

C-RAD AB (publ), Year End report 2012

Key events during the period

- Sales for the period increased with 73 % to 25,8 SEK (14,9 MSEK). Sales for the fourth quarter was 11, 4 (3,7) MSEK, an increase with 211 %.
- EBITDA of -13,6 MSEK (-16,5 MSEK). For the fourth quarter EBITDA were 0, 6 (-4,8) MSEK.
- Loss after tax of -19,4 MSEK (- 42,6 MSEK)
- An order back log of 14,8 (12,8) MSEK
- Bookings for the period were 33,1 MSEK (23,9 MSEK)
- Earnings per share after tax of -1,22 SEK (-2,68 SEK)
- Equity ratio of 43 % (66 %)
- Cash of 7 961 kSEK (24 600 kSEK)
- Numbers of employees were 22 (19)
- IBA Dosimetry has for 2012 placed a frame order of 6, 1 MSEK.
- C-RAD has received FDA clearance for its new Catalyst system and Sentinel with 4DCT
- Interfaces for communication with Varian accelerators have been released
- The C-RAD Sentinel system is available with interfaces to three major CT vendors
- An agreement has been signed with Elekta in the field of respiratory gating
- A patent has in the US been approved for C-RAD inter active technology
- New sales offices and subsidiaries have been founded in Berlin and Shanghai
- Accumulated bookings of five Sentinel and two Catalyst systems to China
- Orders of eight Catalyst and two Sentinel systems from Herlev Hospital outside of Copenhagen
- The appeal court judged in favour of C-RAD in the dispute with the German company LAP
- Orders of six Sentinel and Catalyst systems to South Korea

Key events after the close of the reporting period

- C-RAD is developing an interface to Computer Tomographs of General Electric
- An agreement has been signed with Cablon Medical to develop and sell a combined solution for use in dosimetry and as an EPID. Cablon Medical will get the right to sell the GEMini system to customers in the Benelux countries
- A frame agreement has for 2013 been signed with IBA to deliver diode detectors to a value of 6,1 MSEK

Press releases

- For information about the acquisition of Cyrpa Medical Security and the decision for a capital increase, see separate press releases

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

"In spite of the financial turbulences on the US market C-RAD could for the last quarter of 2012 show a positive EBITDA and for the first time a positive cash flow. Bookings and sales of 2012 compared to previous year showed an increase of 38 % and 73% respectively. Beginning of 2013 continues to show a positive development. Including the frame agreement signed with IBA the backlog is up to 20,8

MSEK. The investments to develop the C-RAD optical systems and the detector system GEMini and the set-up of an own direct sales force will secure the further development of the company.”

C-RAD AB (publ)

Year End Report 2012

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

The board of Directors and the Managing Director of C-RAD AB (publ) hereby present the year-end report of 2012.

The company

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

The product developments are taking place in the fully owned subsidiaries C-RAD Positioning AB, C-RAD Imaging AB and C-RAD Innovation AB. C-RAD Imaging AB is located in the city of Östersund. The other companies are located in Uppsala. The fully owned subsidiary C-RAD Inc. in the US is a sales company with focus on the North American market. C-RAD GmbH in Berlin is responsible for sales to German speaking countries. The C-RAD WOFE, in the process of being founded, is located in Shanghai; China. The number of employees at present is 22.

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

The C-RAD solutions have especially been designed for use in advanced radiation therapy.

The class B shares of the Parent Company C-RAD AB have since July 2007 been traded, first at Aktietorget, but since March 2010 C-RAD AB is a listed company at NASDAQ OMX First North Premier. Erik Penser Bankaktiebolag has

from August 2012 been appointed as Certified Advisor for C-RAD AB.

Key events during the period

- IBA has placed a frame order for deliveries in 2012 of 1835 detectors to a value of 6,1 MSEK. After a longer stop due to material problems the production is since August running at full capacity. Deliveries until end of the year were on budget.
- The new C-RAD Catalyst system has received clearance by Food and Drug Administration in the US for use in positioning, motion detection and respiratory gating. Sales activities on the important US market have been started. The C-RAD Sentinel system has received FDA clearance for its 4DCT functionality
- After validation with the Varian MMI interface communication with the C-RAD Catalyst system has been approved and released. The Catalyst system can now to Varian customers be offered with full functionality for auto set up and respiratory gating.
- C-RAD has developed an interface for communication with Toshiba CT systems and Sentinel. Since before interfaces to Philips and Siemens are available. The Sentinel system can be used for so called 4DCT applications where the respiratory motions are being monitored during the data acquisition by the computer tomograph.
- An agreement has been signed with Elekta regarding the C-RAD Catalyst system. Catalyst will as a standard be offered to Elekta customer for the application respiratory gating based on free breathing. Introduction is planned to spring 2013.
- C-RAD has filed a patent in the US for its unique interactive technology. Positioning errors will in real time be shown on the patient. The C-RAD Catalyst system has as the first system been equipped with the interactive technology.
- New companies with sales offices have been started in Berlin, Germany and Shanghai,

China. The company in China is in the process of being founded.

- Elekta in China has placed five orders of Sentinel systems. After SFDA clearance of the system Sentinel will as a standard be offered together with the Elekta Axess system. Clearance is expected to be in place second quarter 2013. C-RAD WOFE has received two orders of Catalyst.
- The Herlev Hospital in Denmark has ordered eight Catalyst and two Sentinel systems. This is the largest order ever to C-RAD. The systems will be installed in 2012 and 2013. A clinical cooperation agreement has been signed with the hospital.
- The appeal court of Skåne/ Blekinge has confirmed verdict of the district court in the dispute between C-RAD and the German company LAP. LAP will except for costs of trial have to pay damages to C-RAD.
- Six Sentinel and Catalyst systems have ordered by two leading radiation therapy clinics in South Korea.

Key events after the close of the reporting period

- C-RAD will develop an interface to Computer Tomographs of General Electric. Development and validation will be finished in second quarter 2013.
- An agreement has been signed with the Dutch company Cablon Medical. C-RAD will receive a licence to sell the software of Cablon Medical for use in dosimetry applications. . Cablon Medical will get the right sell the GEMini system to its customers in the BeNeLux countries.
- A frame agreement for 2013 has been signed with IBA. C-RAD will during the year deliver detectors to a value of 6,1 MSEK.

Financial performance during January-December 2012

The Group's net sales amounted to kSEK 25 776 (14 910), during 2012. An increase with

73 % compared with the same period last year.

Gross profit reached kSEK - 19 050(- 42 104) and EBITDA during 2012 amounted - 13 635 kSEK (-16 520).

Work performed by the Group for its own use and capitalized amounted to kSEK 591 (5 825) during 2012. The Group's investment in capitalized development expenses totaled 13 492 (18 116) kSEK.

The group has during 2012 made amortizations on R&D expenses amounting to kSEK 5 415 (7 047).

The Group's cash and cash equivalents at 31 December 2012 totaled kSEK 7 961 (24 600). The difference in cash flow when comparing the two periods are mainly explained by the capital increase in October 2011.

Financial performance during fourth quarter 2012

Net sales for the fourth quarter amounted to 11 384 (3 660) kSEK. An increase, compared to the same period last year, with 211 %. The operating loss for the fourth quarter amounted to -1 475 (-24 768) kSEK. EBITDA for the group during 2012 amounted to 650 kSEK (-4 802).

The cash flow during fourth quarter amounted to 2 536 kSEK (22 239).

The Group's equity 31th December 2012 amounted to 16 262 (36 015) and the equity ratio to 43 (66) %.

Personnel

The number of employees at 31 December 2012 totaled 22 (21).

Transactions to related parties

Scandiflash AB has been appointed as the manufacturer of C-RAD Sentinel™ and LAP Galaxy. ScandiFlash AB is fulfilling the high

quality requirements to manufacture the hardware of the systems. Erik Hedlund, President of C-RAD AB, is holding 30 % of the shares of ScandiFlash AB.

Risk and uncertainty factors

The Group's capitalized development expenditures amount to 15 MSEK. Should these investments fail in part or in full, C-RAD may be forced to recognize an impairment loss on all or parts of the projects.

Proposed appropriation of profits

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

Retained loss:	- 51 507 867
Share premium reserve:	109 085 327
Loss for the year:	- 9 642 163
Together amounting to:	47 935 297

The Board of Directors and the President propose that the company's retained profits of 48 179 kSEK be carried forward to new account.

Consolidated Income statements

(Amount in kSEK)	2012	2011	2012	2011
	okt-dec	okt-dec	Jan-Dec	Jan-Dec
Operating income				
Net sales	11 384	3 660	25 776	14 910
Work performed by the company for its own use and capitalized		875	591	5 825
Other operating incomes	1 855	61	2 393	3
Operating expenses				
Raw materials and consumables	-3 974	-1 598	-11 444	- 8 042
Other external costs	-3 707	-3 068	-13 196	- 12 101
Personnel costs	-4 908	-4 725	-17 622	-16 808
Depreciations	-2 125	-19 966	-5 415	-25 584
Other operating expenses	0	-7	-133	-307
Operating loss	-1 475	-24 768	-19 050	-42 104
Financial items	13	-153	-339	-503
Loss after financial items	-1 462	-24 921	-19 389	-42 607
Tax on profit of the year	-	-	-	-
NET PROFIT/LOSS OF THE PERIOD	-1 462	-24 921	-19 389	-42 607
<u>Other comprehensive income</u>	0	0	0	0
Comprehensive income for the period	-1 462	-24 921	-19 389	-42 607

Consolidated balance sheets

(Amounts in kSEK)

	2012	2011
	31 Dec	31 Dec
Assets		
Intangible assets	13 492	18 116
Tangible assets	2 756	815
Financial assets	106	109
Inventories	3 139	4 031
Current receivables	10 670	6 532
Cash and bank balances	7 961	24 600
Total assets	38 124	54 203
Equity and liabilities		
Equity	16 262	36 015
Long-term liabilities	9 295	9 859
Current liabilities	12 567	8 329
Total equity and liabilities	38 124	54 203

Key ratio

	2012	2011	2012	2011
	okt-dec	okt-dec	31 dec	31 dec
Number of shares	15 868 820	15 868 820	15 868 820	15 868 820
Average number of shares	15 868 820	15 868 820	15 868 820	15 868 820
Average number of shares after dilution	17 473 028	16 986 428	17 473 028	16 986 428
Number of outstanding warrants	1 604 208	1 117 608	1 604 208	1 117 608
Equity ratio	43 %	66 %	43 %	66 %
Basic earnings per share (average numbers of shares) (SEK)	-0,03	-2,03	- 1,22	- 2,68

Diluted earnings per share	-0,02	-1,85	- 1,11	- 2,51
Equity per share (SEK)	1,07	2,27	1,02	2,27
Diluted equity per share	0,97	2,12	0,93	2,12
Profit margin	Neg.	Neg.	Neg.	Neg.

Segment reporting

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

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

(Amounts in kSEK)

	Oct-Dec 2012	Oct-Dec 2011	2012	2011
<u>Revenue by segment</u>				
Positioning	8 406	1 379	18 970	8 067
Imaging	2 978	2 281	6 806	6 509
Innovation	0	0	0	0
	11 384	3 660	25 776	14 909
<u>Gross profit by segment</u>				
Positioning	4 540	758	9 496	4 566
Imaging	1 305	1 305	2 613	4 777
Innovation	0	0	0	333
<u>Trade receivables by segment</u>				
Positioning	5 107	1 851	5 107	1 851
Imaging	1 759	2 210	1 759	2 210
Innovation	0	0	0	0
<u>Revenue by geographical market</u>				
<u>Sales</u>				
Scandinavia	6 382	8	10 745	3 093
Europe	4 045	4 051	13 051	9 086
USA	957	0	1 154	2 461
Asia	0	-399	826	269
	11 384	3 660	25 776	14 909

Consolidated Cash flow statements

(Amount in kSEK)	2012	2011	2012	2011
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
<u>Operating activities</u>				
Operating profit/loss	-1 476	-24 768	-19 020	-42 104
Adjustments for non-cash items, etc	2 425	19 967	5 604	25 583
Interest received	13	-	-	-
Interest paid	-	-153	-339	-503
Cash flow from operating activities before working capital changes	993	-4 954	-13 755	-17 024
Working capital changes	3 593	-470	691	-3 403
Cash flow from operating activities	4 586	-5 424	-13 064	-20 427
Cash flow from investing activities	-1 242	-394	-2 729	-6 078
Cash flow from financing activities	-808	28 057	-808	31 729
Cash flow at end of period	2 536	22 239	-16 601	5 224
Cash and cash equivalents at beginning of period	5 393	2 361	24 600	19 376
Exchange rate differences	32		-38	
Cash and cash equivalents at end of period	7 961	24 600	24 600	24 600

Consolidated statements of changes in equity

(Amount in kSEK)	2012	2011	2012	2011
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
At beginning of period	17 725	30 384	36 015	48 117
New share issue	-	32 136	-	32 136
Issue expenses	-	-1 993	-	-1 993
Warrants in C-RAD AB	-	184	-	184
Equity on convertible loan	-61	227	-244	87
Loss for the period	-1 462	- 24 921	-19 389	-42 606
Translation gains/losses on consolidation	60	-2	-120	90
At end of period	16 262	36 015	16 262	36 015

Accounting policies

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

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

The Group apply the same accounting and valuation principles as in the 2011 annual report.

Financial calendar

The 2012 annual report will be held available from May 17th 2013 and can be ordered by telephone +46 18-666930 or by e-mail to info@c-rad.se

Interim report 1 January-30 March 2013 will be published 29th May 2013

The General Meeting will be held 31th May 2013

Interim report 1 January-30 June 2013 will be published 30th August 2013

Interim report 1 January-30 September 2013 will be published 28th November 2013

The Year-End Report will be published 27th February 2014

This interim report provides a true and fair picture of the business activities, financial position and results of operation of the Group, and describes the significant risks and uncertainties to which the Group is exposed. If there should be deviations between the reports in English and Swedish, the Swedish version is valid. The Swedish report has been reviewed by the group auditor.

Uppsala, 26 Februari 2013

Börje Bengtsson

Board Chairman

Erik Hedlund

Managing Director

Board member

Mats Thorén

Board member

Anders Brahme

Board member

Bengt Lind

Board member

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