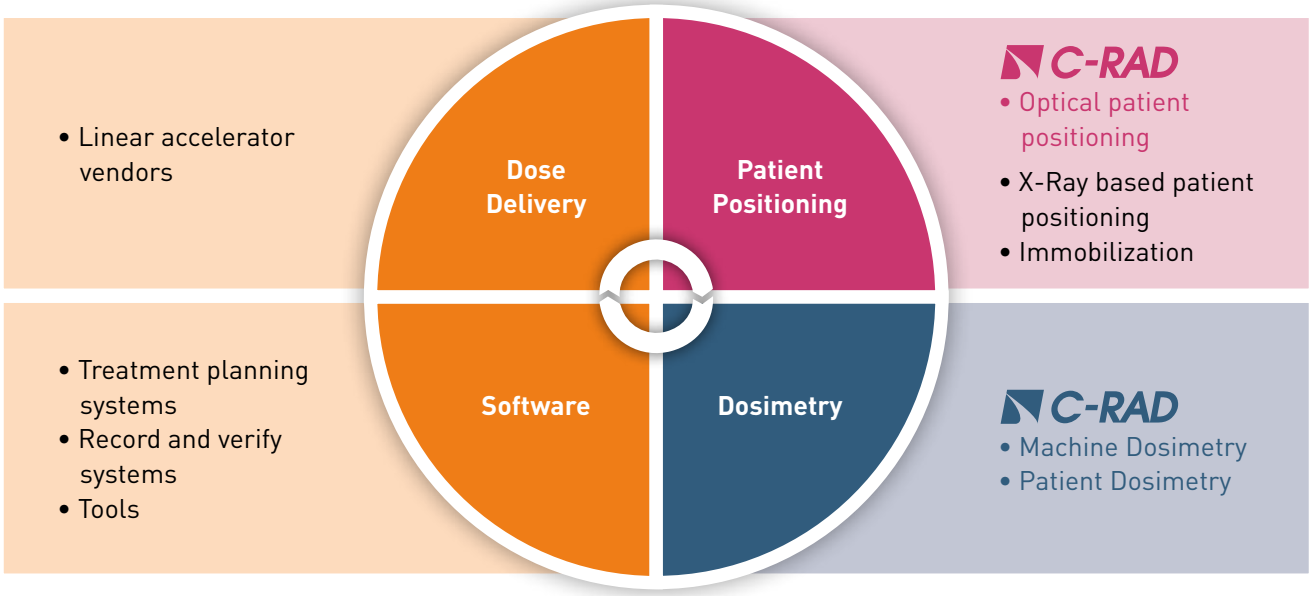
The technology behind Cyrpa's products is protected by patents and all products are approved for sale in both the EU and the US. The products were first launched in 2011. Most of the systems have been sold in central Europe, the US and Asia.

Market

Laser systems are used together with linear accelerators and CT scanners purchased by radiation therapy departments. The total market for new linear accelerators amounts to about 1,000 machines annually and thus the same number of laser systems. Each year about 400 CT scanners are sold for use in virtual simulation, and each CT requires a laser system.

OUR STRATEGY

RADIATION THERAPY



Product excellence

With its current product portfolio C-RAD is focused on optical patient positioning and patient monitoring products. The key selling points are workflow optimization, safety and radiation-free positioning. The core products Sentinel and Catalyst are aimed at providing our customers with an excellent solution for treating breast cancer patients. The Catalyst HD is tailored for stereotactic treatments.

With its strategic investment in Cyrpa in 2013, C-RAD completed its product portfolio in the field of optical patient alignment. Lasers for virtual simulation and for the treatment room are sold with every linear accelerator and every CT that goes into radiation therapy departments. The key selling points are high accuracy and automatic calibration with the patented SmartPhantom.

A study published in 2014 by the American Cancer Society shows the expected development of cancer cases. C-RAD is prepared to support customers with its solutions to improve treatment quality for the two most important cancer indications for men and women. This opens up a large potential market for C-RAD.

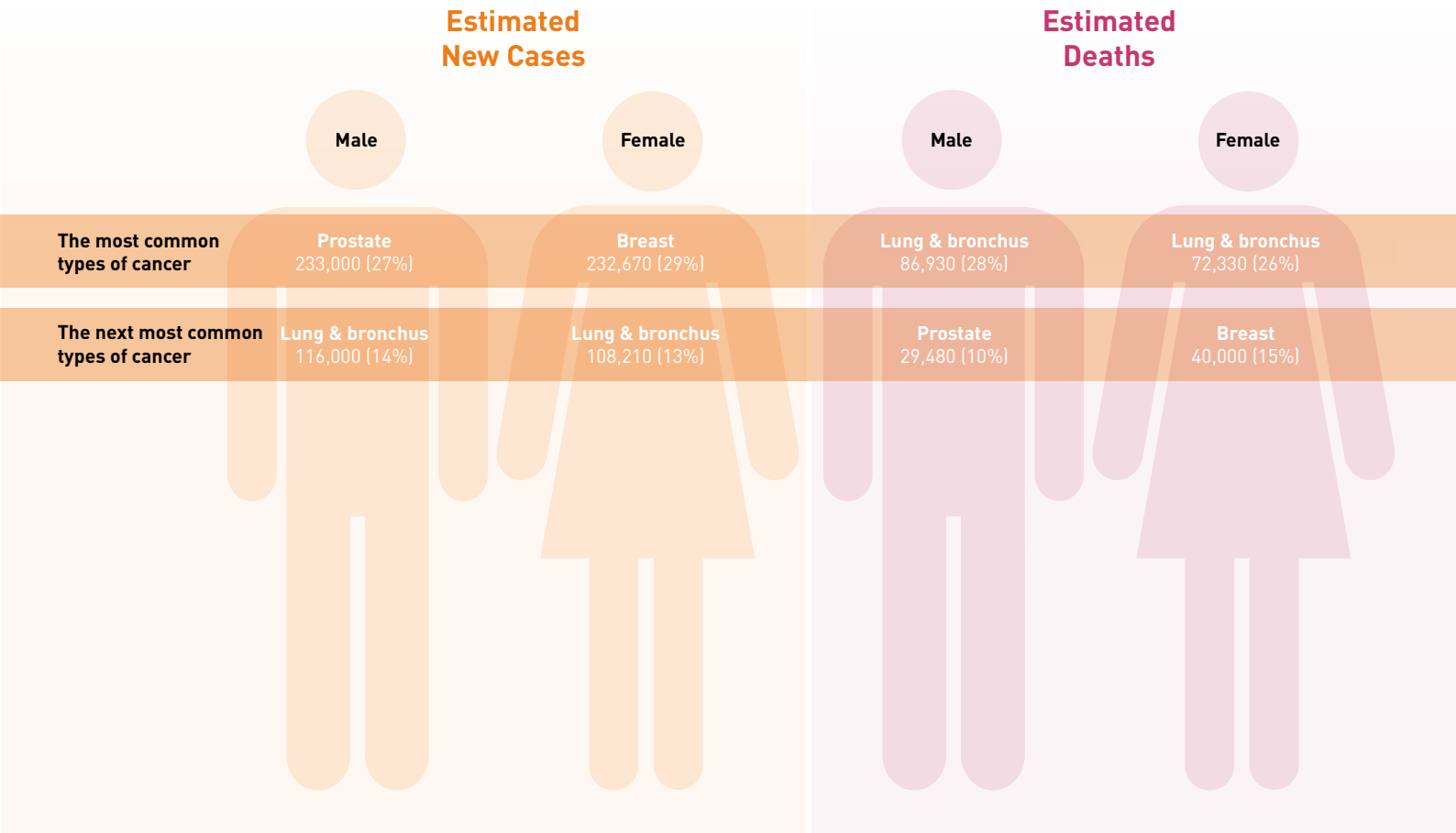
Sales Excellence

Our sales strategy is focused on three sales channels: direct sales, sales through our OEM partners and distributors. Clinical customers appreciate a thorough dialog before issuing a purchase order to C-RAD. As part of the sales process our sales people evaluate the exact needs of the customer and configure the system to their requirements. Even though our sales people usually work directly with the end customer, the purchase order is in many cases part of a larger package that might include a linear accelerator or a CT. Here the cooperation with our OEM partners is essential.

The key criteria for us to decide to establish a direct sales organization in a region are the market's maturity and potential. Because of the complexity of the products, C-RAD obtains the best results if a dedicated person is focused on the sales of C-RAD equipment.

In Asia C-RAD works with distributors in all markets. Local customs and business practices require a distributor as the link between C-RAD and clinical customers. Also in smaller European markets C-RAD selects local distributors to provide the C-RAD offering to the customer.

LEADING NEW CANCER CASES AND DEATHS IN THE US



2014 American Cancer Society, Inc. Surveillance Research.

The advantages of a direct sales organization are a closer contact between the organization and clinical customers. The financial volumes of the products and the complexity make a dedicated direct sales force profitable within a short period of time.

Service Excellence

We have observed that customer interest is shifting from a product-only focus toward a product life cycle perspective. C-RAD therefore launched a service program in 2014 for all its products. Service contracts with different levels have been established. Customers can choose a full-service agreement that includes full support for hardware and software as well as preventive maintenance. Less comprehensive service agreements are available that cover only hardware, or only software updates. Customers may choose service contracts on an annual renewal basis, but the more popular solution is to purchase a long-term service agreement as part of the product procurement.

With the growing need for a service network, C-RAD is establishing its own C-RAD service organization in core markets. In countries where C-RAD is represented by distributors, C-RAD ensures a high and homogeneous service level by offering regular service training programs at C-RAD's training center for the distributors.

The increasing workload on clinical personnel is an important reason for customers to outsource service and quality assurance tasks to experts. C-RAD service engineers can ensure rapid and professional support and intervention when necessary.

MARKET REPORT

C-RAD'S STRATEGY IS TO DEVELOP KEY MARKET THROUG A LOCAL PRESENCE. C-RAD ESTABLISHES ITS OWN SALES COMPANIES IN KEY MARKETS AND IN REGIONS THAT SHOW GREAT POTENTIAL.

In other important markets C-RAD enters into agreements with distributors who act as resellers for C-RAD's product portfolio. In addition to cooperation with end customers, C-RAD works with OEM partners such as Varian and Elekta. In these cases agreements have been signed on a global level. Elekta has included the products Sentinel 4DCT and Catalyst in its own product catalog since 2013.

This means that their global sales organizations can include C-RAD products in their quotes. C-RAD engages in collaborations with major CT vendors at a local level. The Company is also pursuing discussions with major CT vendors to encourage them to include C-RAD in their product catalogs.

In the Nordic region C-RAD enjoys a strong position; however, order intake in the Nordic countries did not develop in 2014 entirely as expected. We saw two large projects pushed forward and thus we have not included them in the 2014 figures. For the future we are expecting moderate growth. In the Nordic region C-RAD will continue to focus on sales of new configurations, but also exploit the potential of upgrading existing customers with new functionality or service products.

C-RAD has a good position for further growth in Asia. While our focus here is the Chinese market, in late 2014 C-RAD expanded its activities to Japan and then also to Australia. Once Catalyst is approved for the Chinese market we see substantial potential to sell this product to high-end customers. Further on we are expecting a recovery of the South Korean investments in radiotherapy equipment during 2015. The 2014 sales of Cyrpa products in Asia exceeded our expectations.

The OEM business showed substantial growth last year. Here we consider all orders that C-RAD receives directly from our partners in the imaging and the linear accelerator business. We see high potential in this cooperation and expect to further convert this potential to orders during 2015.

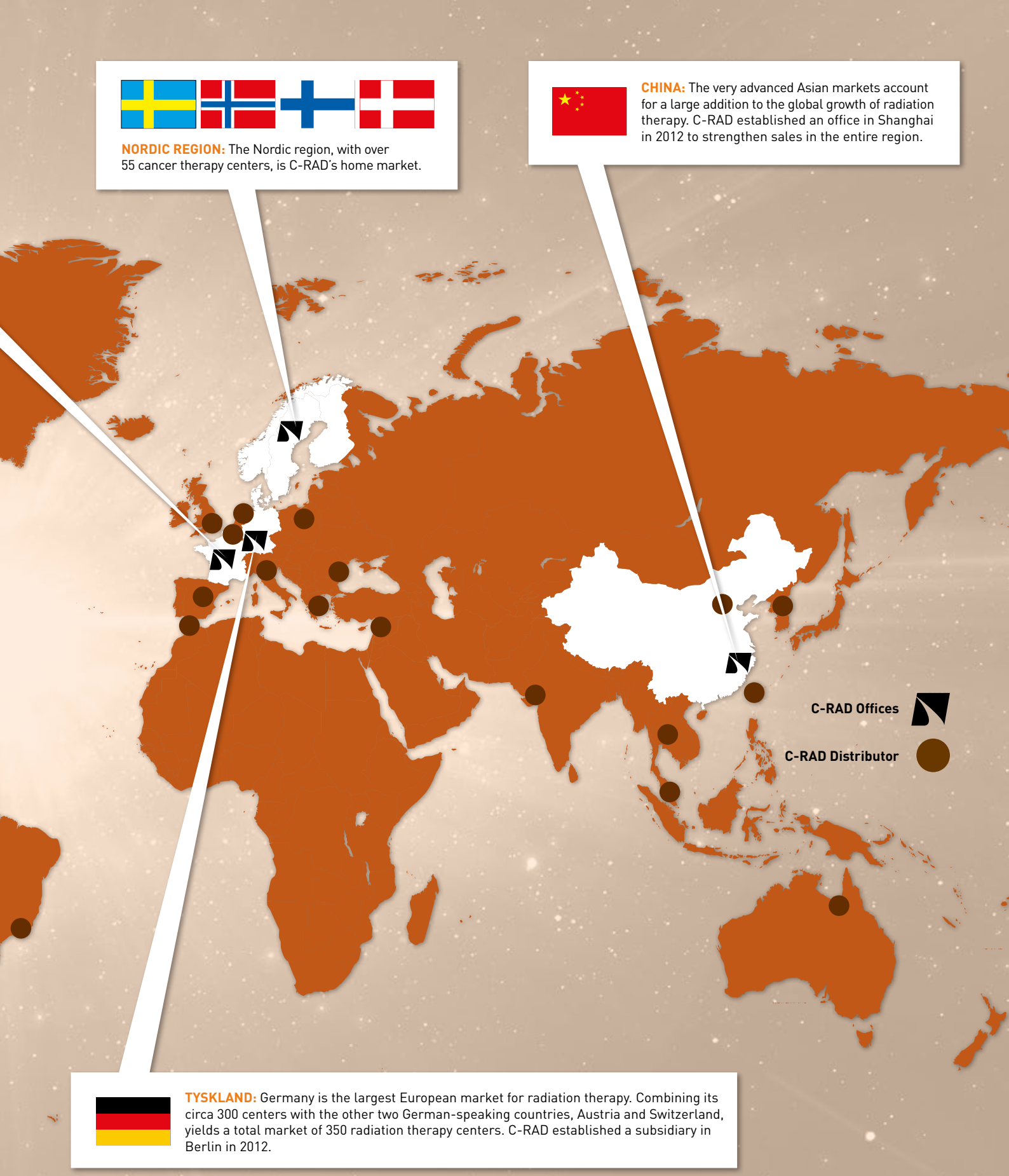
The US showed a very positive development in 2014, with an increase in order intake of more than 120% compared to the year before. The key to this development was the launch of the Catalyst HD. The size of the market shows still a high unexploited potential for the C-RAD product portfolio. In 2015 C-RAD will further strengthen its sales force on the North American market to give more customers the chance to benefit from C-RAD technology.

The distribution business in Europe was quite flat over the last two years. Our distributor force, mainly in southern Europe, is still suffering from adverse financial situations in their home markets. Our expectation for 2015 is increased market activities in selected countries. C-RAD has also started to sell through a new direct sales organization in France to further strengthen its position there.

The German-speaking countries – Germany, Austria and Switzerland – constituted the strongest sales region in 2014. We expect that this strong showing over recent years is an indication of future market development potential. We have a smoothly-functioning local organization and a significant user base. The size of this market indicates further potential. These countries are not impacted by the financial burdens that impede business in southern Europe.

FRANCE: With approximately 200 radiation therapy centers, France is the second-largest market in Europe. C-RAD started direct sales there in January 2015.

USA: The US accounts for about 40 percent of the global market. C-RAD established a subsidiary there in 2010, and has since continuously focused on developing its sales organization.


NORDIC REGION: The Nordic region, with over 55 cancer therapy centers, is C-RAD's home market.
CHINA: The very advanced Asian markets account for a large addition to the global growth of radiation therapy. C-RAD established an office in Shanghai in 2012 to strengthen sales in the entire region.
C-RAD Offices
C-RAD Distributor
TYSKLAND: Germany is the largest European market for radiation therapy. Combining its circa 300 centers with the other two German-speaking countries, Austria and Switzerland, yields a total market of 350 radiation therapy centers. C-RAD established a subsidiary in Berlin in 2012.

MARKET OVERVIEW

The information in this section reflects the Board's views on the need for cancer care, cancer care options, cancer care development, and the market for radiation therapy as well as market-driving factors and how players act on the market. The Board's views are based on its experience and competence in this sector, unless noted otherwise.

The need for cancer care

Cancer is the second leading cause of death worldwide after cardiovascular diseases. According to the International Agency for Research on Cancer (IARC), 13 million people are diagnosed with cancer each year, about 5.5 million of whom live in more developed countries and about 7.5 million in less developed countries. The American Cancer Society published a study in 2014 where it was shown that every second male and every third female in the US will be diagnosed with cancer during their lifetime. The most common cancers are breast cancer, prostate cancer and lung cancer. The need for advanced cancer care is large and expected to grow steadily as the number of cancer cases continues to increase by about 3 percent per year. While the number of cancer cases has risen in part because of increased life expectancy, diagnostics have also improved. More cases of cancer are therefore detected, and increasingly at an early stage, which improves the chances of curing the disease.

The main treatment methods are surgery, radiotherapy and chemotherapy. Cancer patients are often treated with a combination of these methods.

According to the International Atomic Energy Agency (IAEA), there are currently approximately 7,000 centers worldwide that treat cancer patients using radiation therapy. About half of these centers use conventional radiotherapy technology and the other half more advanced radiation therapy techniques. These advanced treatment techniques are becoming standard in developed countries. The advanced radiation therapy centers use a variety of modern technologies for tumor localization and precision treatment.

Development of radiation therapy

Radiation oncology has undergone dramatic development in recent years, mainly because the introduction of new advanced radiation therapy methods make it possible to deliver higher doses of radiation to the tumor area while reducing radiation doses to surrounding healthy tissue. The new technology makes it even more important to irradiate the correct area than previously since smaller margins are used, which has led to an increased interest in systems for both tumor localization and patient positioning. C-RAD considers this development to be positive since the Company offers products in these market segments.

Certain cancers are easier to treat with radiation than others, depending in part on where the tumor is located and the character of the surrounding tissue. About 80 percent of all breast cancer cases and 50 percent of prostate cancer cases are treated with radiation therapy. Lung cancer and liver cancer are more difficult to treat with radiation, because these organs are surrounded by more sensitive tissue that could be damaged by radiation. This further increases the need for supporting systems to determine the shape and size of the tumor and its location in the body, after which the radiation dose can be adapted more efficiently, thereby allowing more cancers to be successfully treated with radiation therapy. C-RAD's respiratory gating solutions help to improve treatment of these cancers.

Despite the considerable potential for effective radiotherapy for many types of tumors at different stages, volumes and locations, for cost reasons clinic infrastructure is often based on the most common treatment methods for the largest tumor groups. More advanced treatment methods are

therefore not given the space they would have if treatment methodology were optimized. Today the majority of cancer patients worldwide are still treated with conventional technology that has not changed significantly in recent decades.

Radiation therapy methods are under constant development, as are the equipment and peripherals used in treatment. Below is a description of various methods for tumor localization, patient positioning and motion monitoring during radiation therapy.

Market for radiation therapy

The past ten years have been characterized by very rapid growth in radiation therapy. C-RAD estimates that average growth for advanced radiotherapy equipment has been around 20 percent annually. In developed markets the trend is to choose treatment techniques for new installations, as well as for replacement equipment. The market as a whole is estimated to have grown by about 10 percent annually. While this growth is mainly driven from Europe and emerging markets in Asia, in the US we mainly see replacements of existing linear accelerators. According to C-RAD, the market for radiation therapy equipment and related services in 2014 amounted to approximately 6.8 billion USD. The US is the largest market for radiotherapy products and accounts for about 40 percent of the global market. Other major markets for advanced radiotherapy technology are Germany, France and Japan. In recent years, markets such as China and India have grown, and are expected to play a greater role moving forward.

A linear accelerator can normally be used for up to ten years. Radiation therapy is often also easier on the patient, especially compared to drug therapy, since it causes more damage to diseased cancer cells while minimizing exposure of healthy tissue.

The strong market growth has been driven by the introduction of new advanced radiotherapy technologies in recent years, such as intensity modulated radiotherapy (IMRT) image-guided radiotherapy (IGRT) and volumetric modulated arc therapy (VMAT), a faster method of delivering IMRT, in part through better control of the radiation dose and how the gantry head moves around the patient.

C-RAD believes that market growth will continue to be strong in the coming years, although some slowdown is expected. C-RAD estimates that as it stands today, the total market for supporting systems in radiation therapy will continue to grow by about 12 percent per year; growth in the advanced radiation therapy technology segment is expected to grow by 25 percent per year, while the market for conventional radiation therapy is not expected to grow.

PRECISION IN ADVANCED RADIATION THERAPY

catalyst HD

The Catalyst HD™ system is based on a new-generation hardware and software platform for high-performance optical surface scanning and augmented reality through re-projection. It contains advanced optimized algorithms for non-rigid registration and deformable models that help doctors to assess patient positioning in real time so that errors can be corrected before and during treatment. The modular software currently has three functions: Patient setup and positioning, motion monitoring and respiratory gating. The interface for linear accelerators from Varian and Elekta has been developed for respiratory gating, table control and patient synchronization.

SENTINEL™ 4DCT

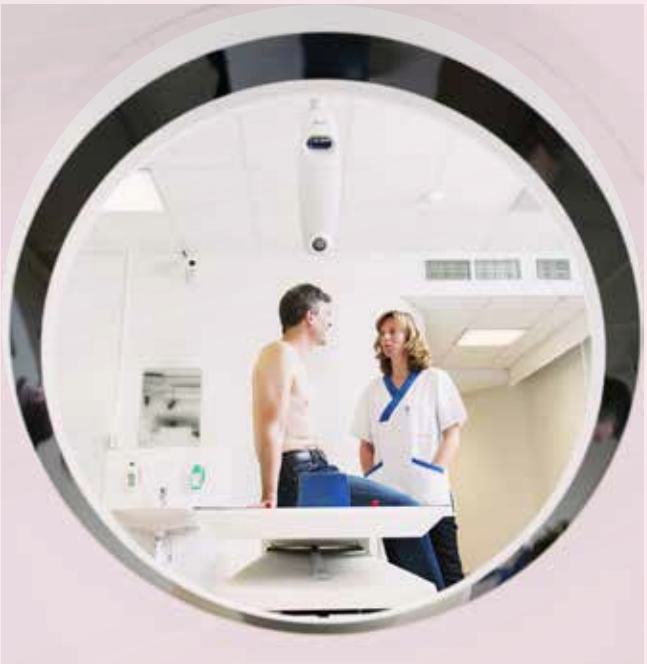
The Sentinel 4DCT™ system makes it possible to carry out computed tomography with improved image quality for tumors that move because of the patient's respiratory movements. Patients with left-sided cancers of the breast, lung or liver in particular benefit greatly from the new technology during treatment. Major benefits for the cancer center include integrated workflows, ease of use, and convenience for both patient and staff. In addition, the system can be integrated with the Catalyst system for both Free Breathing and Breath Hold treatments. The system is compatible with CT scanners from General Electric, Philips, Siemens and Toshiba.

4D IMAGING, AND VIRTUAL SIMULATION

This unique product combination for the CT room is based on the Sentinel 4DCT™ system, the Cyrpa HIT laser system and the c4D software platform. Virtual simulation is used to mark the tumor's position on the patient's skin and is a required step in radiation therapy. Almost all radiotherapy centers purchase laser systems for virtual simulation. 4DCT Imaging is used to improve image quality for tumors that move because of the patient's respiratory movements. The major advantage for the customer is a simplified, integrated workflow in the clinic.

GEMini™

GEMini™ is an X-ray detector that has been developed from the beginning to comply with the new requirements for imaging systems in radiation therapy. The original technology is licensed from CERN in Geneva, and has been further developed by C-RAD through a number of its own patents. Late in 2014 C-RAD intensified its cooperation with CERN on physics simulations and production technology. Recent tests conducted in cooperation with clinical partners showed a continuous improvement in the robustness of the detector for clinical use. It is our expectation that we will have a product ready for release in 2015. We are addressing both clinical end customers and OEM customers with GEMini.



RESEARCH AND
IN C-RAD POSITIONING

The subsidiary C-RAD Positioning engages its R&D resources on the development of patient positioning and monitoring products using optical measurement methods. The current team comprises competence in software engineering, physics, and mathematics as well as hardware engineering.
In 2014 C-RAD launched a Research Fellow Program, with the objectives of conducting research on existing C-RAD technology, as well as strengthening close partnerships with key opinion leaders at radiation therapy centers for future product developments.
The program provides a platform for participating researchers to exchange ideas and research progress within their respective fields. C-RAD hosts regular symposia for the members at relevant international conferences. Program membership is for a limited time, with the possibility for an extension if the researcher's project has product development potential. The members are mainly located at university hospitals, but they also are found at other treatment centers with a strong research capacity and international reputation.
The Research Fellow Program enjoys a great deal of attention internally and is managed directly by our R&D Manager, Cristina Svensson.

Ongoing developments include integration of the C-RAD Catalyst and the Varian TrueBeam linear accelerator for respiratory gated treatments. Additional new product developments are in the pipeline.

"A strong R&D in close collaboration with leading centers is the key for creating innovative and optimal solutions in cancer care."

– Cristina Svensson, R&D Manager

With the development of the Catalyst HD, C-RAD was able to tailor a system meeting the needs of our US customers, as well as advanced sites outside this region. C-RAD's current product portfolio addresses an exclusive market. But the existing technology can also be adapted to the needs of large customer groups in China, for example, where the patient case load is high. In general we see an increasing demand, as well as opportunities to adapt our technology to local customer requirements. The clinical challenge to overcome is how clinical workflows within radiotherapy can be further streamlined without compromising treatment precision.

DEVELOPMENT
IN C-RAD IMAGING

C-RAD Imaging is focused on the development of the GEMini Detector. The GEMini is an advanced flat-panel detector based on the Gas Electron Multiplier (GEM) technology licensed from the CERN particle physics laboratory in Switzerland. Its many unique features – such as dose linearity, dose rate independence and greatly improved radiation hardness – make it the only detector on the market that is fully optimized both for portal imaging and portal dosimetry applications.

The main application for this detector is patient imaging with MV X-rays as well as quality control during treatment. This enables customers to use a single tool for quality assurance of both machine and patient dosimetry.

GEMini has a high research component as part of its development. Late in 2014 C-RAD intensified its cooperation with CERN on the level of physics simulations as well as on production technology. Recent tests conducted in cooperation with clinical partners showed a continuous improvement in the robustness of the detector for clinical use. It is our expectation that we will have a product ready for release in 2015.

We are addressing both clinical end customers and OEM customers with GEMini.

"I am very pleased with our progress on the GEMini project in 2014, especially the results of tests performed in the fourth quarter. These tests demonstrate significant improvements in image quality, dose response and system robustness. A number of recently implemented innovations have now been proven to increase the system's overall performance, more than fulfilling market requirements. The work of adapting the new technology to a rational, high-yield production is ongoing and shows good and promising progress. I expect us to be able to launch a very competitive system in 2015."

– Gunnar Norberg, Ph.D., Senior Project Manager

SENIOR EXECUTIVES

ERLING TOMASSON *CFO*

CFO since August 2013. Born 1978. Erling Tomasson previously worked at Deloitte Iceland between 2000 and 2012, where he provided auditing, accounting and corporate finance advisory services. Erling became a partner at Deloitte Iceland in 2007 and was an authorized public accountant between 2005 and 2012. He has expressed interest in subscribing for 15,000 warrants in ongoing warrant plans.

Holdings in C-RAD: 0 A shares, 4,000 B shares.

TIM THURN *CEO & PRESIDENT*

CEO of C-RAD AB and President since July 2013. Born 1981. CEO of C-RAD Positioning AB since 2011. Acting CEO of C-RAD Imaging AB since 2014. Tim Thurn has worked in the field of radiation therapy since 2003 and previously worked with product development at the German laser company LAP GmbH, where he also held the positions of product manager and sales manager. He has expressed interest in subscribing for 70,000 warrants in ongoing warrant plans.

Holdings in C-RAD: 0 A shares, 70,000 B shares.

BOARD OF DIRECTORS

BÖRJE BENGTSSON *Chairman of the Board*

Chairman of the Board since 2007. Born 1947. Extensive experience from leading positions in listed and unlisted companies, including CEO/Executive Vice President of the Setra Group, Expanda, Mekonomen, Securum Industri and Addum Industri.

Holdings in C-RAD: 0 A shares, 55,750 B shares.

BENGT ROLÉN *Director*

Board member since 2014. Born 1953. Management consultant and business developer at Lyktan Invest AB. Temporary CEO/President of the Ergofast Group, part of the Fairford Group. 1992–2010 CEO and president of the Combisafe Group. 1988–2008 partner, Combisafe Group. BSc in Finance, Umeå University.

Holdings in C-RAD: 0 A shares, 127,000 B shares.

FRANK LOHR *Director*

Board member since 2013. Born 1966. Vice Chairman, Department of Radiation Oncology at University Medical Center in Mannheim, Germany. He began his career in 2002 at the University Medical Center, where he became assistant professor in 2005. Researcher at Duke University in the US after earning his PhD at the German Cancer Research Center.

Holdings in C-RAD: 0 A shares, 0 B shares.

PETER HAMBERG *Director*

Board member since 2013. Born 1973. BA, San Francisco State University. CEO at Hamberg Förvaltning AB. Several directorships in the real estate and IT industries. Board member of Net Entertainment AB since 2007.

Holdings in C-RAD: 303,810 A shares, 389,842 B shares, held through a company.

BRIAN HOLCH KRISTENSEN *Director*

Board member since 2014. Born 1974. Physicist at the Radiation Department, Herlev Hospital in Denmark. MSc in physics and mathematics.

Holdings in C-RAD: 0 A shares, 0 B shares.

All directors are independent of the Company and its management and the Company's major shareholders, with the exception of Peter Hamberg, who is independent of the Company and its management, but is not independent of the Company's major shareholders.

THE C-RAD SHARE

Share price – SEK 2014-01-01 – 2014-12-31

Largest shareholders per 2014-12-31

Shareholder	Class A	Class B	Total	Capital (%)	Votes (%)
Olle Stenfors	280 000	1 736 000	2 016 000	9,94	14,49
Per Hamberg, incl Hamberg Förv. AB	303 810	1 136 190	1 440 000	7,10	13,30
Erik Hedlund	273 000	72 531	345 531	1,70	8,95
Nordnet Pensionsförsäkring AB		1 193 696	1 193 696	5,89	3,81
Anders Brahme	213 000	0	213 000	1,05	6,80
Avanza Pension, försäkringsbolaget		1 792 006	1 792 006	8,84	5,72
Bengt Lind	156 000	206 236	362 236	1,79	5,64
Lars Kling		590 000	590 000	2,91	1,88
Robur Försäkring AB		477 627	477 627	2,36	1,53
Others		11 882 492	11 882 492	58,61	37,95
Total	**1 225 810**	**19 049 513**	**20 275 323**	**100,00%**	**100,00%**

SHARE CAPITAL

The share capital in C-RAD is SEK 3,041,299 divided between 1,225,810 Class A shares and 19,049,513 Class B shares. The total number of outstanding shares is 20,275,323 shares with a par value of SEK 0.15 per share. All outstanding shares are fully paid. C-RAD's Articles of Association provide that share capital shall amount to not less than SEK 1,000,000 and not more than SEK 4,000,000. In addition, the number of shares shall be at least 6,666,680 shares and a maximum of 26,666,720 shares. Holders of Class A shares of C-RAD may submit a request to the Board of Directors to convert Class A shares into Class B shares. Class A and Class B shares may each be issued to the maximum number that corresponds to 100 percent of the share capital.

TRADING IN C-RAD SHARES

C-RAD shares have traded since December 16, 2014 on NASDAQ Stockholm, Small Cap, under the ticker CRAD and ISIN code SE00 0201 6352. The closing price on December 31, 2014 was SEK 16.5 (19.9), corresponding to a market value of SEK 323 million (390), calculated on the total number of outstanding shares. The lowest closing price in 2014 was SEK 13.45 on October 15, 2014 and the highest was 23.5 on January 8, 2014. Average number of shares traded is 84,112 (100,636), worth about SEK 1.5 million (1.8) with an average of 89 trades per trading day (101).

ADMINISTRATION REPORT

The Board of Directors and CEO of C-RAD AB (publ), Company reg. no. 556663-9174, hereby submit the annual accounts and consolidated accounts for financial year 2014. The Board's registered office is in Uppsala. The financial reports were adopted by the Board and approved for publication on March 20, 2015. The consolidated and Parent Company financial statements will be submitted for approval at the Annual General Meeting on April 16 2015.

Figures in parentheses refer to the previous year.

ABOUT C-RAD IN GENERAL

C-RAD is a Swedish company that is headquartered in Uppsala. The company develops, manufactures and sells products and systems in the global market that ensure high precision, efficiency and safety in radiotherapy of patients with cancer. The company's innovations originate from Karolinska Institutet and Karolinska Hospital in Solna.

C-RAD started its operations at the turn of 2004/2005. At first the company focused on research and development. Today the company delivers its products to radiation therapy centers worldwide.

Over the past three years, C-RAD has pursued an expansion strategy. Sales and order intake have tripled during these years. The prospects for growth with profitability remain strong, based on innovative and clinically accepted products and systems, as well as the continued expansion of the sales organization.

The company's most well-known product, Catalyst™, is a projector-based system with interactivity intended for advanced applications in radiation therapy. The system was first shown in 2011 at the European oncology meeting, ESTRO, in London. The first deliveries began at the turn of 2011/2012. Catalyst has quickly become the leading optical system for positioning, monitoring and respiratory gating. The system received FDA approval in 2012 and can thus also be sold in the important US market.

C-RAD's Sentinel™ laser scanning system offers positioning and motion detection functionality. The most important application for Sentinel involves studies for respiratory gating. In order to sell these systems in large volumes, a functional coupling and good communication with manufacturers of accelerator systems and CT scanners are crucial. Most interfaces have been in place since 2013.

In 2011 collaboration began with the University Clinic in Salzburg for further development and clinical adaptation of the GEMini™ detector system. A first detector was installed on an accelerator from Elekta in 2012. GEMini has been further developed as an imaging system, as well as for simultaneous use to verify the dose during VMAT treatments. The market potential of this combined detector with high radiation tolerance is substantial. Development of GEMini is underway and will continue in 2015.

C-RAD sells its systems directly to customers, through diagnostic and accelerator companies and through specialized distributors. The company's own direct-selling organization has become increasingly important. C-RAD currently has its own sales organization for Scandinavia, the German-speaking countries, East Asia and North America. In February 2013 C-RAD entered into an agreement to acquire a 29 percent stake in the Belgian company Cyrpa International. C-RAD holds 29 percent of the voting shares in the company. Under a separate shareholder agreement, during the first half of 2016 C-RAD has the right to acquire the remaining 71 percent and during the second half of 2016 the other owners of Cyrpa have the right to sell the remaining 71 percent stake in Cyrpa to C-RAD AB if an acquisition has not occurred prior to that time. Cyrpa develops innovative products for positioning and virtual simulation. As part of the investment in Cyrpa, manufacturing of Cyrpa's laser products was moved to C-RAD in Uppsala. A distribution agreement gives C-RAD the right to sell Cyrpa products in the radiation therapy market, while Cyrpa distributes C-RAD's products in certain markets. C-RAD's own direct-selling organization therefore has access to a wider product range, which accelerates continued expansion.

NATURE AND FOCUS

Cancer is the second leading cause of death worldwide after cardiovascular diseases. According to the International Agency for Research on Cancer (IARC), 13 million people become ill from cancer each year, of which about 5.5 million live in more developed countries and about 7.5 million in less developed countries. In the Western world the risk of developing cancer before the age of 75 is estimated at about 20 percent, and the most common types of cancer are lung, breast and colon cancer. The need for advanced cancer care is large and expected to grow steadily as the number of cancer cases continues to increase by about 3 percent per year. While the number of cancer cases has risen in part because of increased life expectancy, diagnostics have also improved. More cases of cancer are therefore detected, and increasingly at an early stage, which improves the chances of curing the disease.

The main treatment methods are surgery, radiotherapy and chemotherapy. Cancer patients are often treated with a combination of these methods. C-RAD estimates that half of the patients who develop cancer in the Western world today have a good chance of being completely cured of their disease. The cure rates for the treatment methods mentioned above are estimated at 30 percent for surgery, 15 percent for radiation therapy and 5 percent for chemotherapy.

Radiation has long been used to treat cancer. Initially, the focus was mainly on palliative care, especially pain relief, but following strong technological developments in recent years, radiation therapy has become one of the main treatment methods for cancer. With the development of new, improved diagnostic and therapeutic methods and more advanced instruments, the cure rate for radiotherapy has increased compared with the other treatment methods. These technological advances are therefore the main reason for the increased overall cure rate for cancer. There are many indications that this trend will continue over the next few years.

C-RAD's business concept is to ensure high precision, efficiency and safety in radiotherapy, thereby helping to increase the number of patients with cancer who can be cured. The company's customers are radiation therapy centers at public and private hospitals worldwide. The aim is to contribute to higher quality and greater efficiency, including shorter treatment time, greater accuracy and reduced risk of side effects. C-RAD products will consist of innovative, cost-effective solutions, which will be developed through close collaboration with prominent research institutes and clinics, as well as through C-RAD's own employees, who possess considerable expertise in key areas.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

C-RAD APPROVED FOR LISTING ON NASDAQ STOCKHOLM

Since December 16, 2014, the company's shares have traded on NASDAQ, Stockholm Small Cap.

C-RAD SIGNS AGREEMENT WITH ELEKTA K.K. FOR SALES IN THE JAPANESE MARKET

C-RAD and Elekta K.K. has signed a sales and service agreement for Catalyst and Sentinel systems in Japan. The Japanese authorities have approved both products. With the approval of Sentinel 4DCT and Catalyst, C-RAD and its partner have permission to market, sell and install systems in Japan.

GERMAN CUSTOMER ORDERS THREE SYSTEMS

C-RAD received an order for a total of three systems from the German customer Klinikum Chemnitz in Chemnitz. The order is for two CATALYST HD™ systems and one Sentinel system. An option on a long-term service agreement was also signed.

C-RAD STARTS GLOBAL "RESEARCH FELLOW PROGRAM" IN COLLABORATION WITH LEADING RADIATION THERAPY CENTERS

C-RAD initiated a collaborative effort with ten leading radiation therapy centers in North America, Europe and Asia. The goal of the "Research Fellow Program" is to conduct research on existing C-RAD technology, while also strengthening partnerships with key individuals at radiation therapy centers for future product development.

LEGAL DISPUTES

On November 28, 2014 C-RAD Positioning AB was sued in Stockholm District Court by the Swedish company AB Beamocular, whose chairman, Erik Hedlund, was the former CEO of C-RAD AB. Beamocular claims it has rights to a patent application derived from an invention described in C-RAD's patent application PCT/SE2008/050778 "Patient Radiation Monitoring Machines." C-RAD is convinced that the claim is unfounded and will defend its intellectual property rights. Consequently no provision has been made with regard to this matter.

C-RAD CHOSEN BY SKANDION CLINIC

The Skandion Clinic awarded a contract to C-RAD for a surface scanning system for patient positioning, motion monitoring and respiratory gating. The Skandion Clinic in Uppsala is the first clinic in the Nordic countries to offer proton therapy. The contract includes installation of systems in four treatment rooms with an option for two additional treatment rooms. A competitor has appealed the tender procedure and C-RAD is awaiting a court decision. The date of the court order has not yet been established. The order is not included in orders for the year.

SUCCESSFUL EXHIBITION AT ASTRO IN SAN FRANCISCO

C-RAD demonstrated the patient positioning system at ASTRO. The CATALYST HD system was greatly appreciated by the participants. This was the first time the system was shown following the release to radiation oncologists in North America.

C-RAD SECURES ORDER TO EQUIP A RADIOTHERAPY CENTER 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 includes two Catalyst systems, one Sentinel 4DCT system and a Cyrpa Laser virtual simulation system.

NEW CEO FOR C-RAD IMAGING AB

Tim Thurn will serve as acting CEO for C-RAD Imaging AB during an EC transition period. The former CEO, Kristofer Maad, has resigned. Development of GEMini is proceeding according to plan.

FIRST ORDER FOR C-RAD CATALYST FROM CUSTOMER IN THE UK

C-RAD received an order from James Cook University Hospital in Middlesbrough, UK. The customer ordered a Catalyst system that includes a patient positioning and motion monitoring software package.

MÄLARSJUKHUSET HOSPITAL IN ESKILSTUNA ORDERS THREE SYSTEMS

C-RAD signed an agreement with Mälarsjukhuset Hospital in Eskilstuna for a total of three systems after being awarded the contract in a public procurement process for surface scanning systems. The order consists of two Catalyst and one Sentinel 4DCT™ system.
The Radiotherapy Center in Eskilstuna is equipped with two Elekta linear accelerators and one of GE's CT (computed tomography) scanners. The Sentinel 4DCT system will be installed after the summer and the Catalyst system will be installed shortly thereafter.

ORDERS FOR FOUR SYSTEMS FROM US CUSTOMERS

C-RAD received a total of two orders for four systems from customers in the US. Both orders include one Catalyst HD and one Sentinel 4DCT system. The first systems will be installed during the third quarter of 2014.

BUSINESS EXPANSION IN THE NORDIC COUNTRIES

C-RAD has strengthened its sales organization in the Nordic countries by hiring Lars Lilja as new sales manager. At the same time the company is expanding its product portfolio to customers and partners in the Nordic countries.

SUCCESSFUL PRESENTATION OF C-RAD AT ESTRO MEETING

In April 2014 the Catalyst HD system was presented for the first time at a European conference. GEMini was shown in combination with Cablon Medical's software for portal dosimetry and imaging. C-RAD's and Cyrpa's joint product for 4D imaging and virtual simulation was also demonstrated for clinical customers and representatives of the major CT vendors. During the conference C-RAD organized a tour to view a clinical installation of a Catalyst HD system in Vienna. About 40 customers participated in the presentation of the system.

C-RAD AND SCANDIDOS DECIDED TO END COOPERATION ON NORTH AMERICAN MARKET

C-RAD and ScandiDos, two Uppsala-based companies both active in the field of radiation therapy, decided to discontinue their sales cooperation on the North American market. The collaboration was terminated because of a competitive situation that arose relating to planned new product launches from both companies. C-RAD rearranged its sales districts following termination of this collaboration in order to cover the entire region with its own resources. The previous role of product manager has now been changed to work solely with sales. C-RAD currently employs three regional sales managers in the US. A Boston-based sales manager covers the northeast, a sales manager in Delray Beach covers the southeast, and a sales manager in San Francisco covers the west coast.

NEW BOARD OF DIRECTORS ELECTED AT ANNUAL GENERAL MEETING

Shareholders at the Annual General Meeting elected Brian Holch Kristensen and Bengt Rolén to serve as new directors on April 16, 2014. Erik Hedlund and Bengt Lind left the Board of Directors. Börje Bengtsson was re-elected Chairman.

PRIVATE PLACEMENT OF 700,000 SHARES

Following authorization from the 2013 Annual General Meeting, C-RAD AB completed a private placement of SEK 11.4 million before deduction of issue costs. Both private and institutional investors subscribed for shares at a price of SEK 16.25 per share through a bookbuilding process. The purpose of the decision to issue new shares deviating from shareholder's preferential rights was to strengthen working capital for the planned change of listing to NASDAQ OMX.

GEMINI - JOINT TESTING AND VALIDATION WITH CABLON MEDICAL B.V.

The technical integration work of GEMini proceeded well. Based on preclinical results, C-RAD and Cablon Medical B.V. agreed to continue 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. Joint testing is expected to be completed within 6 months.

THE CHINA FOOD AND DRUG ADMINISTRATION APPROVED THE SENTINEL SYSTEM

CFDA approval is necessary for medical technology providers to participate in most public procurements for government-funded hospitals in China. The majority of cancer centers in China are either regionally financed or 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 SEK 4.6 million for production of diode detectors. Earlier in the year, a frame order worth SEK 3.6 million was signed. A second order worth SEK 1 million was signed in May. Since January 1, 2010, the subsidiary C-RAD Imaging AB has been responsible for manufacturing and further development of IBA's diode detectors. Current trends in radiation therapy indicate that demand for diode detectors can be expected to steadily decline. C-RAD therefore decided to restructure this business and concentrate resources on more prosperous activities with advanced products for patient positioning in radiation therapy. The agreed volume was produced until October 2014, when C-RAD terminated production.

ÖSTERSUND OFFICE CLOSED IN 2014

The Board of Directors decided to close down operations in Östersund, after which operations in Sweden will only be conducted in Uppsala.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

CONVERSION OF SHARES

According to C-RAD's articles of association, owners of Class A shares are entitled to have such shares converted to Class B shares. Conversion reduces the total number of votes in the Company, while the number of shares remains the same. In February, shareholders requested conversion of 321,000 Class A shares to Class B shares. The total number of votes in the Company following this conversion is 28,418,613. The total number of registered shares in the Company is 20,275,323, including 904,810 Class A shares and 19,370,513 shares Class B shares.

NEW PUBLIC TENDER FOR SKANDION CLINIC TRACKING SOLUTION

Following a public tender, the Skandion Clinic awarded C-RAD the contract to provide surface tracking solutions for patient positioning, motion monitoring and respiratory gating. However, a competitor filed an appeal in September 2014. The Administrative Court in Uppsala has now decided that the public tender procedure for the surface tracking solution needs to be repeated.

ISSUE OF WARRANTS

In accordance with the Board's proposal the Extraordinary General Meeting on March 11, 2015 resolved to issue a maximum of 400,000 warrants with deviation from the shareholders' preferential rights. The Company's share capital could thus increase by a maximum of about SEK 60,000. The reason for the deviation from the shareholders' preferential rights is to implement a stock warrant incentive plan for employees. The right to subscribe for the warrants with deviation from the shareholders' preferential rights will be granted to C-RAD Positioning AB (Corp.ID.no 556643-6035) and employees in the group. C-RAD Positioning AB will have the right to subscribe for a maximum of 200,000 warrants. The subscription period is expected to run from Tuesday, March 12, 2015, to Tuesday, March 31, 2015. Payment must be made in cash no later than March 31, 2015. The Board of Directors will be authorized to extend the subscription and payment period. Each warrant entitles the holder during the period from December 1, 2016 through April 1, 2017 to subscribe for one (1) new share of Series B for SEK 25.

C-RAD FURTHER STRENGTHENS GLOBAL SALES ORGANIZATION

C-RAD has launched a strategy for further growth, including a measure that strengthens the sales force in key markets. C-RAD has set a financial goal to grow by 50 percent annually until 2017. As part of the strategy to achieve this goal C-RAD will add five people to its sales force over the next twelve months. The direct sales department will thus grow from the current eight people to thirteen. The expansion will focus on the US market, the German-speaking countries and Asia.

C-RAD BEGINS 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 extensive sales experience in 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 eastern France. Employing a sales manager and establishing direct sales in France will contribute to further growth in Central Europe over the coming years.

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 initially focused on providing clinical training and consultancy services, the company evolved by offering products and related services to its customers.

OWNERSHIP

At the end of the year C-RAD had 2,823 shareholders according to Euroclear. The nine largest shareholders together held 42 percent of the shares. As of the record date for the Meeting, the company's share capital will amount to SEK 3,041,639 with a par value SEK 0.15 per share, divided into 20,275,323 shares, including 1,225,810 Class A shares and 19,049,513 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. Total number of votes in the company is 31,267,934. No known shareholder agreements exist.

FINANCIAL PERFORMANCE

SALES

Consolidated sales amounted to SEK 53,192 thousand (45,036), an increase of about 18 percent from last year. The increase is mainly attributable to changes in the Positioning segment. A large part of sales of Sentinel and Catalyst occur in foreign currency, primarily EUR and USD.

OPERATING PROFIT/LOSS AND EXPENSES

The operating loss was SEK 13,005 thousand (loss: 20,318). Depreciation in the Group amounted to SEK 5,028 thousand (5,733) for the period.
Capitalized development costs for the Group totaled SEK 3,460 thousand (3,853) during the year. Total investments in capitalized expenditures and patents amounted to SEK 12,243 thousand (12,380).
Comprehensive income for the year was a loss of SEK 6,922 thousand (loss: 20,906).

CASH FLOW

Consolidated cash and cash equivalents at December 31, 2014 totaled SEK 7,623 thousand (10,262). Cash flow was SEK -2,848 thousand (2,255). Cash flow from operating activities and investments was SEK -18,683 thousand (-41,376) in 2014. Cash flow from financing activities totaled SEK 15,835 thousand (43,631). The largest items are the private placement of SEK 10,834 thousand net after issue costs and a loan from Per Hamberg of SEK 5,000 thousand. The company is not expected to require additional funds over the next 12 months to finance operations and budgeted activities.

EQUITY

The Group's equity amounted to SEK 40,038 thousand (38,028). The Group's equity ratio was 55 percent (62).

NON-CURRENT LIABILITIES

C-RAD has seven outstanding convertible loans totaling SEK 11,667 thousand (11,505 thousand). All seven loans mature on January 31, 2016. Assuming full exercise of conversion rights, 1,225,383 shares will be issued, resulting in a dilution of 6 percent. Conversion to shares will not result in new cash flow. Per Hamberg, one of the largest shareholders of C-RAD, lent SEK 5 million to the company on December 1, 2014. The loan carries an annual interest rate of eight percent and interest is paid quarterly. The loan is due January 30, 2016, but C-RAD can repay the loan earlier without any additional charges.
Since both loans mature in Q1 2016, C-RAD has begun discussions to obtain an extension of the maturity date. Management expects that the maturity dates can be extended as needed.
Management has initiated discussions with Norrlandsfonden regarding an extension of the maturity date, as has occurred previously. If Norrlandsfonden does not extend the loan, they may choose to convert the loan, or request repayment.

FIVE-YEAR SUMMARY

Key ratios	2014	2013	2012	2011	2010
Net sales, SEK thousand	53 192	45 036	25 776	14 909	14 234
Operating profit/loss	(13 005)	(20 318)	(19 050)	(42 104)	(9 420)
Profit/loss before tax	(13 393)	(20 995)	(19 389)	(42 606)	(9 838)
Total assets	72 663	61 772	38 125	54 204	67 820
Equity ratio, %	55	62	43	66	71
Average number of employees	26	26	21	20	19

Among other measures taken to prepare for such a situation, the Board of Directors has decided to propose that the 2015 Annual General Meeting authorize the issuance of new shares with a maximum of 2,000,000 shares. Management expects that agreements on extensions of the maturity dates of existing long-term loans will be confirmed during the third quarter of 2015.

DEFERRED TAX ASSET

At the beginning of the year, the Group had a fiscal deficit of SEK 122 million without an offset from the deferred tax asset. When a probable taxable profit arises, the deferred tax asset is recognized in compliance with IAS 12. Following substantial improvements from operations in recent quarters, management believes that taxable profits will be generated in the coming years. Based on our expectations for the coming years and with a reasonable conservative accounting measure, in Q2 2014 a deferred tax asset of SEK 7.1 million was recognized in the balance sheet with direct impact on the income statement.

PARENT COMPANY

The Parent Company's sales amounted to SEK 15,732 thousand (15,542) and profit before tax was SEK 1,619 thousand (loss: 2,928). The Parent Company incurs the majority of the Group's administrative expenses. Revenues in the Parent Company consist of invoiced administrative fees to subsidiaries.
Cash flow for the Parent Company was SEK 794 thousand (535). Negative cash flow from investing activities totaled SEK 4.1 million (47.8). Positive cash flow from financing activities comes from the private placement and loans.

RESEARCH AND DEVELOPMENT

In order for C-RAD to be commercially successful it must be at the forefront of research and development. The company's employees are highly creative and skillful. An important factor is that employees have established their own clinical contacts in the field of radiation therapy. In Scandinavia the company is engaged in collaborative efforts clinically with Uppsala University Hospital, Skåne University Hospital and Herlev Hospital near Copenhagen. It also is engaged in collaborative efforts with key centers in Germany and the US. During the year C-RAD initiated a collaborative effort with ten leading radiation therapy centers in North America, Europe and Asia. The goal of the "Research Fellow Program" is to conduct research on existing C-RAD technology, while also strengthening these partnerships with key individuals at radiation therapy centers for future product development.
C-RAD is currently the world leader in the field of optical systems, with Sentinel and Catalyst. The systems are equipped with unique functions for positioning, motion monitoring and respiratory gating. Feasibility studies are underway to equip the systems with functions for face recognition and identification of optical markers.
GEMini offers unique advantages in imaging systems and dosimetry. C-RAD has further developed the original technology, licensed from CERN in Geneva, specifically for use in the field of radiation therapy.
Capitalized development costs in 2014, SEK 3.5 million, are entirely attributable to the GEMini project.

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 negative and a positive effect on the company. The risks are described in Note 30.
When assessing the continued development of the company, these risks must also be considered. The factors are listed below in no particular order.

MARKET GROWTH

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

TECHNOLOGICAL DEVELOPMENT AND MARKET ACCEPTANCE

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. There is a risk that these solutions may not gain broad market acceptance, whereby the market could prefer different price levels or other performance/functionality than what C-RAD offers. The company believes that radiation therapy centers are often cautious about introducing new methods and technologies, in part as a result of approval procedures and compensation systems in health care. This may delay market penetration of C-RAD's products. Moreover, competing solutions that are not currently known could be introduced. 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 adversely affect market acceptance of the products, which 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 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 RISK

The C-RAD Group has products that are in both the commercialization and the development stage. Although extensive work has been dedicated to verifying the selected technical solutions, development work could result in technical setbacks, requiring new solutions to be chosen. The result could be more costly development, as well as delayed market introduction and cash flows.
The company manufactures and sells the Sentinel, Catalyst and Catalyst HD systems. 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 fully or partially fail the company may be forced to write down parts or all of the projects.
The company plans to launch the GEMini image plate in 2015. The assessment is that GEMini will provide good profitability and that no impairment of the investment is present. If delays or major obstacles should arise, the company may be forced to write down the book value of the project.

COMPETITORS IN THE ACCELERATOR FIELD

If a competitor of C-RAD were to initiate a major investment and product development, this could have a negative impact 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 organizational 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 impact on the company's business, earnings and financial position.

POOR PRODUCT QUALITY

In the medical device field, especially for products related to treatment, high product quality is a critical factor. Even if quickly corrected, quality problems could lead to loss of customers and product liability claims against the company, which could result in increased costs and damage confidence in the company and its products. Such events 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 excluded that one or more of these would choose to terminate cooperation with C-RAD and that the company cannot replace the subcontractor in a timely, qualitatively or financially satisfactory manner. There is also a risk that C-RAD's suppliers and manufacturers fail to meet quality requirements. Similarly, establishment of new suppliers or manufacturers could become more expensive and take longer than C-RAD has calculated. Sentinel, Catalyst and GEMini all contain components with long delivery times that are currently only available from a few suppliers. For example, in the GEMini ED product, GEM plates, the TFT detector and ASIC are all critical components that are currently only available from a single supplier. 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 centers 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 agreement may also be terminated or changed. Overall, this could have an adverse impact on the company's business, earnings and financial position.

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.

INTEGRATION OF ACQUISITIONS

In 2013 C-RAD conducted a strategic investment in Cyrpa and the company also intends to further expand the business in the future, including through additional strategic acquisitions. Acquisitions always entail a risk in terms of errors of judgment at the time of acquisition, integration of the acquired business and its staff, as well as increased costs associated with restructuring and administrative measures as a result of the acquisition. If C-RAD fails to successfully integrate the investment that it has made, as well as any future acquisitions, so that strategic investments and acquired businesses perform well in the new structure, this could adversely affect the Company's sales, earnings and financial position.

FINANCIAL RISK

The company has revenues and expenses primarily in SEK, EUR (about 51 percent of sales) and USD (about 15 percent of sales). To date, currency risks have been small, but with increased sales these risks to the company will also increase. The company has a large share of expenses in EUR and USD, which has some impact on profit. The company faces some financial risk. According to the 2015 budget, additional financing is not needed. Long-term loans mature in the first quarters of 2016. The Company plans to negotiate an extension of the due date and/or refinance them before the end of the third quarter of 2015. The Board believes that it will be possible to renegotiate and extend the maturity dates of the loans.
Cyrpa is in need of capital. C-RAD and other shareholders have discussed solutions and one possibility would be to convert a shareholder loan into equity. A more detailed analysis of financial risks and risk management can be found in Note 6.

CREDIT RISK

C-RAD's credit risks are associated with accounts receivable and the Parent Company's loans to subsidiaries. Customers largely consist of public and private cancer centers around the world. The company has procedures for collection of overdue payments.

INTEREST RATE RISK

The Parent Company has a total of seven convertible loans from Norrlandsfonden. The interest rate on these loans is based on STIBOR 90 + 1 percent. Excess liquidity is placed in the bank and/or fixed income securities with high ratings.

CASH FLOW RISK

C-RAD's cash and cash equivalents at December 31, 2014 totaled SEK 7,623 thousand (10,262). The Group has products in the early commercialization phase; technological risks and market acceptance could lead to delays in cash flows.

PERSONNEL

At year-end the Group had a total of 25 employees. The average number of employees in 2014 was 26. The company hired new employees in Sweden during the year. The majority of employees work in research and development. Recruitment of new employees for the C-RAD companies has been successful over the years. The employees have cutting-edge expertise in their respective disciplines. Several also have extensive experience in radiation therapy and radiation physics.

ENVIRONMENT

The Group's environmental impact mainly involves transports 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.

FUTURE DEVELOPMENT

C-RAD is displaying all the hallmarks of rapid growth: increasing patient needs, vibrant markets, growing sales in many core regions, and healthy profit margins. We also firmly believe that our products and solutions offer outstanding value.

GROWING SALES AND RECORD ORDER INTAKE

Our activity level in 2014 has accelerated, and C-RAD is increasing its presence in major markets, with very positive results. Our order intake in 2014 was the highest in C RAD's history, increasing by 36 percent to 68.4 SEK (50.3m). Another positive aspect is that we are obtaining earlier orders because we are becoming involved earlier in the sales process – a sign of market confidence and organizational maturity – but the lead time between order and delivery is greater, leading to order stock growth exceeding sales growth.

MANAGING RAPID GROWTH

We have addressed the growth challenge by setting ambitious financial targets, aiming to grow by 50 percent a year through 2017, with a profit margin of 65 percent. In order to achieve this, we are concentrating our strategic efforts in business development.
Besides expanding in the US, the German-speaking region, and France (the second-largest European market) we will add an additional salesperson to strengthen our presence in Asia. With the recent approval of the Food and Drug Administration in China for the Sentinel, and the approval for Catalyst on its way, we are now eligible for procurements for government-funded hospitals in China. C-RAD will strengthen its eight-person direct sales force with an additional five persons in 2015 (two are already in place). Another contributing factor to rapid sales growth and customer satisfaction is a strong service organization to back up our clinical customers all the way. In our key markets of Germany, France, Scandinavia and the US, we deploy our own service engineers. Other regions are either covered by our mobile engineers or by the growing service force located at C-RAD local. This way C-RAD can maintain a high service standard throughout the sales regions.

NOW ON NASDAQ STOCKHOLM SMALL CAP

Given our global cancer treatment mission, and the fact that almost 90 percent of our orders are from customers outside of Sweden, it was a logical step for C-RAD to re-list on December 16 on the NASDAQ Stockholm Small Cap list, which opens up our access to major institutional investors as well as to more international attention for the C-RAD share and its investment potential.

CYRPA – With regard to our joint development with the Franco-Belgian company Cyrpa – in which we hold a minority stake of 29 percent – our joint product demonstrations have been well received in sales discussions with customers. Consequently, while our current plan call for integration of Cyrpa in 2016, we are currently investigating the advantages of an earlier integration.

GEMINI – GEMini technology, licensed from CERN in Geneva specifically for use in radiation therapy, offers unique advantages in imaging systems and dosimetry. C-RAD has further developed the original technology, and CERN – with its expertise in manufacturing methods and physics – is supporting us in improving the robustness of the device.

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 December 16, 2014. As of this date, the company is obligated to apply the Code. The Company intends to apply 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. No deviation has occurred.

ANNUAL GENERAL MEETING

The Annual 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 disposition of the company's earnings, discharge from liability, election of directors 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.

AUTHORIZATION PROVIDED BY THE GENERAL MEETING

The AGM has not authorized the Board to decide that C-RAD will issue new shares or acquire own 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 is 20,275,323. Moreover, C-RAD's Articles of Association do not include any specific provisions on the appointment and dismissal of directors or on amending the Articles of Association.

NOMINATION COMMITTEE

The task of the Nomination Committee is submit proposals prior to the Annual General Meeting regarding, among other things, Chairman of the Board, directors, auditors, remuneration to the Board and, where appropriate, proposals for appointment of auditors and for their fees. Principles for appointing the Nomination Committee are resolved by the Annual General Meeting. C-RAD's Nomination Committee prior to the 2015 Annual General Meeting consists of Olle Stenfors, Börje Bengtson and Kicki Wallje-Lund. The Nomination Committee appointed Olle Stenfors to be chairman 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 organization. The Board currently consists of five 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 24 & 25.

RULES OF PROCEDURE AND BOARD MEETINGS

At the 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 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 regular meetings, the Board is called to other meetings as situations dictate. In 2014, the Board met 10 times, including the statutory meeting.

ATTENDANCE AT BOARD MEETINGS IN 2014

Director:	Number of meetings
Börje Bengtsson	10
Peter Hamberg	9
Frank Lohr	9
Brian Holch Kristensen*	5
Bengt Rolén*	6
Erik Hedlund*	3
Bengt Lind*	0

**Erik Hedlund and Bengt Lind left the Board of Directors at the Annual General Meeting in April 2014. Brian Holch Kristensen and Bengt Rolén took office at the same meeting.*

BOARD COMMITTEES AND COMMITTEE WORK

The Board does not currently have a remuneration committee, audit committee or any other committee. Instead, the Board holds the opinion that the tasks that would otherwise be performed by such Committees are better performed by the Board of Directors in its entirety.

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. An important part of the control environment is that the organization and decision-making procedure, as well as responsibilities and authorities are clearly defined and communicated in policy documents. C-RAD has adopted policies and procedures relating to financial reporting, as well as a financial manual that includes accounting policies, financial policy and reporting procedures. Levels and rules for approval of transactions within the company and with external partners are set through an authorization 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 fulfill 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. The company's CFO prepares a monthly report on key performance indicators for the Board.

OWNERSHIP STRUCTURE – OWNERS OF AT LEAST 10 PERCENT OF VOTES

Shareholders	A shares	B shares	Total shares	Capital (%)	Votes (%)
Olle Stenfors	280,000	1,736,000	2,016,000	9,9 %	14,5 %
Per Hamberg, including Hamberg Förv. AB	303,810	1,098,925	1,402,735	6,9 %	13,2 %
Other	642,000	16,214,588	16,856,588	83,1 %	72,3 %
Total	1,225,810	19,049,513	20,275,323	100 %	100 %

REMUNERATION TO THE BOARD OF DIRECTORS

The Annual General Meeting decides on remuneration to the Board of Directors. At the Annual General Meeting April 16, 2014 resolved that the Chairman shall be paid SEK 200,000 in remuneration for 2014 and the other Directors shall be paid SEK 100,000 each.

REMUNERATION TO SENIOR EXECUTIVES

Total remuneration to senior executives Tim Thurn, Erling Tomasson and Kristofer Maad (resigned in September 2014) in 2014 was SEK 2.9 million, of which SEK 1.3 million related to remuneration to Tim Thurn, CEO. All amounts relating to remuneration to senior executives do not include social security contributions. Pension costs for senior executives during 2014 totaled SEK 253,072. Pension terms for Executive Management are in line with those of other employees within the Group. Tim Thurn and Erling Tomasson are employed by the Parent Company C-RAD AB.

GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES

The 2015 Annual General Meeting will resolve on guidelines for remuneration to senior executives. The Board of Directors proposes the following guidelines for remuneration to senior executives. 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, other benefits and pension provisions. The total remuneration will be market-based and competitive, and also be related to responsibility and authority. 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 are present to indicate otherwise. The retirement age for Executive Management shall normally be 65 years. The Board may only deviate from these guidelines if special reasons are present in individual cases.

REMUNERATION TO AUDITORS

At the 2014 Annual General Meeting, Grant Thornton was appointed to serve as auditor for the company, with Mia Rutenius as principal auditor. Remuneration is paid to the auditor on a time and materials basis. For further information on fees, see note 13 of the 2014 Annual Report. 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 other such duties.. Everything else is classified as other assignments.

PROPOSED APPROPRIATION OF PROFITS

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

Retained loss	-64 438 978
Share premium reserve	161 636 064
Profit for the year	1 619 346
Total retained earnings	98 816 432

The Board and the President propose that the retained earnings of SEK 98,816,432 be carried forward.

FINANCIAL REPORTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	NOTE	2014	2013
Operating income			
Net sales	11	53 191 613	45 036 184
Own work capitalized		3 460 325	3 853 416
Other operating income	12	4 031 971	0
Total operating income		**60 683 909**	**48 889 600**
Operating expenses			
Purchased goods and services		-21 289 961	-19 502 876
Other external costs	13,14	-22 361 312	-19 934 982
Personnel costs	15	-25 009 391	-23 693 801
Depreciation and amortization of property plant and equipment, as well as intangible assets	19,20	-5 028 650	-5 733 461
Other operating expenses		0	-342 018
Total operating expenses		**-73 689 314**	**-69 207 138**
Operating profit/loss (EBIT)		**-13 005 406**	**-20 317 538**
Profit (loss) from shares in associated companies	21	-260 889	-425 580
Financial income	16	153 375	985 740
Financial expenses	16	-279 767	-1 237 352
Profit (loss) before tax		**-13 392 687**	**-20 994 730**
Tax on profit/loss for the period	17,18	7 094 209	0
Profit/Loss for the year		**-6 298 477**	**-20 994 730**
Other comprehensive income			
Translation difference from foreign operations		-623 366	88 555
Total comprehensive income for the year (1)		**-6 921 843**	**-20 906 175**
Earnings per share			
Earnings per share, basic		-0.31	-1.15
Earnings per share, diluted		-0.29	-1.05

(1) 100 percent attributable to Parent Company shareholders.

All amounts in SEK unless otherwise specified.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	NOTE	31-12-2014	31-12-2013
NON-CURRENT ASSETS Intangible fixed assets			
Capitalized development expenditure	20	10 901 443	10 836 871
Patents, licenses and similar rights	20	1 342 029	1 543 353
		12 243 472	**12 380 224**
Property, plant and equipment			
Equipment	19	4 057 105	3 294 475
Financial assets			
Shares in associated companies	21	8 299 824	8 560 713
Non-current receivables	6, 21	4 964 255	4 766 623
Total financial assets		**13 264 079**	**13 327 336**
Other non-current assets			
Deferred tax assets	18	7 094 209	0
Total non-current assets		**36 658 865**	**29 002 035**
CURRENT ASSETS			
Inventories	7	8 032 454	4 105 460
Accounts receivable	6,27	15 241 463	11 956 816
Other receivables		4 690 063	5 645 889
Prepaid expenses and accrued income	8	417 372	800 108
Cash and bank balances	6,26	7 623 092	10 261 549
Total current assets		**36 004 444**	**32 769 822**
Total assets		**72 663 309**	**61 771 857**

All amounts in SEK unless otherwise specified.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EQUITY AND LIABILITIES	NOTE	31-12-2014	31-12-2013
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
Profit (loss) for the year		-6 298 477	-20 994 730
Total equity		**40 037 759**	**38 027 838**
Non-current liabilities	**23**		
Convertible bonds		11 667 483	11 505 851
Other non-current liabilities		5 000 000	0
		16 667 483	**11 505 851**
Current liabilities			
Accounts payable		6 635 322	3 711 703
Warranty provisions	28	900 000	680 000
Other current liabilities		3 617 915	4 587 518
Accrued expenses and deferred income	29	4 804 830	3 258 947
		15 958 067	**12 238 168**
Total liabilities		**32 625 550**	**23 744 019**
Total equity and liabilities		**72 663 309**	**61 771 857**
Pledged assets	24	13 620 000	7 670 000
Contingent liabilities		None	None

All amounts in SEK unless otherwise specified.

CONSOLIDATED STATEMENT OF CASH FLOWST

	NOTE	31-12-2014	31-12-2013
Operating activities			
Operating profit/loss before financial items		(13 005 405)	(20 317 538)
Adjustments for non-cash items		(953 482)	6 163 461
Interest received		0	17 360
Interest paid		(279 767)	(613 455)
"Cash flow from operating activities before working capital changes"		**(14 238 654)**	**(14 750 172)**
Increase (decrease) operating receivables		(1 946 086)	(8 032 841)
Increase (decrease) inventories		(3 926 994)	(966 322)
Increase (decrease) operating liabilities		3 499 900	893 006
Cash flow from operating activities		**(16 611 834)**	**(22 856 329)**
Investing activities			
Acquisition of intangible fixed assets		0	(3 965 596)
Acquisition of property, plant and equipment		(2 070 836)	(1 194 425)
Acquisition associated companies		0	(8 986 293)
Loans provided/granted		0	(4 373 540)
Cash flow from investing activities		**(2 070 836)**	**(18 519 854)**
Financing activities			
Private placement		10 834 687	38 907 562
Warrants		0	3 469 763
Debt repayment		0	(1 400 006)
Borrowings	23	5 000 000	2 653 992
Cash flow from financing activities		**15 834 687**	**43 631 311**
Cash flow for the year		**(2 847 983)**	**2 255 128**
Opening cash and cash equivalents		10 261 549	7 961 462
Exchange rate differences in cash and cash equivalents		209 526	44 959
Closing cash and cash equivalents	**26**	**7 623 092**	**10 261 549**

All amounts in SEK unless otherwise specified.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	TOTAL
Closing equity Dec. 31, 2012	**2 380 324**	**119 401 715**	**(105 518 522)**	**16 263 517**
Private placement	556 315	44 851 084		45 407 399
Issue expenses		(3 030 074)		(3 030 074)
Other transfers equity			80 580	80 580
Equity component, convertible loan			212 591	212 591
Total transactions with owner	**556 315**	**41 821 010**	**293 171**	**42 670 496**
2013 profit/loss			(20 994 730)	(20 994 730)
Translation difference, foreign operations			88 555	88 555
Total comprehensive income for the year			(20 906 175)	(20 906 175)
Closing equity Dec. 31, 2013	**2 936 639**	**161 222 725**	**(126 220 081)**	**38 027 838**
Private placement	105 000	11 270 000		11 375 000
Issue expenses		(540 313)		(540 313)
Other transfers equity		(620 723)	(1 120 568)	(1 741 291)
Equity component, convertible loan			(161 632)	(161 632)
Total transactions with owner	**105 000**	**10 108 964**	**(1 282 200)**	**8 931 764**
2014 profit/loss			(6 298 477)	(6 298 477)
Translation difference, foreign operations			(623 366)	(623 366)
Total comprehensive income for the year			(6 921 843)	(6 921 843)
Closing equity Dec. 31, 2014	**3 041 639**	**171 331 689**	**(133 800 758)**	**40 037 759**

All amounts in SEK unless otherwise specified.

PARENT COMPANY - INCOME STATEMENT

	NOTE	2014	2013
Operating income			
Net sales		15 731 597	15 541 847
Total operating income		**15 731 597**	**15 541 847**
Operating expenses			
Other external costs	13,14	-7 609 181	-8 535 671
Personnel costs	15	-6 395 941	-6 254 799
Depreciation of property, plant, and equipment	19	-22 444	-16 778
Other operating expenses		0	-9 049
Total operating expenses		**-14 027 566**	**-14 816 297**
Operating profit/loss (EBIT)		**1 704 031**	**725 550**
Profit/loss from shares in and receivables from Group companies	21	0	-3 600 000
Interest income and similar profit/loss items	16	153 734	322 504
Interest expense and similar profit/loss items	16	-238 418	-375 919
Profit (loss) before tax		**1 619 347**	**-2 927 865**
Tax on profit/loss for the period		0	0
Profit/Loss for the year		**1 619 347**	**-2 927 865**
Other comprehensive income		0	0
Comprehensive income for the year		**1 619 347**	**-2 927 865**

All amounts in SEK unless otherwise specified.

PARENT COMPANY - BALANCE SHEET

ASSETS	NOTE	31-12-2014	31-12-2013
NON-CURRENT ASSETS			
Property, plant and equipment			
Equipment	**19**	**82 420**	**104 864**
Financial assets	**21**		
Shares in Group companies		68 874 000	57 124 000
Shares in associated companies		8 986 292	8 986 292
Receivables from Group companies		37 479 921	33 388 705
Other non-current receivables		4 959 255	4 683 523
		120 299 468	**104 182 520**
Total non-current assets		**120 381 888**	**104 287 384**
CURRENT ASSETS			
Other receivables		387 408	425 905
Prepaid expenses and accrued income	8	411 019	469 232
Cash and bank balances	26	3 012 761	2 218 448
Total current assets		**3 811 188**	**3 113 585**
Total assets		**124 193 076**	**107 400 969**

All amounts in SEK unless otherwise specified.

PARENT COMPANY - BALANCE SHEET

EQUITY AND LIABILITIES	NOTE	31-12-2014	31-12- 2013
EQUITY			
Restricted equity	22		
Share capital		3 041 639	2 936 639
Non-restricted equity			
Share premium reserve		161 636 064	150 906 377
Retained earnings		-64 438 978	-61 511 114
Profit (loss) for the year		1 619 346	-2 927 865
		98 816 432	**86 467 398**
Total equity		**101 858 072**	**89 404 037**
Non-current liabilities			
Convertible bonds	23	11 718 442	11 718 442
Non-current liabilities	23	5 000 000	0
		16 718 442	**11 718 442**
Current liabilities			
Accounts payable		881 675	506 704
Other current liabilities		2 630 728	3 254 302
Accrued expenses and deferred income	29	2 104 159	2 517 484
		5 616 562	**6 278 490**
Total liabilities		**22 335 004**	**17 996 932**
Total equity and liabilities		**124 193 076**	**107 400 970**
Pledged assets		0	0
Contingent liabilities, guarantee commitment subsidiary		2 000 000	2 000 000

All amounts in SEK unless otherwise specified.

STATEMENT OF CASH FLOWS, PARENT COMPANYT

EGET KAPITAL OCH SKULDER	NOTE	2014	2013
Operating activities			
Operating profit/loss before financial items excl. interest		1 704 031	(2 874 450)
Adjustments for non-cash items	25	22 444	16 778
Other non-cash items			3 600 000
Interest received		89 283	113 683
Interest paid		(173 967)	(311 468)
"Cash flow from operating activities before working capital changes"		**1 641 791**	**544 543**
Increase (decrease) operating receivables		(179 022)	(732 004)
Increase (decrease) accounts payable		374 971	(90 789)
Increase (decrease) operating liabilities		(1 036 899)	3 601 067
Cash flow from operating activities		**800 841**	**3 322 817**
Investing activities			
Acquisition of property, plant and equipment		0	(112 228)
Shareholder contributions		(11 750 000)	(14 200 000)
Loans provided/granted to associated companies		0	(4 373 540)
Acquisition associated companies		0	(8 986 293)
Payment of loan to subsidiary		(4 091 216)	(20 146 696)
Investments in subsidiary		0	0
Cash flow from investing activities		**(15 841 216)**	**(47 818 757)**
Financing activities			
Private placement		10 834 687	38 907 562
Warrants		0	3 469 763
Increase (decrease) current financial liabilities		0	0
Borrowings	23	5 000 000	2 653 992
Cash flow from financing activities		**15 834 687**	**45 031 317**
Cash flow for the year		794 311	535 378
Opening cash and cash equivalents		2 218 448	1 683 070
Exchange rate differences in cash and cash equivalents		0	0
Closing cash and cash equivalents	**26**	**3 012 759**	**2 218 448**

All amounts in SEK unless otherwise specified.

STATEMENT OF SHAREHOLDERS' EQUITY, PARENT COMPANY

	SHARE CAPITAL	SHARE PREMIUM RESERVE	RETAINED EARNINGS	TOTAL
Opening balance Jan. 1, 2011	**1 844 715**	**79 301 280**	**(11 721 581)**	**69 424 414**
Private placement	535 609	31 600 952		32 136 561
Issue expenses		(1 993 166)		(1 993 166)
Warrants		184 327		184 327
Equity component, convertible loan			87 273	87 273
Total transactions with owner	**535 609**	**29 792 113**	**87 273**	**99 839 409**
2011 profit/loss			(39 629 575)	(39 629 575)
Translation difference, foreign operations				0
Total comprehensive income for the year			(39 629 575)	(39 629 575)
Closing equity Dec. 31, 2011	**2 380 324**	**109 093 393**	**(51 263 883)**	**60 209 834**
Issue expenses		(8 026)		(8 026)
Equity component, convertible loan			(243 984)	(243 984)
Total transactions with owner	**0**	**(8 026)**	**(243 984)**	**(252 010)**
2012 profit/loss			(9 642 163)	(9 642 163)
Translation difference, foreign operations				0
Total comprehensive income for the year			(9 642 163)	(9 642 163)
Closing equity Dec. 31, 2012	**2 380 324**	**109 085 367**	**(61 150 030)**	**50 315 661**
Private placement	556 315	44 851 084		45 407 399
Issue expenses		(3 030 074)		(3 030 074)
Other transfers equity			(361 083)	
Equity component, convertible loan			0	0
Total transactions with owner	**556 315**	**41 821 010**	**(361 083)**	**42 016 242**
2013 profit/loss			(2 927 865)	(2 927 865)
Closing equity Dec. 31, 2013	**2 936 639**	**150 906 377**	**(64 438 979)**	**89 404 037**

All amounts in SEK unless otherwise specified.

STATEMENT OF SHAREHOLDERS' EQUITY, PARENT COMPANY

	SHARE CAPITAL	SHARE PREMIUM RESERVE	RETAINED EARNINGS	TOTAL
Private placement	105 000	11 270 000		11 375 000
Issue expenses		(540 313)		(540 313)
Other transfers equity				
Equity component, convertible loan			0	0
Total transactions with owner	**105 000**	**10 729 687**	**0**	**10 834 687**
2014 profit/loss			1 619 346	1 619 346
Closing equity Dec. 31, 2014	**3 041 639**	**161 636 064**	**(62 819 634)**	**101 858 071**

All amounts in SEK unless otherwise specified.

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

C-RAD AB, the Group's Parent Company, is a public company incorporated and domiciled in Sweden. Its headquarters and principal place of business is located at Bredgränd 18, 753 20 Uppsala, Sweden. C-RAD AB's shares are listed on NASDAQ OMX in 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 International Financial Reporting Interpretations Committee (IFRIC) 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 estimations for accounting purposes. Furthermore, when applying the Group's accounting principles, management must make certain assessments The areas which involve a high degree of assessment, which are complex, or such areas in which assumptions and estimations are of material significance for the consolidated financial statements, are set forth in Note 30.
The Parent Company applies the same accounting policies as the Group except in the cases described under "Parent Company accounting policies". The differences arising between the Parent Company and the Group's accounting policies 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 consolidated financial accounts for the year ended December 31, 2014 (including comparatives) were approved for issue by the Board on March 20, 2015. Regulations in Sweden stipulate that the financial statements may not be changed after they have been approved.

3. NEW AND UPDATED STANDARDS APPLICABLE FOR FINANCIAL YEARS BEGINNING ON JANUARY 1, 2014 AND LATER.

A number of new and updated standards are applicable for financial years beginning on January 1, 2014 and later. Information about these new standards is presented below. The updated IFRS standards and IFRIC interpretations have no impact on the Group's or Parent Company's earnings or financial position.

IFRS 10 Consolidated Financial Statements (IFRS 10)
IFRS 10 supersedes IAS 27 Consolidated and Separate Financial Statements concerning the rules of consolidation (IAS 27) and SIC 12 When a special purpose entity (SPE) should be consolidated by a reporting enterprise under the consolidation principles. IFRS 10 changes the definition of control and provides comprehensive guidance on how to apply it. The new requirements have the potential to influence which of the Group's investments are considered to be subsidiaries and may therefore change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged.
Management has reviewed its control assessments in accordance with IFRS 10 and has concluded that there is no effect on the classification (as subsidiaries or otherwise) of any of the Group's investees held during the period or comparative periods covered by these financial statements.

IFRS 12 Disclosure of interests in other entities (IFRS 12)
IFRS 12 integrates disclosures for different types of investments, including unconsolidated structured entities. The standard introduces new requirements for disclosures about the risks to which a company is exposed to through its involvement in structured entities.

Consequential amendments to IAS 27 Separate Financial Statements (IAS 27) and IAS 28 Investments in associates and joint ventures (IAS 28)
IAS 27 now contains only rules on separate financial statements. IAS 28 has been expanded to include investments in joint ventures. IAS 28's equity method remains unchanged.

IFRIC 21 Levies
IFRIC 21 clarifies that the obligating event giving rise to the liability is the event that triggers payment of the levy described in the government's legislation. If this event occurs at a certain date then all of a liability is recognized on that day in the reporting period. The same accounting policy is applied in both annual and interim reports.
IFRIC 21 has been applied retrospectively in accordance with its transitional provisions and had no material impact on the consolidated financial statements for the periods presented.

Amendments to IAS 36 Impairment of Assets
These amendments clarify that an entity shall disclose the recoverable amount of an asset (or cash-generating unit) in the event that an impairment loss is recognized or reversed during the period.
It also introduces several new disclosures to be made when the recoverable value of the impaired assets is based on fair value less costs of disposal, including:

- Additional information about fair value measurements including the level applicable in the fair value hierarchy.
- Description of the valuation techniques used and key assumptions made.
- The discount rate used for fair value less costs to sell is measured using a present value technique.

The changes have been applied retrospectively in accordance with its transitional provisions.

IFRS 9 Financial Instruments
The IASB recently released IFRS 9 Financial Instruments (2014) which involves completion of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. The new standard introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new expected credit loss model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting. The Board of Directors and the CEO of the Group have not yet assessed the impact of IFRS 9 on these consolidated financial statements. The new standard must be applied for financial years beginning on or after January 1, 2018.

IFRS 15 'Revenue from Contracts with Customers'
IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 Revenue, IAS 11 Construction Contracts, and several revenue-related interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities. IFRS 15 is effective for reporting periods beginning 1 January 2017 or later. The Board of Directors and the CEO of the Group have not yet assessed the impact of IFRS 15 on these consolidated financial statements.

4. STANDARDS, AMENDMENTS AND INTERPRETATIONS RELATING TO EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED BY THE GROUP

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards were published by the IASB. These have not yet entered into force and have not been early adopted by the Group.

Group Management expects that all relevant statements will be implemented in the Group's accounting policies during the first reporting period beginning after the date the statement becomes effective. Information on new standards, amendments and interpretations that are expected to be relevant to the consolidated financial statements is given below. Certain other new standards and interpretations have been issued but are not expected to have any material impact on the consolidated financial statements.

5. SUMMARY OF ACCOUNTING POLICIES

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

5.1 BASIS OF CONSOLIDATION

The consolidated financial statements include the operations of the Parent Company and the subsidiaries through December 31. 2014. The Parent Company has a controlling influence over the subsidiary if the company is exposed, or has rights to variable returns from its involvement in the subsidiary, and has the ability to affect yields by exercising its dominant influence over the subsidiary. The balance sheet date for all subsidiaries is December 31.

The consolidated accounts include C-RAD AB, the wholly owned subsidiaries C-RAD Positioning AB, C-RAD Imaging AB, C-RAD Innovation AB and the US wholly-owned C-RAD Incorporated and the German wholly-owned C-RAD GmbH. The Parent Company and the subsidiaries C-RAD Positioning AB and C-RAD Imaging AB were owned prior to the formation of the Group by the same group of people, which means that the consolidated financial statements have been prepared in accordance with the rules that apply to business combinations involving entities under common control. This means that the Parent Company's cost of the subsidiaries' shares is the same as the sellers' cost of the shares and the net assets of the subsidiaries are recognized at the carrying amount.

All intercompany transactions and balance items are eliminated on consolidation, including unrealized losses on intercompany sales of assets which are reversed on consolidation.

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

The purchase method is used to recognize the Group's acquisitions of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable acquired assets and assumed liabilities and contingent liabilities in an acquisition of a business are initially measured at the fair values 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 recognized as goodwill. Acquisition costs are expensed as incurred.

5.2 INVESTMENTS IN ASSOCIATES

Associates are those entities in which the Group is able to exercise significant influence, but which are not subsidiaries. Investments in associates are recognized using the equity method. Any goodwill or value adjustment attributable to the Group's interest in an associate is not reported separately but is included in the carrying amount of the investment.
The carrying value of investments in associates increases or decreases by the Group's share of the associate's profit.

5.3 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 date of the transaction (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 closing rate are recognized in profit or 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.

5.4 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 recognized in other comprehensive income. The functional currency of Group companies has remained unchanged during the reporting period.

5.5 SEGMENT REPORTING

The Group has two operating segments: positioning and imaging. When identifying operating segments, Group management usually follows the Group's business areas, which correspond to the main products and services that the Group offers. (see Note 11).

Each operating segment is managed separately because each requires different resources and methods. All transactions between segments are carried out on a commercial basis.

The Group uses the same valuation principles for segment reporting under IFRS 8 as in its financial statements.

5.6 REVENUE

Revenue arises from the sale of goods and provision of services. 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 recognized when the Group has transferred the significant risks and rewards associated with ownership to the buyer, normally when the customer has possession of the goods, usually at delivery or installation, depending on the agreed terms of delivery.Sales of services are recognized when services are rendered. Multi-annual service agreements are recognized over the term of the contract.

5.7 OPERATING COSTS

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

5.8 BORROWING COSTS

Borrowing costs directly attributable to acquisitions, construction or production of a qualifying asset are capitalized 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 incurred and recognized in "Financial expenses." The Group currently has no qualifying assets.

5.9 INTANGIBLE ASSETS

Expenses directly attributable to the development phase of a project are recognized 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 capitalization are expensed as incurred.
Directly attributable costs include personnel costs incurred during product development, along with an appropriate portion of relevant overhead and borrowing costs.

Reporting in subsequent periods

All intangible assets, including capitalized internal development, have a finite useful life. They are therefore recognized at cost, whereby capitalized costs are depreciated 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 20.

Other intangible assets

Other intangible assets acquired by the Group are recognized at cost less accumulated amortisztion and impairment.

The following useful lives are applied:

- Capitalized development costs: 5 years
- Patent: 10 years

Internally developed products that are not yet finalized and that have been capitalized, are not amortized but tested for impairment in accordance with Note 20.

Depreciation is included in the item "Depreciation and amortization of property plant and equipment, as well as intangible assets".
Subsequent expenditures on maintenance of products and patents are expensed as incurred.

5.10 PROPERTY, PLANT AND EQUIPMENT

Assets are initially recognized at cost or manufacturing costs, including expenses for putting the asset in place and in condition to be used according to Group management's intentions. 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.

Operational leasing

All leased assets are attributable to operating leases in that the economic benefits associated with ownership of the object, in all material respects, are not transferred to C-RAD. The leasing fee is therefore allocated linearly over the lease term. Associated costs such as maintenance and insurance are expensed as incurred.

5.11 DEPRECIATION, AMORTIZATION AND IMPAIRMENT

When there is an indication that an asset or group of assets declined in value, its carrying value 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 reviewed annually and when indications of impairment are present. The recoverable amounts of assets are determined based on calculations of useful value. When determining value in use, the present value of the future cash flows that the asset is expected to give rise to during its useful life is estimated. 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 recognized 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 are directly connected to the Group's budget, adjusted as necessary to exclude the effects of future reorganizations 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.

5.12 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized, according to IAS39, when the Group becomes a party to the contractual provisions of the financial instrument. These are measured at initial recognition at fair value, adjusted for transaction costs.

Financial assets are removed from the statement of financial position when the contractual rights relating to the financial asset expire, or when the financial asset and significant risks and rewards are transferred. A financial liability is derecognized from the statement of financial position when it is extinguished, discharged, canceled or expires.

Classification and subsequent measurement of financial assets

At subsequent valuation, those financial assets that are not identified and effective as hedging instruments, are classified in the following categories at initial recognition:

- loans and receivables.
- financial assets at fair value through profit or loss.
- held to maturity investments.
- available-for-sale financial assets

The impairment of financial assets except those measured at fair value through profit or loss should be tested at least once each reporting period to determine whether there is objective evidence of impairment of a financial asset or group of financial assets. Different criteria to determine impairment are used for each category of financial assets, which are described below.

All revenues and expenses relating to financial assets that are recognized in profit or loss are classified as "Financial expenses", "Financial income" or "Other financial items" except for impairment of accounts receivable classified as "Other expenses".

Loans and receivables

The category includes financial assets that are not derivatives with fixed or determinable payments, and which are not quoted in an active market. After initial recognition, they are measured at amortized cost, using the effective interest method, less provisions for any impairment losses. All of the Group's financial assets belong to this category.

Loans
Loans are initially recognized at fair value, net of transaction costs and subsequently measured at amortized cost using the effective interest method.

Accounts receivable
Accounts receivable are reported net of allowances for doubtful receivables. Provision for doubtful receivables are based on individual assessment of accounts receivable made with regard to expected bad debts. Since accounts receivable have a short maturity, they are reported at the amount expected to be received based on an individual assessment of doubtful receivables without discounting using the amortized cost method. Impairment of accounts receivable (if any) affects operating income.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances with financial institutions and short-term investments with original maturities of three months or less. Cash and cash equivalents are carried at nominal amounts.

Loans payable
Loans payable are initially recognized at fair value, net of transaction costs and subsequently measured at amortized cost using the effective interest method.

Convertible loan
A convertible loan is recognized as a compound financial instrument divided into a liability component and an equity component. Upon initial recognition of the convertible loan, the fair value of the liability component is determined based on the present value of the contractually determined stream of cash flows based on a discount rate determined from the market rate of comparable instruments without the conversion option. Subsequent to initial recognition, the liability component is measured based on its amortized cost, using the effective interest method. The carrying value of the liability component then gradually approaches the nominal value of the convertible loan. The gradual increase in the debt component is recognized in the income statement as interest expense and, together with the coupon rate comprises the total reported interest on the convertible loan. The equity component is calculated as the difference between the nominal value of the convertible loan and the initially recognized fair value of the liability component and is carried at a fixed value in shareholders' equity. Transaction costs related to the issue of the convertible loan are distributed between the liability and equity component in proportion to the distribution of the issue proceeds. The transaction costs are included in the calculation of amortized cost, using the effective interest method, and are expensed over the term of the convertible loan.

Accounts payable
The valuation principle for accounts payable is the amortized cost principle. The expected lifetime for accounts payable is short and thus the payables are reported at nominal value without discounting.

5.13 PROVISIONS

Provisions are recognized 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 costs in conjunction with income recognition of the products.

5.14 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 these 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.

5.15 INVENTORIES

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

5.16 CAPITAL AND RESERVES

Share capital represents the nominal value of issued shares.

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

5.17 DEFERRED TAX

Deferred tax is recognized 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 realized or the deferred tax liability is paid.
Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be used.

5.18 PENSIONS AND REMUNERATION TO EMPLOYEES

Pension plans have been classified as defined contribution plans and correspond with the public pension plan.

Remuneration to employees in the form of salary, paid holiday, etc., are reported as they are earned.

5.19 GOVERNMENT GRANTS

Government grants are recognized 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 related to expected costs are reported as deferred income. The grant is recognized 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 reduces the carrying amount of the asset.

5.20 RESEARCH AND DEVELOPMENT COSTS

Research costs are expensed as incurred. Expenditures on development, where research findings or other knowledge is applied to produce new products or applications, are recognized as intangible assets when the criteria for capitalization under IAS 38 are met. The carrying amount includes all directly attributable costs, such as materials, purchased services and benefits to employees.

5.21 STATEMENTS OF CASH FLOWS

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

5.22 PARENT COMPANY ACCOUNTING POLICIES

The Parent Company has prepared its annual accounts according to the Annual Accounts Act and the Swedish Accounting Standards Board recommendation RFR 2 Reporting for Legal Entities. RFR 2 means that the Parent Company shall apply IFRS standards 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 Group's and the Parent Company's accounting policies 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 contribution
Shareholder contributions are recognized directly in equity by the recipient and capitalized as shares and participations by the issuer, to the extent no impairment loss is identified.

Revenue
The Parent Company's income consists primarily of invoiced management fees from subsidiaries.

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

6. ASSET MANAGEMENT, RISKS AND RISK MANAGEMENT

Asset management
The Group's objective for asset management is to ensure 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 risks refer to fluctuations in the company's profits and cash flow as a result of changes in currency exchange rates, interest levels, 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 of financial assets for speculative purposes. The most significant financial risks to which the Group is exposed are described below.

Sensitivity to foreign currency
Most of the Group's transactions are denominated in SEK. Exposure to exchange rate fluctuations arise 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.

	SHORT-TERM EXPOSURE			LONG-TERM EXPOSURE
2014-12-31	**EUR**	**USD**	**NOK**	**EUR**
Financial assets	8 360 658	4 850 257	-	4 858 093
Financial liabilities	(2 905 297)	(1 247 549)	-	-
Total exposure	**5 455 361**	**3 602 708**	**-**	**4 858 093**
2013-12-31				
Financial assets	8 460 468	600 660	1 385 739	4 660 461
Financial liabilities	(1 341 792)	(99 671)	-	-
Total exposure	**7 118 676**	**500 989**	**1 385 739**	**4 660 461**

The following table shows the sensitivity of income and equity in terms of the Group's financial assets and financial liabilities and exchange rates: USD/SEK and EUR/SEK "all else being equal". A change of +/- 10% of the exchange rate SEK/USD is assumed for the year that ended December 31, 2014 (2013: 10%). A change of +/- 5% is assumed for the exchange rate SEK/EUR (2013: 5%). Both of these percentages were determined based on average market volatility in exchange rates during the previous twelve months. 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% (2013: 10%) and against the EUR by 5% (2013: 5%), this would have had the following effect:

	PROFIT/LOSS FOR THE YEAR		EQUITY	
	EUR	**USD**	**EUR**	**USD**
December 31, 2014	(515 673)	(360 271)	(515 673)	(50 099)
December 31, 2013	(588 957)	(50 099)	(588 957)	(50 099)

If the SEK had depreciated against the USD by 10% (2013: 10%) and against the EUR by 5% (2013: 5%), this would have had the following effect:

	PROFIT/LOSS FOR THE YEAR		EQUITY	
	EUR	**USD**	**EUR**	**USD**
December 31, 2014	515 673	360 271	515 673	50 099
December 31, 2013	588 957	50 099	588 957	50 099

Sensitivity to interest rate risk
The Group's policy is to minimize exposure to interest rate risk relating to cash flows in long-term financing. As at December 31, the Group is exposed to changes in market interest rates through convertible loans from Norrlandsfonden which have variable interest rates (Stibor 3m + 1%). There are no other borrowings with variable interest rates.

The following table shows the sensitivity of income and equity to a possible 1% increase in interest rates (2013: +1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period and the financial instruments held at each balance sheet date that are sensitive to changes in interest rates. All other variables are held constant.

	PROFIT (LOSS) FOR THE YEAR/EQUITY	
	2014	**2013**
1% increase in interest rates would have a negative impact on earnings in the following amounts:	(116 675)	(115 059)

The Group is not exposed to other price risks.

All amounts in SEK unless otherwise specified.

Credit risk analysis
Credit risk is the risk that a counterparty will not fulfill 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 summarized below:

Types of financial assets - carrying amounts	2014	2013
Accounts receivable	15 241 463	11 956 816
Loans	4 964 255	4 766 623
Cash and cash equivalents	7 623 092	10 261 549
	27 828 810	**26 984 988**

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

	GROUP	
	2014	2013
Accounts receivable aging, total accounts receivable		
Less than 3 months	12 072 643	11 900 650
3 to 6 months	3 168 821	56 166
Total accounts receivable	**15 241 464**	**11 956 816**
Past due at year-end	**4 176 648**	**468 069**

	GROUP	
Currency analysis, total accounts receivable	2014	2013
SEK	1 832 080	1 509 949
EUR	8 658 230	8 460 468
USD	4 751 154	600 660
NOK	0	1 385 739
	15 241 464	**11 956 816**

All amounts in SEK unless otherwise specified.

Financial instruments
The table below shows the Group's financial assets and liabilities by measurement category as well as carrying amount and fair value per item.

	31-12-2014		31-12-2013	
Loans and receivables	**Fair value**	**Carrying amount**	**Fair value**	**Carrying amount**
Accounts receivable	15 241 463	15 241 463	11 956 816	11 956 816
Loans	4 964 255	4 964 255	4 766 623	4 766 623
Cash and cash equivalents	7 623 092	7 623 092	10 261 549	10 261 549
Financial liabilities recognized at amortized cost:				
Non-current interest-bearing liabilities	5 000 000	5 000 000	0	0
Convertible bonds	11 667 483	11 667 483	11 505 851	11 505 851
Accounts payable	6 635 322	6 635 322	3 711 703	3 711 703

Liquidity risk analysis
Liquidity risk is the risk that the Group is unable to meet its obligations. The Group manages liquidity needs by monitoring scheduled debt payments and projected cash inflows and outflows in daily operations.

The Group has external financing through convertible loans from Norrlandsfonden with maturity February 28, 2016 (see note 21), loans from Per Hamberg (see note 23) with maturity on January 31, 2015 and short-term accounts payable. The Group also has an overdraft facility of SEK 5 million from Nordea that was not deducted on December 31, 2014.

7. INVENTORIES

Inventories consist of:	**2014**	**2013**
Spare parts	344 120	689 403
Finished goods	7 688 334	3 416 057
	8 032 454	**4 105 460**

No impairment losses were recognized in inventories.

8. PREPAID EXPENSES AND ACCRUED INCOME

Prepaid expenses relate to rent, leasing costs, insurance and other accrued costs.

	GROUP		PARENT COMPANY	
	2014	**2013**	**2014**	**2013**
Prepaid expenses	417 372	800 108	411 019	469 232
	417 372	**800 108**	**411 019**	**469 232**

All amounts in SEK unless otherwise specified.

9. RELATED-PARTY TRANSACTIONS

Per Hamberg, one of the company's largest shareholders, lent SEK 5 million to the company on December 1, 2014. The loan carries an annual interest rate of eight percent and interest is paid quarterly. The loan is due January 30, 2016, but the company can repay the loan earlier without any additional charges.
Erik Hedlund, former director of C-RAD until the 2014 Annual General Meeting and one of the current major shareholders of the company, owns a 30 percent stake in ScandiFlash AB. C-RAD AB and Scandiflash AB have entered into an agreement regarding manufacture and storage of Sentinel, Catalyst and some accessories.
In 2012 and 2013, ScandiFlash AB invoiced C-RAD about SEK 2 million and about SEK 5 million, respectively, for services rendered under the contract. In 2014 up until the termination of Erik Hedlund's employment at C-RAD on June 3, 2014, Scandiflash AB invoiced C-RAD SEK 1.5 million. Now that Erik Hedlund left his post at the Company, the ScandiFlash order can no longer be regarded as a related party relationship. In 2013 C-RAD acquired 29 percent of the shares in Cyrpa. Through the acquisition Cyrpa because an associated company to C-RAD and it is therefore considered to be a related party. In 2013 C-RAD and Cyrpa integrated their respective development, production and sales operations, and production of Cyrpa's products has been transferred to C-RAD in Uppsala. In 2013 and 2014 C-RAD invoiced Cyrpa SEK 7 million.
C-RADs Board member Frank Lohr, who took office in September 2013, is vice chairman of the Board of Directors at University Medical Center Mannheim (Germany). University Medical Center Mannheim (Germany) did not invoice C-RAD Positioning AB for any services or products in 2013 or 2014.
C-RAD's Board member Brian Holch Kristensen, who took office in April 2014, is a physician at the radiation therapy treatment unit at Herlev Hospital. Herlev Hospital has not invoiced C-RAD for any products or services since Brian Holch Kristensen took up the position of director.

Other than the above, no transactions with related parties occurred since the end of financial year 2014.

10. GROUP

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.

	2014	2013
Purchases	0%	0%
Sales	100%	100%

Operating assets/liabilities in respect of related party	2014	2013
C-RAD AB (Parent Company) has a claim on C-RAD Positioning AB	20 943 242	23 672 201
C-RAD AB (Parent Company) has a claim on C-RAD Imaging AB	16 551 765	680 986
C-RAD Imaging AB has a claim on C-RAD Positioning AB	11 103 634	10 005 906
C-RAD Positioning AB has a claim on Innovation AB	254 500	259 438
C-RAD AB (Parent Company) has a claim on C-RAD Innovation AB	220 991	728 520
C-RAD AB (Parent Company) has a claim on C-RAD Incorporated	12 576 429	7 616 151
C-RAD AB (Parent Company) has a claim on C-RAD Gmbh	1 265 547	990 848
C-RAD Positioning AB has a claim on C-RAD Inc	8 867 092	3 565 603
C-RAD Positioning has a claim on C-RAD Gmbh	1 109 603	2 136 699
C-RAD Innovation has a claim on C-RAD Imaging AB	34 086	34 086

Loans or commitments to, or for related parties and senior executives	2014	2013
Loans from shareholders total	0	0

Share options issued to directors
There are no share options issued to directors or senior executives.

All amounts in SEK unless otherwise specified.

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 the following segments:
– Positioning: Development and sales of 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 chief decision-makers; they are 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. Internal sales cover the direct costs of these cross-segment services.

	SEGMENT REVENUE		SEGMENT OPERATING PROFIT/LOSS	
	2014	2013	2014	2013
Positioning external sales	46 922 027	38 754 514	-16 839 127	-16 996 243
Imaging external sales	6 269 585	6 281 670	3 834 722	-3 320 795
Imaging internal sales	1 095 458	1 790 000	0	0
Elimination internal sales	-1 095 458	-1 790 000	0	0
Total	**53 191 613**	**45 036 184**	**(13 004 405)**	**(20 317 038)**
Profit (loss) from shares in associated companies			-260 889	-426 080
Financial income and expenses			-127 392	-251 612
Profit before tax			**(13 392 686)**	**(20 994 730)**

Segment reporting is based on the same accounting principles as applied in the consolidated reporting in 2013. No impairment losses were recognized. Sales by country based on sales to customers in each country. Two customers each represent over 10 percent of net sales in 2014. Sales for production of IBA detectors are now categorized as sales in Germany, not in the Nordic region as was the case in the previous report. In 2013, sales were SEK 6.3 million, now included under Germany.

Revenue by area	2014	2013
Nordic region	11 067 938	13 005 706
Germany	12 965 831	13 456 301
Rest of Europe	14 243 343	9 430 178
US	7 949 991	3 844 727
Asia	6 964 511	5 299 271
	53 191 613	**45 036 184**

12. OTHER REVENUES

	GROUP	
	2014	2013
Foreign exchange gains	3 736 873	0
Contributions received	198 395	0
Other revenues	96 703	0
	4 031 971	**0**

All amounts in SEK unless otherwise specified.

13. REMUNERATION TO AUDITORS

	GROUP		PARENT COMPANY	
Grant Thornton Sweden AB	**2014**	**2013**	**2014**	**2013**
Audit assignment	563 040	294 264	284 332	194 854
Audit work in addition to the audit assignment	56 372	57 549	56 372	53 989
Tax consulting	0	1 750	0	1 750
	619 412	**353 563**	**340 704**	**250 593**

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 other such duties.. Audit work in addition to audit assignments refers to certificates provided with issuances or similar, as well as expanded reviews relating to an acquired associated company.

14. OPERATIONAL LEASING

Leasing costs related to operating leases for car leasing during the year:

	GROUP		PARENT COMPANY	
	2014	**2013**	**2014**	**2013**
Leasing costs	336 786	414 460	306 224	370 105
Due within one year:			212 520	228 076
Due later than 1 year but within 5 years:			386 296	140 600
Due later than 5 years:				**0**

15. COSTS FOR EMPLOYEE BENEFITS

Average number of employees, broken down into women and men:

	GROUP		PARENT COMPANY	
	2014	**2013**	**2014**	**2013**
Women			2	1
Men			3	4
Total			**5**	**5**
Salaries and remuneration:				
Board of Directors and Chief Executive Officer	3 431 559	2 690 904	2 709 240	1 569 964
Other employees	15 493 374	16 620 390	2 125 290	2 993 111
Total salaries and remuneration	**18 924 933**	**19 311 294**	**4 834 530**	**4 563 075**
Social security and pension costs:				
Social security contributions according to law and agreements	4 717 768	4 505 335	1 279 420	1 489 321
Pension costs Board and CEO	253 072	195 638	205 254	107 889
Pension costs other employees	909 088	1 144 097	96 165	271 829
Total social security and pension costs:	**5 879 928**	**5 845 069**	**1 580 839**	**1 869 038**
Total payroll	**24 804 861**	**25 156 363**	**6 415 369**	**6 432 113**

All amounts in SEK unless otherwise specified.

Directors' fees are included under "Other external costs" in the income statement. Additional personnel costs are included in "Personnel costs" in the income statement.

	GROUP 2014		GROUP 2013	
Directors and senior executives	**Number on balance sheet date**	**Men**	**Number on balance sheet date**	**Men**
Directors	5	100%	5	100%
CEO and other senior executives	2	100%	3	100%

Remuneration to senior executives
The Annual General Meeting decides on remuneration to the Board of Directors. The Annual General Meeting April 16, 2014 resolved that the Chairman of the Board shall be paid SEK 200,000 in remuneration and the other Directors shall be paid SEK 100,000 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 the person who together with the CEO constitutes Group management.
Upon termination by the company, there is a notice period of 4 months for the CEO. Other senior executives have a notice period under the Employment Protection Act, though at least three months.
There are no severance pay agreements for the CEO or other senior executives.

REMUNERATION AND OTHER BENEFITS DURING THE YEAR - BOARD OF DIRECTORS

Chairman of the Board	**Director's fees**
Börje Bengtsson	200 000

Director	
Bengt Rolén	100 000
Frank Lohr	100 000
Peter Hamberg	100 000
Brian Kristensen	100 000
Total remuneration - Board of Directors	**600 000**

Brian Holch Kristensen and Bengt Rolén replaced Erik Hedlund and Bengt Lind at the regular Annual General Meeting in April 2014.

Remuneration and other benefits during the year - CEO and other senior executives
Variable remuneration for Tim Thurn is based on sales, orders and share performance.

	Basic salary	**Variable remuneration**	**Pension and health insurance**	**Other remuneration**	**Total**
Tim Thurn CEO	1 032 000	169 701	113 508	26 406	1 341 615
Other senior					
executives (2)	1 298 400	30 000	139 564	44 056	1 512 020
Total	**2 330 400**	**199 701**	**253 072**	**70 462**	**2 853 635**

All amounts in SEK unless otherwise specified.

16. FINANCIAL INCOME AND FINANCIAL EXPENSES

	GROUP		PARENT COMPANY	
	2014	2013	2014	2013
Interest income on cash and cash equivalents	154 650	45 234	153 734	44 826
Interest income on loans and accounts receivable		101 918	481	101 918
Positive exchange rate difference	4 246 873	838 588	1 952 036	175 760
	4 401 523	**985 740**	**2 106 251**	**322 504**
Interest expense on other liabilities	5 103	452 746	495	239 387
Borrowing costs	268 933	202 986	238 404	27 986
Negative exchange rate difference	322 338	581 620	81 984	108 546
	596 374	**1 237 352**	**320 883**	**375 919**

Last year the negative exchange rate difference was included in other operating expenses, in the income statement of both the Group and the Parent Company. To be able to make comparisons, they have now been moved to the items "Financial expenses" for the Group and "Interest expense and similar profit/loss items" for the Parent Company.

17. TAX EXPENSE

	GROUP	
	2014	2013
Profit before tax	-13 392 687	-20 994 730
Tax rate	22%	22%
Expected tax income	-2 946 391	-4 618 841
Adjustment for non-deductible expenses		
Profit (loss) from shares in associated companies	57 396	93 628
Other non-deductible expenses	16 980	28 508
Deferred tax asset not recorded	2 872 015	4 496 705
Loss carryforwards utilized during the year not previously recognized as an asset	-7 094 209	0
Tax recognized in income statement	**-7 094 209**	**0**
Tax expense consists of the following components:		
Tax loss carryforwards utilized	-7 094 209	0
Average tax rate	**53%**	**-**

All amounts in SEK unless otherwise specified.

18. DEFERRED TAXES

At the beginning of the year, the Group had a fiscal deficit of SEK 122 million without an offset from the deferred tax asset. When a probable taxable profit arises, the deferred tax asset is recognized in compliance with IAS 12. Following substantial improvements from operations in recent quarters, management believes that taxable profits will be generated in the coming years. Based on our expectations for the coming years and with a reasonable conservative accounting measure, in Q2 2014 a deferred tax asset of SEK 7.1 million was recognized in the balance sheet with direct impact on the income statement. Remaining unused taxable losses amount to SEK 98 million and there is currently no time limit regarding utilization of these losses against future taxable profits.

Deferred taxes arising from temporary differences and unused tax losses are as follows:

	GROUP	
	2014	**2013**
Tax loss carryforwards	7 094 209	
Recognized as:		
Deferred tax asset	7 094 209	

19. PROPERTY, PLANT AND EQUIPMENT

GROUP	EQUIPMENT
Accumulated cost	
Opening balance Jan. 1, 2013	4 833 947
Purchasing	1 194 425
Closing balance Dec. 31, 2013	**6 028 372**
Reclassifications	596 831
Purchases	1 992 584
Closing balance Dec. 31, 2014	**8 617 787**
Accumulated depreciation/amortization	
Opening balance Jan. 1, 2013	2 078 019
Depreciation/amortization	655 879
Closing balance Dec. 31, 2013	**2 733 898**
Reclassifications	404 054
Depreciation/amortization	1 422 730
Closing balance Dec. 31, 2014	**4 560 682**
Carrying amount	
Per Jan. 1, 2012	815 029
Per Dec. 1, 2012	2 755 928
Per Dec. 1, 2013	3 294 474
Per Dec. 1, 2014	4 057 105
Depreciation percent	**20-35 %**

All amounts in SEK unless otherwise specified.

PARENT COMPANY

EQUIPMENT

Accumulated cost	
Opening balance Jan. 1, 2013	264 265
Purchasing	112 228
Closing balance Dec. 31, 2013	**376 493**
Purchases	
Closing balance Dec. 31, 2014	**376 493**

Accumulated depreciation/amortization	
Opening balance Jan. 1, 2014	254 851
Depreciation/amortization	16 778
Closing balance Dec. 31, 2014	**271 629**
Depreciation/amortization	22 444
Closing balance Dec. 31, 2014	**294 073**

Carrying amount	
Per Dec. 1, 2011	70 153
Per Dec. 1, 2012	9 414
Per Dec. 1, 2013	104 864
Per Dec. 1, 2014	82 420

Depreciation/amortization percent	
IT equipment	3–5 years
Furniture and other equipment:	5–10 years

All amounts in SEK unless otherwise specified.

20. INTANGIBLE FIXED ASSETS

GROUP	CAPITALIZED DEVELOPMENT EXPENDITURE	PATENTS, LICENSES AND SIMILAR RIGHTS	TOTAL
Accumulated cost			
Opening balance Jan. 1, 2014	46 353 359	3 288 608	49 641 967
Purchasing	3 882 816	82 780	3 965 596
Closing balance Dec. 31, 2014	**50 236 175**	**3 371 388**	**53 607 563**
Purchases	3 460 326		3 460 326
Reclassifications	730 882		730 882
Closing balance Dec. 31, 2014	**54 427 383**	**3 371 388**	**57 798 771**
Accumulated depreciation/amortization			
Opening balance Jan. 1, 2014	35 040 149	1 109 607	36 149 756
Depreciation/amortization	4 841 679	235 903	5 077 582
Closing balance Dec. 31, 2014	**39 881 828**	**1 345 510**	**41 227 338**
Reclassifications	541 832	180 210	722 042
Depreciation/amortization	3 102 280	503 640	3 605 920
Closing balance Dec. 31, 2014	**43 525 940**	**2 029 360**	**45 555 300**

Carrying amount	
Per Dec. 1, 2011	18 116 303
Per Dec. 1, 2012	13 492 211
Per Dec. 1, 2013	12 380 224
Per Dec. 1, 2014	12 243 472

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

	2014	2013
Capitalized costs		
Work performed in-house	2 596 107	3 406 977
Externally acquired	864 219	475 839
	3 460 326	**3 882 816**

All amounts in SEK unless otherwise specified.

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

The useful value of each asset was calculated by estimating future cash flows and includes assumptions such as growth and margin development. These estimates are based on the financial budget for the coming financial year as well as expected future developments for up to five years. For future periods after five years, extrapolation of expected cash flow was conservatively assumed at minus 5%. A discount factor of 12.5 to 13.2% was used.

	Catalyst/Sentinel	Gemini	Patent	Total
Impairment	0	0	0	0

Sensitivity analysis
Sensitivity analyses conducted in 2014 showed that impairment is sensitive to changes in the discount factor. Management has determined that no impairment loss is present as per the financial statements in 2014, but will, in accordance with IAS 38, carefully monitor any negative changes that may suggest impairment.

	IMPAIRMENT
Current discount rate	0
Discount rate increased by 1%	0
Discount rate increased by 2%	0

Depreciation/amortization percent	
Capitalized expenditure	5 years
Patent	10 years

21. FINANCIAL ASSETS

	PARENT COMPANY	
Shares in Group companies	**2014**	**2013**
Opening cost	91 590 000	77 390 000
Shareholder contribution C-RAD Innovation AB	550 000	0
Shareholder contribution C-RAD Imaging AB		2 700 000
Shareholder contribution C-RAD Positioning AB	11 200 000	11 500 000
Closing balance	**103 340 000**	**91 590 000**
Opening impairment	(34 466 000)	(34 466 000)
Impairment for the year	0	0
Closing accumulated impairment	**(34 466 000)**	**(34 466 000)**
Carrying amount at year-end	**68 874 000**	**57 124 000**

All amounts in SEK unless otherwise specified.

Specification of Parent Company's holdings of shares and participations in Group companies and associates:

Subsidiary/corp. ID. no./domicile	Number of shares	Percentage	Carrying amount
C-RAD Positioning AB/556643-6035/Uppsala	110 000	100	62 310 000
C-RAD Imaging AB/556643-6043/Uppsala	116 000	100	5 600 000
C-RAD Innovation AB/556602-5382/Uppsala	100 000	100	650 000
C-RAD Incorporated/Florida/USA	1 000	100	64 000
C-RAD GmbH/Berlin/Germany	1 000	100	250 000

	PARENT COMPANY	
Receivables, Group companies	**2014**	**2013**
Opening balance, carrying amount	33 388 705	16 842 009
Payment of loan to subsidiary	4 091 216	20 146 696
Impairment	0	(3 600 000)
Closing balance, carrying amount	**37 479 921**	**33 388 705**

Associated company/domicile			
Cyrpa International SPRL/Brussels/Belgium	58	29	8 299 824

In 2013 C-RAD made a strategic investment in the company Cyrpa International SPRL by acquiring a 29 percent stake in the company. As part of the investment C-RAD took over exclusive production rights for Cyrpa's products. A distribution agreement gives C-RAD the right to sell Cyrpa products in the radiation therapy market, while Cyrpa distributes C-RAD's products in certain markets. The investment enables C-RAD to offer customers a complete range of optical patient positioning products.

In 2013 C-RAD and Cyrpa integrated their respective development, production and sales operations. Production of Cyrpa's products has been transferred to C-RAD in Uppsala where the products are manufactured on license by C-RAD. Under this production model, C-RAD bills Cyrpa for manufacturing costs for all products delivered to Cyrpa's regions (see table below). For deliveries in C-RAD's regions (see table below), Cyrpa receives a licensing fee based on the sales price. For sales of C-RAD's products for each region, Cyrpa receives a discount from C-RAD.

Note 30 describes the risks associated with valuation of holdings in Cyrpa.

The Parent Company uses the acquisition method of accounting for investments in associates; the carrying amount is therefore different between the Group and the Parent Company.

Summary associated companies	2014	2013
Assets	12 591 271	10 244 224
Liabilities	16 113 862	13 734 561
Revenue	7 932 910	5 589 813
Profit (loss)	(2 666 627)	(3 452 218)

The financial report for the associated company was prepared in accordance with IFRS. The Group acquired shares in the associated company in 2013. Exchange differences relating to investments in the associated company are included in the item "Profit/Loss from shares in associated companies."

	2014	2013
Opening balance	8 560 713	0
Cost	0	8 986 293
Profit (loss) from shares in associated companies	(773 323)	(1 001 145)
Exchange rate differences	512 433	575 564
Closing balance	**8 299 824**	**8 560 713**

	GROUP		PARENT COMPANY	
Non-current receivables	**2014**	**2013**	**2014**	**2013**
Loans to associated companies	4 858 092	4 582 360	4 858 092	4 582 360
Other receivables	106 162	184 263	101 163	101 163
	4 964 254	**4 766 623**	**4 959 255**	**4 683 523**

Impairment testing of financial assets was carried out on the balance sheet date in compliance with IFRS. This year's test showed no impairment.

22. 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 1,225,810 A shares with 10 votes per share and 19,049,513 B shares with one vote per share. The total number of shares is 20,275,323 and the number of votes is 31,307,613.

	2014	2013
Opening balance	2 936 639	2 380 324
Private placement	105 000	524 550
Exercized warrants		31 765
Closing balance	**3 041 639**	**2 936 639**

All amounts in SEK unless otherwise specified.

The share	2014	2013
Number of shares per Dec. 31	20 275 323	19 575 323
Average number of shares	20 177 246	18 183 249
Number of outstanding warrants	1 225 416	1 225 416
Number of outstanding warrants with dilution effect	1 225 416	1 225 416
Number of outstanding shares incl. warrants with dilution effect	21 500 739	20 800 739
Earnings per average number of shares	-0,31	-1,15
Earnings per share, diluted	-0,29	-1,05
Equity per share	1,97	1,94
Equity per share, diluted	1,86	1,83
Share price, balance sheet date	16,50 kr	19,90 kr
Dividend per share	-	-

Number of outstanding warrants at year end is 1,225,416. All warrants belong to convertible loans from Norrlandsfonden (see note 23).

Other capital items

Group – Additional paid-in 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	
	2014	2013	2014	2013
Opening balance	161 222 725	119 401 715	150 906 377	109 085 367
Private placement	10 729 687	38 383 012	10 729 687	38 383 012
Other	(620 723)	0	0	0
Exercized warrants	0	3 437 998	0	3 437 998
Closing balance	**171 331 689**	**161 222 725**	**161 636 064**	**150 906 377**

Group/Parent Company – Retained earnings: Accumulated profit or loss from previous year.
Group/Parent Company – Profit (loss) for the year: Reported profit (loss) for the year.

23. NON-CURRENT LIABILITIES

	GROUP		PARENT COMPANY	
Interest-bearing liabilities	2014	2013	2014	2013
Convertible bonds	11 667 483	11 505 851	11 718 442	11 718 442
Other non-current liabilities	5 000 000	0	5 000 000	0
Total interest-bearing liabilities	**16 667 483**	**11 505 851**	**16 718 442**	**11 718 442**

All amounts in SEK unless otherwise specified.

Convertible bonds
The nominal value, maturity and period of conversion rights for the convertible notes are shown below. The loans carry an annual interest rate of STIBOR 90 + 1% of the nominal amount.

The fair value of the liability component, included in non-current liabilities, was calculated using a market interest rate for similar non-convertible bonds. The remainder, which represents the value of the equity component, is included in the equity item Additional paid-in capital. The fair value was calculated using cash flows discounted at an interest rate of STIBOR 90 days + 4%.

	Nominal value	Maturity through	Conversion through	Conversion price	Share capital, conversion
Loan #060088	1 600 000	2016-02-28	2016-01-31	7,59	31 621
Loan #050069	500 000	2016-02-28	2016-01-31	6,67	11 244
Loan #070058	1 800 000	2016-02-28	2016-01-31	8,20	32 927
Loan #080104	1 300 000	2016-02-28	2016-01-31	10,00	19 500
Loan #100013	1 768 000	2016-02-28	2016-01-31	13,00	20 400
Loan #110120	2 096 450	2016-02-28	2016-01-31	9,00	34 941
Loan #130031	2 653 992	2016-02-28	2016-01-31	12,00	33 175
Less equity portion	**(50 959)**				
	11 667 483				

Other non-current liabilities
Per Hamberg, one of the largest shareholders of C-RAD, lent SEK 5 million to the company on December 1, 2014. The loan carries an annual interest rate of 8 percent and interest is paid quarterly. The loan is due January 30, 2016, but the company can repay the loan earlier without any additional charges.

24. CONTINGENT LIABILITIES

	GROUP	
For own provisions and liabilities	**31-12-2014**	**31-12-2013**
Mortgages on business assets NUTEK	1 470 000	1 470 000
Mortgages on business assets Nordea	10 600 000	4 650 000
Mortgage on business assets Erik Penser	1 550 000	1 550 000
Total pledged assets	**13 620 000**	**7 670 000**

The Parent Company has no pledged assets. The Parent Company has a guarantee commitment in relation to the subsidiary C-RAD Positioning AB for SEK 2 million.

25. ADJUSTMENT FOR NON-CASH ITEMS, ETC.

	GROUP		PARENT COMPANY	
	2014	2013	2014	2013
Depreciation/amortization	5 028 650	5 733 461	22 444	16 778
Provisions	220 000	130 000	0	0
Work performed	(3 460 326)	0	0	0
Foreign exchange gains	(2 490 848)	0	0	0
Other adjustments	(250 958)			
Provision against accounts receivable	0	300 000	0	0
Impairment of shares in or claims on subsidiaries	0	0	0	3 600 000
	(953 482)	**6 163 461**	**22 444**	**3 616 778**

26. CASH AND BANK BALANCES

	31-12-2014		31-12-2013	
Group	**Fair value**	**Carrying amount**	**Fair value**	**Carrying amount**
Cash and cash equivalents in SEK	3 016 862	3 016 862	3 218 253	3 218 253
Cash and cash equivalents in EUR	4 148 988	4 148 988	5 020 820	5 020 820
Cash and cash equivalents in USD	457 241	457 241	2 022 476	2 022 476
Total cash and bank balances	**7 623 092**	**7 623 092**	**10 261 549**	**10 261 549**

Parent Company				
Cash and cash equivalents in SEK	2 881 522	2 881 522	1 885 871	1 885 871
Cash and cash equivalents in EUR	131 029	131 029	187 507	187 507
Cash and cash equivalents in USD	210	210	145 070	145 070
Total cash and bank balances	**3 012 761**	**3 012 761**	**2 218 448**	**2 218 448**

27. ACCOUNTS RECEIVABLE

	GROUP	
	31-12-2014	31-12-2013
Accounts receivable gross	15 541 464	12 256 816
Provision for bad debts	(300 000)	(300 000)
Accounts receivable	**15 241 464**	**11 956 816**

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. Some accounts receivable needed to be written down and a provision for loan losses of SEK 300,000 was reported in 2013 to this effect in the item "Other expenses."

Change in provision for doubtful receivables

	GROUP	
	31-12-2014	31-12-2013
Carrying amount, January 1	300 000	0
Provision for doubtful receivables	0	300 000
Carrying amount, December 31	**300 000**	**300 000**

28. PROVISIONS

The Group has obligations relating to products for which the Group owns the product rights. This applies only to Catalyst, Sentinel and HIT products. Generally, one year warranty is included where C-RAD needs to manage the warranty process. Direct costs for C-RAD are based on administrative work, travel and service personnel. If something is wrong with the hardware, then C-RAD's subcontractors will be responsible for the cost. Based on our experience of current warranty-related costs, management has determined that 2% of invoiced sales from the Catalyst, Sentinel and HIT systems is a reasonable estimate of the actual cost during the warranty period.
In 2014, a new provision was made of SEK 220,000, net, and the provision in the balance sheet totaled SEK 900,000. No other significant liabilities are expected to be generated through these provisions.

Opening provision Jan. 1, 2013	550 000
New provision, net	130 000
Closing balance Dec. 31, 2013	**680 000**

New provision, net	220 000
Closing balance Dec. 31, 2014	**900 000**

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

29. ACCRUED EXPENSES AND DEFERRED INCOME

	GROUP		PARENT COMPANY	
	2014	2013	2014	2013
Accrued personnel-related expenses	3 110 579	2 235 594	949 882	1 502 884
Other	1 694 251	1 023 353	1 154 277	1 014 600
	4 804 830	**3 258 947**	**2 104 159**	**2 517 484**

30. 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 capitalized development costs. When assessing the value of cash generating units for assessment of impairment of capitalized 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 substantial improvements from operations in recent quarters, management believes that taxable profits will be generated in the coming years. The Company has therefore recognized a deferred tax asset.

C) Investments in associates and loans issued to associates. Management included certain expectations about future developments of Cyrpa's operations and integration with C-RAD activities in its assessment of whether there is a need for impairment of assets related to the acquisition. If these expectations are not met, impairment losses may need to be recognized in subsequent periods. Management has determined that no impairment loss is present as per the financial statements in 2014.

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

On November 28, 2014 C-RAD Positioning AB was sued in Stockholm District Court by the Swedish company AB Beamocular, whose chairman, Erik Hedlund, was the former CEO of C-RAD AB. Beamocular claims it has rights to a patent application derived from an invention described in C-RAD's patent application PCT/SE2008/050778 "Patient Radiation Monitoring Machines." C-RAD is convinced that the claim is unfounded and will defend its intellectual property rights. No provision is booked because of this dispute. If C-RAD loses the dispute, it may have a negative impact on the income statement and balance sheet.

FIVE-YEAR SUMMARY

Key figures	2014	2013	2012	2011	2010
Net sales, SEK 000s	53 192	45 036	25 776	14 909	14 234
Operating profit/loss, SEK 000s	(13 005)	(20 318)	(19 050)	(42 104)	(9 420)
Profit (loss) before tax, SEK 000s	(13 393)	(20 995)	(19 389)	(42 606)	(9 838)
Total assets	72 663	61 772	38 125	54 204	67 820
Equity ratio, %	55	62	43	66	71
Average number of employees	26	26	21	20	19

Definitions

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.

All amounts in SEK unless otherwise specified.

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

The annual report and consolidated financial statements give a fair view of the Parent Company's and the Group's financial position and results. If there are any discrepancies between the report 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 Parent Company's and the Group's operations, financial position and results, 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 March 20, 2015.

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 April 16, 2015.

Börje Bengtsson
Chairman of the Board

Tim Thurn
Chief Executive Officer

Brian Holch Kristensen
Director

Bengt Rolén
Director

Frank Lohr
Director

Peter Hamberg
Director

Our Audit Report was submitted on March 25, 2015.

Grant Thornton Sweden AB
Mia Rutenius, Authorized Public Accountant

ANNUAL GENERAL MEETING

INVITATION TO ATTEND THE ANNUAL GENERAL MEETING OF C-RAD AB (PUBL)

Shareholders in C-RAD AB (publ), reg. no. 556663-9174, ("The Company") are hereby invited to the annual general meeting on April 16, 2015 at 2 p.m. at the Clarion Hotel Gillet on Dragarbrunnsgatan 23 in Uppsala, Sweden.

RIGHT TO PARTICIPATE

Shareholders who wish to participate in the annual general meeting shall be entered by April 10, 2015 in the register of shareholders kept by Euroclear AB.

Application to participate in the annual general meeting can be made to the Company in the following ways: by fax +46 (0)18-12 69 30, email: info@c-rad.com, or by mail: C-RAD AB (publ), Bredgränd 18, 753 20 Uppsala, Sweden.

The application should state name, personal number or company registration number, number of Class A and Class B shares held, address and telephone number. Application forms can be found on the Company's website, www.c-rad.com. If the shareholder intends to be accompanied by one or two assistants at the annual general meeting, this should be stated in the application.

Shareholders who are represented by a proxy shall execute a written, dated power of attorney for the proxy. If the power of attorney is executed by a legal entity, the power of attorney must be accompanied by a registration certificate, or other corresponding authorization document, indicating that the persons who have signed the power of attorney are authorized signatories for the legal entity. The period of validity for the power of attorney is limited to one year from the date of issuance. A copy of the power of attorney plus any registration certificates should be sent to the Company well in advance of the meeting, to the address above. The original power of attorney and the registration certificate shall even be presented at the annual general meeting. Forms for powers of attorney and application slips are available on the Company's website, www.c-rad.com, and can be sent at no cost to any shareholder who requests one and who provides an address.

NOMINEE-REGISTERED SHARES

In order to exercise their right to vote at the meeting, shareholders whose shares are registered through a bank's custody department or other trustee must request to be temporarily entered in the register of shareholders at VPC. The shareholder must inform the custodian to that effect well before April 10, 2015, by which time such a registration shall have been made.

OWNERSHIP

As per the date of this invitation, the total number of shares in the Company amounts to 904,810 class A shares with 9,048,100 votes and 19,370,513 class B shares carrying 19,370,513 votes. The total number of votes in the company is 28,418,613. The company holds no treasury shares.

AUDIT REPORT

TO THE ANNUAL MEETING OF SHAREHOLDERS OF C-RAD AB (PUBL), CORP. ID. 556663-9174

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and the consolidated accounts of C-RAD AB (publ) for the 2014 financial year with the exception of the Corporate Governance Report on pages 38-40. The Company's annual accounts and consolidated accounts are included in the printed version of this document on pages 27-81.

Responsibilities of the Board of Directors and the Chief Executive Officer for the annual accounts and consolidated accounts

The Board of Directors and the Chief Executive Officer are responsible for the preparation and fair presentation of these annual accounts according to the Annual Accounts Act and consolidated accounts in accordance with International Financial Reporting Standards (IFRS), as endorsed by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Chief Executive Officer 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.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers the elements of internal control relevant to the Company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Chief Executive officer, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

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

Opinions

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 the Parent Company as at December 31, 2014 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act, and 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 at December 31, 2014 and of their financial performance and cash flows in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the Corporate Governance Report on pages 38-40.The Administration Report is consistent with the other parts of the annual accounts and the consolidated accounts.

We therefore recommend that the Annual General Meeting of shareholders adopt the Income Statement and Balance Sheet for the Parent Company and for the Group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have examined the proposed appropriations of the Company's profit or loss and the administration of the Board of Directors and the Chief Executive Officer of C-RAD AB (publ) for the 2014 financial year. We have also conducted a statutory examination of the Corporate Governance Report.

Responsibilities of the Board of Directors and the Chief Executive Officer
The Board of Directors is responsible for the proposal for appropriations of the Company's profit or loss, and the Board of Directors and the Chief Executive Officer are responsible for administration under the Companies Act and that the Corporate Governance Report on pages 38-40 has been prepared in accordance with the Annual Accounts Act.

Auditor's responsibility
Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the Company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the Company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and the consolidated accounts, we examined significant decisions, actions taken and circumstances of the Company in order to determine whether any member of the Board of Directors or the Chief Executive Officer is liable to the Company. We also examined whether any member of the Board of Directors or the Chief Executive Officer has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

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

In addition, we have read the Corporate Governance Report and based on this reading and our knowledge of the Company and the Group, we feel that we have a sufficient basis for our opinions. This means that our statutory examination of the Corporate Governance Report has a different orientation and is significantly more limited in scope compared with the orientation and scope of an audit according to International Standards on Auditing and generally accepted auditing standards in Sweden.

Opinions
We recommend to the Annual General Meeting of shareholders that the profit be appropriated in accordance with the proposal in the Administration Report and that the members of the Board of Directors and the Chief Executive Officer be discharged from liability for the financial year.

A Corporate Governance Report has been prepared and its statutory information is consistent with the other parts of the annual accounts and consolidated accounts.

Stockholm March 25, 2015

Grant Thornton Sweden AB
Mia Rutenius, Authorized Public Accountant

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