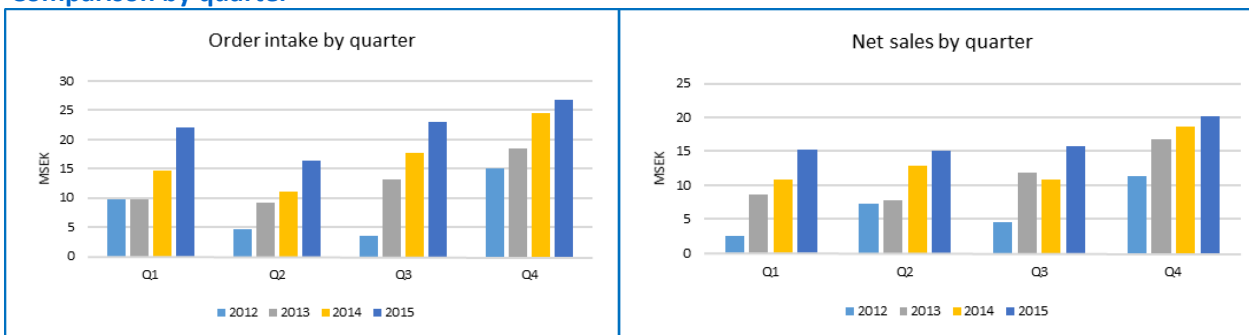


Key events in the period January-December 2015

- Net sales:
 - Oct-Dec 20.1 (18.6) MSEK, +9%
 - Jan-Dec 66.2 (53.2) MSEK, +24%
 - Order intake:
 - Oct-Dec 26.7 (24.6) MSEK, +9%
 - Jan-Dec 88.1 (68.4) MSEK, +29%
 - Operating loss:
 - Oct-Dec -6.1 (-4.9) MSEK
 - Jan-Dec -20.4 (-13.9) MSEK
 - Net results per share
 - Oct-Dec -0.28 (-0.24)
 - Jan-Dec -0.99 (-0.38)
 - Comparative numbers have been restated, we make reference to page 20
-
- In Q4:**
 - C-RAD signs sales and distribution agreement with GE Healthcare
 - C-RAD signs agreement with Yale-New Haven Hospital
 - Elekta showcases C-RAD products in Japanese showroom
 - C-RAD hosts user meeting at ASTRO in cooperation with UTHSC San Antonio
 - C-RAD signs sales and service agreement for Australia and New Zealand
 - China approves C-RAD's Cyrpa laser positioning products for use in radiation therapy
 - In Q1-Q3:**
 - C-RAD signs contract with Skandion Clinic
 - C-RAD announces connectivity between its Catalyst surface tracking technology and Varian's TrueBeam® platform
 - C-RAD acquires all outstanding shares in Cyrpa International
 - C-RAD secures large orders
 - C-RAD grows sales organization
 - Employee Warrant Program oversubscribed
 - C-RAD validates its respiratory gating interface for IBA proton and particle therapy

Comparison by quarter



Summary, consolidated financial results

Amounts in KSEK	Jan-Dec	
	2015	2014
Net sales	66 160	53 192
Operating loss	-20 412	-13 852
Net results after tax	-21 184	-7 146
Cash	4 426	7 623
Share price 1)	15.1	16.5
Order intake	88 100	68 370
Order backlog	60 233	36 364

1) in SEK, end of period

Comments from Tim Thurn, CEO:



This final quarter of 2015 has topped off strong developments in all of C-RAD's markets, and seen the achievement of a number of strategic milestones. Looking at C-RAD's financial performance in 2015, order intake totaled 88.1 MSEK. Orders for the largest segment – Positioning Products, which includes Sentinel™ and Catalyst™ – increased by 39% to 63.4 MSEK.

C-RAD Services generated orders of 10 MSEK, which is an increase of 113 % year-on-year. As we increase our installed base, this provides increasing opportunities for service growth and generates additional revenues over the lifetime of our products, while customers secure regular training and outsourced maintenance for the C-RAD product. Revenues for the C-RAD group amounted to 66.2 MSEK, 3.9 MSEK higher than previously communicated. This is an improvement of 24% compared to 2014.

Looking at the regional distribution in our direct sales regions, sales in Asia and US showed highest growth, with Asia more than doubling. In a significant development, The China Food and Drug Administration approved the sale of C-RAD's Cyrpa laser systems, which gave the green light for filling 2 MSEK in pending orders. A similar approval process is underway for Catalyst systems, and a certification is expected in the first half of 2016. Due to much preparation, such as successful product presentations at the China Society for Radiation Oncology (CSTRO) conference in October in Chengdu, we anticipate a strong market launch of both products.

The US showed an increase of over 30%, which made it the largest sales region measured in order intake. The fourth quarter saw orders for approximately 10 MSEK from four customers.

Our European markets, excluding the German-speaking cluster, showed a very positive development at 13 MSEK – a single large order from southern Italy accounting for one-third of this in the fourth quarter. We are also seeing the first sales results due to our new direct sales channel in France. In Sweden we achieved another strategic first in the fourth quarter: the first systems installed in a proton therapy environment, at the Skandion Clinic. We closed off the year by adding yet another territory via a sales and service agreement for Australia and New Zealand. This market currently has about 80 radiation therapy centers.

We now also have one person dedicated to developing the OEM sales channel globally, with an initial focus on key partners GE Healthcare and Elekta. The fourth quarter saw two significant developments. GE Healthcare entered into a sales and distribution agreement for C-RAD's high-end systems used for 4D imaging and virtual simulation in radiation therapy, with GE offering these solutions through its price book, making them available to the GE salesforce and their customers worldwide. First orders are expected early in 2016. We are also conducting joint marketing with Elekta in Japan through their showroom and demonstration center there.

C-RAD's R&D collaboration with CERN on Gemini system robustness has improved the system setup and resulted in a stable and robust detector with very satisfactory image quality. Given this result, we have initiated commercialization of the product in three steps: I) placing single units with specific clinical partners, (II) addressing OEM customers and industrial partners with small batches, and (III) ramping up to larger quantities.

A final commentary on the rapid growth – a doubling – of our marketing and sales force in our key markets: we have attracted very experienced people, which is in itself an endorsement of C-RAD's growth potential. We are thus heading into 2016 with a renewed force and momentum, and the demonstrated ability to capture new opportunities.

Key events during Q4 2015

C-RAD signs sales and distribution agreement with GE Healthcare

GE Healthcare has entered into a sales and distribution agreement for C-RAD's Sentinel 4DCT™ systems and Cyrpa High Impact Technology (HIT) laser systems. These systems are used for 4D imaging and virtual simulation in radiation therapy. GE will offer these solutions through its price book, making them available to the GE salesforce and their customers worldwide.

C-RAD signs agreement with Yale-New Haven Hospital

Yale-New Haven Hospital (YNHH) in Connecticut, USA and C-RAD have signed a procurement agreement in which C-RAD receives a multi-site purchase order to supply Smilow Cancer Hospital and their satellite facilities with surface tracking technology. Yale-New Haven Hospital has placed orders for four surface tracking systems for radiation therapy – involving both Catalyst HD™ and Sentinel 4DCT™ products.

Elekta showcases C-RAD products in Japanese showroom

Elekta K.K. – the Japanese subsidiary of Stockholm-based Elekta AB, a global supplier of radiation treatment systems – has installed a C-RAD Catalyst™ system in a joint training center and showroom they operate together with Toshiba in Japan. The showroom has frequent customer visits and generates high visibility for C-RAD products.

C-RAD hosts user meeting at ASTRO in cooperation with UTHSC San Antonio

C-RAD conducted a user meeting prior to ASTRO's 57th Annual Meeting in San Antonio, Texas, USA, on October 17, 2015. The meeting was conducted in cooperation with the University of Texas Health Science Center San Antonio (UTHSCSA), and was focused on clinical treatment using C-RAD's Catalyst HD™ for breast cancer treatment and for stereotactic treatments.

C-RAD signs sales and service agreement for Australia and New Zealand

C-RAD has signed a distribution agreement with Gamma Gurus Pty. Ltd. to market the C-RAD Sentinel and Catalyst product portfolio to customers in Australia and New Zealand.

China approves C-RAD's Cyrpa laser positioning products for use in radiation therapy

The China Food and Drug Administration has approved the sale of C-RAD's Cyrpa laser systems on the strategically important Chinese market. The product line has already been cleared for sales in Europe and the USA as well as several other markets in Asia.

Key events during Q3 2015

C-RAD signed contract with Skandion Clinic

C-RAD signed a contract to equip Skandion Clinic in Uppsala, Sweden, with its surface tracking solution, following a successful a public tender. Both of the clinic's treatment rooms will be equipped with a Catalyst system, and a CT room and the patient preparation room will be equipped with the C-RAD system.

C-RAD announces connectivity between its Catalyst surface tracking technology and Varian's TrueBeam® platform

C-RAD has released a new interface that links the C-RAD Catalyst™ system to TrueBeam® linear accelerators from Varian Medical Systems for treating cancer with image-guided radiotherapy and radiosurgery. The interface supports advanced treatment techniques. With this release, C-RAD has become a leading provider of optical surface tracking solutions that can connect to linear accelerators from the two main system suppliers.

C-RAD acquires all outstanding shares in Cyrpa International

C-RAD has acquired the remaining 71% of the shares in the Franco-Belgian Cyrpa group. Cyrpa develops innovative laser solutions for patient positioning and virtual simulation within radiation therapy. C-RAD and Cyrpa launched their first joint product for 4D Imaging and Virtual Simulation in 2014. When the purchase price allocation as requested by IFRS 3, was performed we saw the need to restate comparative numbers in line with requirements of IAS 1. This restatement goes back to the initial purchase of 29% share in Cyrpa. Further information on page 19.

Order secured from hospital in Norway for three C-RAD systems

C-RAD secured a large order including two Catalyst HD™ systems and a Sentinel 4DCT™ system for Gjøvik Hospital in Norway, about 120 km north of Oslo. As part of a comprehensive tender the hospital is now upgrading its radiation oncology department with the high-end solution for patient positioning and monitoring from C-RAD.

Order for eight C-RAD systems from Italy

C-RADs Italian distributor – TecnoSan S.a.s. – secured an order for four Catalyst™ systems as well as four Sentinel™ 4DCT systems, to be installed in three cancer treatment clinics in the Campania region in southern Italy.

Key events during Q2 2015

C-RAD secures first order from Japan for high-end patient monitoring system

C-RAD received the first order for a Catalyst™ and a Sentinel™ 4DCT system for a cancer treatment center in Japan, the second largest radiotherapy market worldwide. Both systems will be installed in the Katsura University Hospital located at the University of Kyoto, opening up to an important trend setting market.

C-RAD grows sales organization in the United States

C-RAD released its strategy for further growth in February, including the expansion of the direct sales and service force in key markets. C-RAD has now further increased its presence in the US by hiring two new regional sales manager for the Midwest and Southeast region.

C-RAD completes private placement of 25 MSEK

The board of C-RAD decided on a directed share issue to the long-term institutional and private investors of circa 25 MSEK before issue expenses. The decision was taken with the authorization from the Annual General Meeting 2015. The proceeds will be used to (I) finance the expansion of the sales organization within the company core markets, (II) commercialize the spread of the GEMini system and (III) allow for a bigger investment in partnerships.

Employee Warrant Program oversubscribed

C-RAD has launched a warrant program for its employees, which has generated a great interest. Employees have signed up for a total of 284,330 options, which is 42% more than the initial volume offered.

Order secured from Italy for three C-RAD systems

C-RAD's Italian distributor – TecnoSan S.a.s. – secured an order for two Catalyst™ systems as well as one Sentinel™ 4DCT system from the Ospedale del Mare cancer clinic in Naples.

Order secured from Bayreuth in Germany for three C-RAD systems

C-RAD secured an order for a Catalyst™, a Catalyst HD™, and a Sentinel™ system from Klinikum Bayreuth GmbH, which operates the radiation oncology clinic in Upper Franconia, Bavaria, in southern Germany.

C-RAD validates its respiratory gating interface for IBA proton and particle therapy

C-RAD has successfully validated the interface for its Catalyst™ product line, which controls the radiation beam for proton and particle treatment systems. The IBA gating interface validation was performed at Westdeutsches Protonentherapiezentrum Essen, in Germany.

AGM elects Kicki Wallje-Lund to the Board of Directors

C-RAD's AGM elected Kicki Wallje-Lund as a new board member. She has long experience in business development and boards of directors in various international companies and currently is the CEO Wellnet AB in Stockholm. Among other board assignments, Kicki has been a member of the board for Betsso n AB since 2007.

Key events during Q1 2015

Large order for seven C-RAD systems from Germany and Estonia

C-RAD secured an order for two Catalyst™ systems as well as a Sentinel™ system from Städtisches Klinikum Dresden-Friedrichstadt, which operates in the eastern part of Germany, and was awarded with an order of two Catalyst™ systems as well as two Sentinel™ systems from Tartu University Hospital in Estonia.

The delivery and installation in Germany is expected to occur in Q2 2015. The order includes a service contract for eight years.

Catalyst™ systems in Estonia will be installed together with Varian TrueBeam linear accelerators.

C-RAD further strengthening its global sales organization

C-RAD has released its strategy for further growth, including a measure to strengthen the sales force in key markets. It has appointed a new sales manager for France and five individuals will be added to the sales organization over the next 12 months.

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.

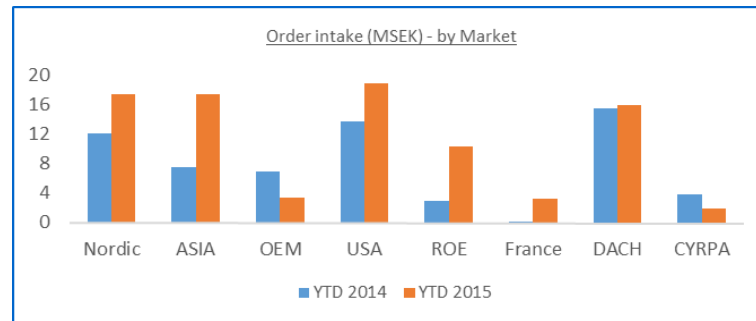
Tender for surface tracking solution at Skandionkliniken has been redone, due to an appeal by a competitor

As the result of a public tender, Skandionkliniken had chosen C-RAD to deliver surface tracking solutions for Patient Positioning, Motion Monitoring and Respiratory Gating. A competitor, however, filed an appeal in September 2014. The Administrative Court in Uppsala has decided that for the procurement of the surface tracking solution a new public tender procedure needs to be started.

Financial development - Group

Order intake

Order intake during 2015 amounted to 88.1 MSEK compared to 68.4 MSEK in the previous year. It should be noted that in the first twelve months 2014, orders of 6 MSEK related to production for the German company IBA Dosimetry were booked. In the graph below, which compares order intake by market, the IBA Dosimetry order is excluded. The order intake increase is primarily driven by positioning products, Catalyst and Sentinel, which increased by 39%, from 45.5 MSEK during 2014 up to 63.4 MSEK in 2015, while order intake for service contracts doubled, from 4.7 MSEK in 2014 up to 10 MSEK during 2015.

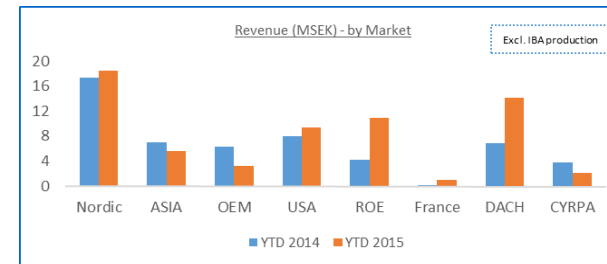


Order intake in Q4 2015 amounted to 26.7 MSEK compared to 24.6 MSEK in the previous year. The increase was driven by Catalyst and Sentinel orders, primarily in Asia and USA.

Revenues

Revenues for 2015 amounted to 66.2 MSEK compared to 53.2 MSEK 2014. The increase of 24% is mainly driven by Positioning products (Catalyst, Sentinel and our own sales of HIT lasers). IBA production was stopped during Q4 2014 and therefore no revenues were received in 2015.

Revenues (KSEK)	YTD 15		YTD 14	
Positioning	59,2		41,4	
CYRPA production	2,0		3,7	
IBA production	0,0		6,2	
Distribution	5,0		1,9	
	66,2		53,2	



Revenues in the fourth quarter amounted to 20.1 MSEK, compared to 18.6 MSEK in the previous year.

Financial development - Group

Gross profit margin

The gross profit margin amounted to 53% in 2015 compared to 60% in 2014. The gross profit margin in Q4 2015 was 51%, compared to 55% reported in 2014. Fluctuations in gross profit can be expected in shorter periods due to the limited volume of systems. During 2015 we delivered a few projects where we had compromised on the margins due to the strategic importance of the project. Cyrpa is included in the group for second half of the year and negatively impacted the margin, since their main revenues are from sale of HIT lasers, which have a lower gross profit margin than sale of Catalyst and Sentinel. As a comparison, the order stock at year end, which includes both products and service contracts, has an estimated gross profit margin of 58%.

Operational expenses

Operational expenses for 2015 amounted to 26.6 MSEK compared to 22.4 MSEK in the previous year. The increase was mainly driven by legal costs, audit and accounting costs and costs related to expansion of sales and service operations, mainly travelling expenses. Over the past 12 months C-RAD has strengthened its sales force by adding salespeople in France, the US and China. Our service team has also been expanded in Germany and the US and in the second quarter 2015 we added a marketing manager to our team in Uppsala. From July 2015, CYRPA is included in the Group with operational expenses of 730 KSEK.

Personnel expenses

Personnel expenses during 2015 amounted to 31.1 MSEK, compared to 25 MSEK in 2014. During Q4 the amount was 8.7 MSEK, compared to 7.2 MSEK in Q4 2014. The increase is mainly related to the expansion of sales and service operations and the strengthening of the USD. The average number of employees increased from 28 in Q4 2014 to 38 in the corresponding period in 2015. From July 2015, CYRPA is included in the Group with four employees, which is also a factor influencing the high personnel expenses.

Net results before tax

Net results before tax during 2015 was -21.2 MSEK compared to -14.2 MSEK in 2014. Net results before tax for Q4 2015 were -6.1 MSEK compared to -4.7 MSEK in the previous year. As part of our growth and expansion strategy, we have strengthened our direct sales resources in our key markets, the US, France and China. This has a direct impact on our profit and loss statement as we incur costs, mainly personnel and travel costs, until revenues are generated.

Financial development - Group

Capitalized development costs

Capitalized development costs amounted to 20.8 (10.9) MSEK. Capitalizations during 2015 are mainly related to the Gemini development and projects relating to new interfaces with CT and Linac products.

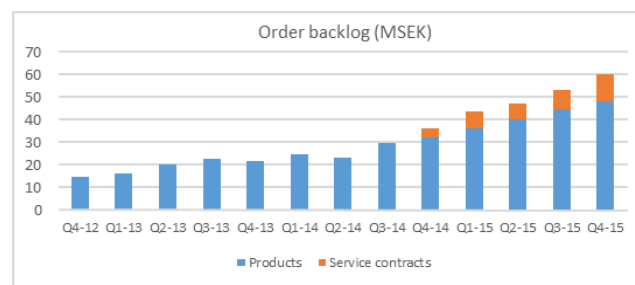
Capitalized development expenditure			
Project	Capitalized during period	Carrying amount	Comment
Catalyst/Sentinel	1 852 572	4 478 230	Products launched, further development, interfaces etc.
Gemini	2 413 195	8 296 170	Ongoing development
HIT-lasers	0	8 064 816	From CYRPA aquisition
Total	4 265 767	20 839 216	

Seasonality

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

Order backlog

The order backlog represents orders that have been received but not delivered and invoiced. The backlog amounted to 60.2 MSEK at the end of 2015, compared to 36.4 MSEK at the end of December 2014. From the total order backlog 48.3 MSEK involves products and 11.9 MSEK service contracts. The order backlog increased by 1.7 MSEK through the aquisition of Cyrpa in July 2015. In the graph below the development of the order backlog is presented. Service contracts are separately presented from Q4 2014 onwards.



Financial development - Group

Order conversion rate

The weighted average for outstanding orders concerning the products is around seven months in 2015. This is the time from receiving an order until the order is delivered. Service contracts are recognized as revenue over the contract period, which can be up to eight years. This has an impact on the conversion rate of the backlog when it comes to that particular service.

Personnel

At the end of December 2015, the number of employees in the Group amounted to 41 (25) persons.

Exchange rate

The financial statements are presented in SEK, the functional currency of C-RAD. Changes in foreign currencies have an impact on the results. Sales and orders are largely generated in foreign currency, mainly EUR and USD and, in addition, foreign subsidiaries and associates are included in the consolidation. The average EUR rate in 2015 was 9.4 (9.1), while the average USD rate in the same period was 8.4 (6.9). Since expenses were higher than revenues in USA the comparison between 2015 and 2014 is negatively impacted due to the strong increase in the USD rate during 2015.

Bank overdraft

Bank overdraft exercised by 4.8 MSEK on the closing day. During 2016 the bank overdraft increased from 5 MSEK to 10 MSEK.

Deferred tax asset

The deferred tax asset is reviewed every quarter. The deferred tax asset is based on the fundamental that operations will generate taxable income. Although C-RAD has reported taxable losses in previous reports, we can see a strong and rapidly growing order intake. We forecast that a taxable profit will be generated in coming years and thus that the deferred tax asset of 7.1 MSEK shall remain unchanged. The remaining unused taxable losses amount to 118 MSEK and there are currently no time constraints regarding utilization of the losses against future taxable profits.

New share issue

The company completed in May a direct share increase of 25 MSEK before issue costs. The issue resulted in the number of shares increasing by 1 750 000 shares, from 20 275 323 shares to 22 025 323 shares. Share capital increased by 262 500 SEK, from 3 041 299 SEK to 3 303 799 SEK. Proceeds from the share issue were used to pay down loans and finance growth of the organization, partly through an acquisition and expansion of the sales force in key markets. The share increase was directed towards a group of long-term investors, including Per Hamberg, one of the largest shareholders. The new shares were issued at a share price of 14.39 SEK per share, which represented a 7.2% discount from the closing price on May 20, 2015.

Cash flow and financing

Cash flow during 2015 was negative in the amount of 3.2 MSEK. Negative cash flow from operations amounted to 20.6 MSEK, while an increase in working capital had a negative impact of 2.3 MSEK on cash flow. The working capital increase is primarily related to an increase in inventory as a result of growing operations. During Q2 2015, C-RAD repaid a loan of 5 MSEK. Capitalized development costs are now included in investment activities, but not as adjustment for non-cash items. The comparative figures have been adjusted accordingly, 488 KSEK for Q4 2014 and 3.5 MSEK for 12m 2014, improving cash flow from operating activities and increasing cash to investments.

Financial development - Group

Proceeds from the share issue in Q2 2015 covered the negative cash flow from operations and working capital needs, as well as repayment of a short-term loan. Our cash balance is below expectations, mainly since more cash is required for working capital and also due to the fact that conversion time for orders is increasing. The time for the conversion of an order is the time from the generation of the order until its delivery, at which point revenues are generated. This increase has an impact on revenue generation as we experience delays in revenue generation. As planned, we have also heavily increased our personnel; mainly our direct sales force, which requires financial resources.

In accordance with the Board's statement in the Q3 report regarding the need for additional financing, we have analyzed different financing alternatives. Since the beginning of 2016 the company has obtained a 5 MSEK loan from major shareholders and confirmation from bank for additional bank facilities for 15 MSEK.

The board has decided that further growth financing shall be raised through new share increase and will therefore make such a proposal to the coming annual meeting. The largest shareholders are willing to support the growth and have therefore committed to the planned new share increase by guaranteeing a minimum of 20 MSEK of the planned share increase.

Convertible loans

Maturity date of the convertible loans has been extended for 2 years from February 28, 2016 until February 28, 2018. Interest terms are revised to Stibor 90 + 2.8% from Stibor 90 + 1%.

Significant risks and uncertainties

Reference is made to the Annual Report for 2014 regarding significant risks and uncertainties and how these are managed. The capitalized development costs of the Gemini project increased to a carrying amount of 8.3 MSEK. Until the project is launched and starts to generate revenues, a certain degree of uncertainty prevails. If the project does not develop in line with expectations, the company will be forced to write down all or part of the capitalized development costs. Valuations of intangible assets and deferred tax asset are based on future sales and order backlog under the assumption that sufficient funding will be available for future expectations to be fulfilled.

Parent Company

No operations are carried in the Parent Company except Group Management and administration. During the fourth quarter the parent company wrote down inter-company receivables of 18.4 MSEK towards two subsidiaries, C-RAD Innovation AB and C-RAD Incorporated. The writedown is presented within result from financial items.

Segment reporting

Group Management has analyzed the Group's internal reporting and established that the Group's operations are managed and evaluated based on the following segments:

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

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

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

<i>Amounts in KSEK</i>	Segment revenues		Segment operating results	
	12m 2015	12m 2014	12m 2015	12m 2014
Positioning external customers	65 584	46 922	-19 622	-17 688
Imaging external sales	577	6 270	-790	3 835
Imaging internal sales	0	1 095	0	0
Elimination internal sales	0	-1 095	0	0
Total	<u>66 161</u>	<u>53 192</u>	<u>(20 412)</u>	<u>(13 853)</u>
Share in results of associated companies			43	-261
Financial items			-814	-127
Profit/loss before tax			<u>(21 183)</u>	<u>(14 240)</u>

Segment reporting is based on the same accounting principles as applied in the consolidated financial statements for 2014. No impairment has been made. Sales by geographical market are based on sales to customers in each country. Two customers each represent over 10 percent of sales from January to December 2015.

<i>Amounts in KSEK</i>	Revenue by geographical market	
	12m 2015	12m 2014
Nordic	19 379	11 068
DACH	14 289	12 966
RoE	17 348	14 243
America	9 468	7 950
Asia	5 677	6 965
	<u>66 161</u>	<u>53 192</u>

Condensed consolidated statement of comprehensive income

(Amounts in SEK)	2015 Oct-Dec	2014 Oct-Dec	2015 Jan-Dec	2014 Jan-Dec
Operating income				
Net sales	20 117 493	18 572 262	66 160 751	53 191 613
Work performed by the company for its own use and capitalized	1 329 971	487 551	4 265 767	3 460 326
Other operating income	1 407 716	1 864 767	4 536 583	4 031 971
Total operating income	<u>22 855 181</u>	<u>20 924 580</u>	<u>74 963 102</u>	<u>60 683 910</u>
Operating expenses				
Raw material and consumables	-10 494 470	-8 280 906	-32 082 943	-21 289 961
Other external costs	-7 808 034	-8 295 192	-26 627 610	-22 361 312
Personnel costs	-8 697 096	-7 190 308	-31 098 130	-25 009 391
Depreciations	-1 977 670	-2 100 088	-5 566 722	-5 876 128
Other operating expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total operating expenses	<u>-28 977 270</u>	<u>-25 866 494</u>	<u>-95 375 405</u>	<u>-74 536 792</u>
Operating profits/loss	-6 122 090	-4 941 914	-20 412 304	-13 852 882
Result from participation in associated companies	0	208 977	43 289	-260 889
Financial income	16 024	15 684	23 083	153 375
Financial costs	<u>-42 214</u>	<u>-78 235</u>	<u>-837 911</u>	<u>-279 767</u>
Profit (loss) before tax	-6 148 279	-4 795 488	-21 183 842	-14 240 163
Income tax	<u>0</u>	<u>0</u>	<u>0</u>	<u>7 094 209</u>
Net results for the period	-6 148 279	-4 795 488	-21 183 842	-7 145 954
Translation difference from foreign operations	<u>34 320</u>	<u>-1 647 443</u>	<u>79 028</u>	<u>-623 366</u>
Comprehensive results for the period (1)	<u>-6 113 959</u>	<u>-6 442 931</u>	<u>-21 104 815</u>	<u>-7 769 320</u>
Results per share before dilution	-0.28	-0.24	-0.99	-0.38
Results per share after dilution	-0.26	-0.22	-0.93	-0.36

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

Condensed consolidated statement of financial position

(Amounts in SEK)

Assets	31-12-2015	31-12-2014
Assets		
Intangible assets		
Capitalized development expenditure	20 839 216	10 901 443
Distribution rights	6 073 626	6 921 070
Patents, licenses and similar rights	925 907	1 342 029
	<u>27 838 749</u>	<u>19 164 542</u>
Tangible assets		
Equipment	4 582 811	4 057 105
Financial assets		
Shares of associates	0	0
Long-term receivables	152 732	5 282 928
Total financial assets	<u>152 732</u>	<u>5 282 927</u>
Other non-current assets		
Deferred tax asset	7 094 209	7 094 209
Total non-current assets	<u>39 668 500</u>	<u>35 598 783</u>
Current assets		
Inventory	10 342 084	8 032 454
Trade receivables	12 910 054	15 241 464
Other receivables	2 358 817	4 690 063
Prepayments and accrued income	3 919 500	417 372
Cash and bank	4 426 075	7 623 092
Total current assets	<u>33 956 531</u>	<u>36 004 444</u>
Total assets	<u><u>73 625 032</u></u>	<u><u>71 603 227</u></u>

Condensed consolidated statement of financial position

(Amounts in SEK)

Equity and liabilities	31-12-2015	31-12-2014
Equity		
Share capital	3 303 799	3 041 299
Additional paid in capital	193 816 968	171 332 029
Retained earnings	-135 889 279	-128 743 324
Profit (loss) for the year	-21 183 842	-7 145 955
Total equity	<u>40 047 645</u>	<u>38 484 049</u>
Long term liabilities		
Convertible bonds	11 829 115	11 667 483
Other long-term liabilities	992 905	5 000 000
	<u>12 822 020</u>	<u>16 667 483</u>
Current liabilities		
Accounts payable	9 013 795	6 635 323
Warranty provisions	1 064 000	900 000
Other current liabilities	6 730 407	4 111 543
Accrued expenses and deferred income	3 947 167	4 804 830
Total current liabilities	<u>20 755 368</u>	<u>16 451 696</u>
Total liabilities	33 577 388	33 119 179
Total equity and liabilities	<u>73 625 032</u>	<u>71 603 227</u>
Pledges	13 620 000	13 620 000
Contingent liability	-	-

Condensed consolidated statement of cash flow

(Amounts in SEK)

Statement of cash flow

	2015	2014	2015	2014
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Operating activities				
Profit (loss) before financial items	(6 122 090)	(4 941 914)	(20 412 304)	(13 852 882)
Adjustment for non-cash items, etc	811 699	(909 270)	587 004	3 354 321
Interests received	16 024	0	23 083	0
Interests paid	(42 214)	(78 235)	(837 911)	(279 767)
Cash flow from operating activities before working capital changes	<u>(5 336 580)</u>	<u>(5 929 418)</u>	<u>(20 640 127)</u>	<u>(10 778 327)</u>
Working Capital Changes	1 814 888	5 556 958	(2 310 892)	(2 373 180)
Cash flow from operating activities	<u>(3 521 692)</u>	<u>(372 459)</u>	<u>(22 951 019)</u>	<u>(13 151 507)</u>
Cash flow from investing activities	(1 360 302)	(1 669 575)	(5 954 426)	(5 531 162)
Cash flow from financing activities	4 794 886	5 000 000	25 733 474	15 834 687
Net increase (decrease) in cash and cash equivalents	(87 108)	2 957 966	(3 171 971)	(2 847 982)
Cash and cash equivalents at beginning of period	4 633 801	4 567 576	7 623 092	10 261 549
Exchange rate differences	(120 616)	97 551	(25 045)	209 527
Cash and cash equivalents at end of period	<u>4 426 075</u>	<u>7 623 092</u>	<u>4 426 075</u>	<u>7 623 092</u>

Condensed consolidated statement of changes in equity

(Amounts in SEK)

Statement of changes in equity	2015	2014
	Jan-Dec	Jan-Dec
At beginning of period	40 037 758	38 027 838
Adjustment of opening balance (*)	(1 553 709)	(706 232)
Restated opening balance	38 484 049	37 321 606
Share increase and option program	25 182 500	11 375 000
Issue expenses	(16 150)	(540 313)
Equity part of convertible loan	(161 632)	(161 632)
Translation and other differences	<u>(2 257 281)</u>	<u>(2 364 658)</u>
Changes in the period	22 747 437	8 308 397
Loss for the period	<u>(21 183 842)</u>	<u>(7 145 955)</u>
Closing balance at end of period	40 047 645	38 484 049

(*) Retrospective correction of purchase price allocation from the acquisition of 29% share in Cyrpa in february 23, has an impact on comparative numbers and beginning balance of equity 2015. For further details we make reference to page 21.

Parent company Financial Statements

(Amounts in SEK)					
Income statement			Statement of Financial Position		
	2015	2014		2015	2014
	Jan-Dec	Jan-Dec		31 Dec	31 Dec
Total income	20 245 834	15 731 597	Assets		
Personnel costs	-7 255 904	-6 395 941	Intangible assets	6 073 626	6 921 070
Other costs	-10 910 365	-8 479 103	Tangible assets	61 617	82 420
Total operating expenses	-18 166 269	-14 875 044	Shares in Group companies	84 512 355	68 874 000
Result from financial items	-20 144 487	-84 684	Long term receivables	0	318 673
Result before tax	-18 064 922	771 868	Investments in associates	0	192 841
Tax	0	0	Receivables in Group companies	33 628 156	37 479 921
Net results	-18 064 922	771 868	Other receivables	931 960	5 757 681
			Cash and bank	94 835	3 012 761
			Total assets	125 302 548	122 639 367
			Equity and liabilities		
Statement of comprehensive results			Share capital	3 303 799	3 041 639
Net results	-18 064 922	771 868	Other equity	104 400 201	97 262 724
Translation difference from foreign operations	0	-623 366	Total equity	107 704 000	100 304 363
Total comprehensive results	-18 064 922	148 502	Convertible bonds	11 718 442	11 718 442
			Long term liabilities	992 905	5 000 000
Statement of cash flow	2015	2014	Other liabilities	4 887 203	5 616 562
	Jan-Dec	Jan-Dec	Total liabilities	17 598 550	22 335 004
Operating activities			Total equity and liabilities	125 302 548	122 639 367
Profit (loss) before tax	-18 064 922	771 868			
Adjustment for non-cash items	19 298 852	-10 880 077	Statement of changes in equity	2015	2014
Cash flow from operating activities				Jan-Dec	Jan-Dec
before working capital changes	1 233 929	-10 108 209	At beginning of period	100 304 363	88 697 805
Working capital changes	-25 961 928	-840 949	Share increase and option program	25 464 560	10 834 688
Cash flow from operating activities	-24 727 999	-10 949 158	Other	0	0
Cash flow from investment activities	0	-4 091 216	Net results for the period	-18 064 922	771 870
Cash flow from financing activities	21 810 074	15 834 687	Closing balance at end of period	107 704 000	100 304 363
Net change in cash and cash equivalents	-2 917 925	794 313			
Cash and cash equivalents at beginning of period	3 012 761	2 218 448			
Cash and cash equivalents at end of period	94 834	3 012 761			

Notes

Accounting principles

This interim report is prepared, for the Group, in accordance with IAS 34, RFR1 "Redovisning för koncerner" and the Annual Accounts Act and, for the Parent company, the Annual Accounts Act and RFR 2. Applied accounting principles are consistent with what is stated in note 1 in the Financial Statements for 2014.

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

Exchange rates

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

Related party transactions

No related party transactions occurred during the period.

Capitalized development costs

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

Deferred tax

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

Acquisition

C-RAD acquired on July 15 the remaining 71% shares in the associated company Cyrpa International. After the acquisition, Cyrpa is now a wholly owned subsidiary and consolidated in C-RAD for the third quarter of 2015. The purchase price consists of three fixed partial payments of 120 KEUR, payable over a three-year period, the first part payable 12 months after the acquisition. In addition there is a conditional earn-out payment based on 2.5% of sales of Cyrpa products. If sales of Cyrpa products exceed 4.8 MEUR during the coming 36-month period, then the earn-out is activated as it exceeds the fixed payments of 120 KEUR. The fair value of the contingent consideration is 0.5 MSEK, while the fixed payments present value is 0.9 MSEK. The consideration transferred for 100% of the shares in Cyrpa amounted to 1.9 MSEK. Since the consideration is lower than the fair value of acquired net assets a negative goodwill of 0.9 is recognised as income and presented within other income in the profit and loss statement.

One important aspect of the takeover is that the sellers fully wrote off their loans to Cyrpa. Cyrpa's debts are therefore only to the company itself and its accounts payable. Cyrpa reported 91% revenue growth during the first nine months of 2015 compared with same period in the previous year, while net results improved from a loss of 262 KEUR in 2014 to profit of 87 KEUR during the first nine months of 2015. Cyrpa is included in the consolidation from July 15, 2015 and contributed to the consolidated results in the amount of 1.6 MSEK in revenues and losses before tax of 34 KSEK. If Cyrpa had been included in the consolidation from January 1, 2015, the consolidation would have reported revenues of 48.9 MSEK. If Cyrpa had been included in the consolidation from July 1 2015 it would not have had any substantial impact on reported revenues. Direct expenses related to the acquisition amounted to 0.3 MSEK.

Further information on Cyrpa is included in our latest annual report.

Notes

Preliminary purchase price allocation

(Amounts in KSEK)

Purchase price

Cash (initial 29% investment)	550
Conditional consideration, fair value	1 346
Total purchase price	1 895

Fair value of identified acquired assets and assumed liabilities

Intangible assets	8 880
Tangible assets	168
Current assets	2 358
Cash and bank balances	265
Current liabilities	-8 899

Net identifiable assets and liabilities

	2 773
Negative goodwill	-878

Total transferred net assets

1 895

Correction of comparative numbers

When C-RAD acquired 29% of Cyrpa in February 2013 the purchase price was fully allocated to investment in an associate and accounted for in accordance with IAS 28. This does not reflect the acquisition, as the total agreement also included, in addition to 29% of the shares in Cyrpa, intangible assets in the form of exclusive distribution and manufacturing rights, and a financial asset in the form of call options for the remaining 71% of the shares.

The purchase price of 8 986 293 SEK should have been allocated accordingly: shares of associate 193 KSEK, intangible assets 8.5 MSEK and financial asset 319 KSEK. These are three different asset classes and the accounting differs between them. Regarding shares in Cyrpa the equity method was correctly applied. During the period ending July 2015, when C-RAD acquired the remaining shares in Cyrpa, C-RAD recognizes losses in excess of the investment, since C-RAD was obligated, along with the other shareholders, to ensure that Cyrpa fulfilled minimum equity requirements under Belgian law. A liability is therefore recognized.

Since the distribution rights have a finite useful life, they shall be amortized. We have estimated that the useful life is 10 years, the distribution rights are therefore amortized on a linear basis during that period. This has an impact on the profit and loss statement as well as equity as presented below.

The call option is recognized as a financial asset and measured at fair value. It is C-RADs estimation that the initial fair value is a fair representation of the fair value for subsequent balance sheet dates. Below are the restatement adjustments outlined for the comparative balances in this report.

Notes

Corrected condensed consolidated statement of comprehensive income

(Amounts in SEK)

	Oct-Dec 2014			Jan-Dec 2014		
	Reported	Adjustments	Restated	Reported	Adjustments	Restated
Operating income						
Net sales	18 572 262		18 572 262	53 191 613		53 191 613
Work performed by the company for its own use and capitalized ...	487 551		487 551	3 460 326		3 460 326
Other operating income	1 864 767		1 864 767	4 031 971		4 031 971
Total operating income	<u>20 924 580</u>		<u>20 924 580</u>	<u>60 683 909</u>		<u>60 683 909</u>
Operating expenses						
Raw material and consumables	-8 280 906		-8 280 906	-21 289 961		-21 289 961
Other external costs	-8 295 192		-8 295 192	-22 361 312		-22 361 312
Personnel costs	-7 190 308		-7 190 308	-25 009 391		-25 009 391
Depreciations	-1 888 219	-211 869	-2 100 088	-5 028 650	-847 478	-5 876 128
Other operating expenses	0		0	0		0
Total operating expenses	<u>-25 654 624</u>		<u>-25 866 494</u>	<u>-73 689 314</u>		<u>-74 536 792</u>
Operating profits/loss	-4 730 045		-4 941 914	-13 005 405		-13 852 882
Result from participation in associated companies	208 977		208 977	-260 889		-260 889
Financial income	15 684		15 684	153 375		153 375
Financial costs	-78 235		-78 235	-279 767		-279 767
Profit (loss) before tax	-4 583 618		-4 795 488	-13 392 686		-14 240 163
Income tax	0		0	7 094 209		7 094 209
Net results for the period	-4 583 618		-4 795 488	-6 298 477		-7 145 954
Translation difference from foreign operations	-1 647 443		-1 647 443	-623 366		-623 366
Comprehensive results for the period (1)	<u>-6 231 061</u>		<u>-6 442 931</u>	<u>-6 921 843</u>		<u>-7 769 320</u>
Results per share before dilution	-0.23		-0.24	-0.31		-0.38
Results per share after dilution	-0.21		-0.22	-0.29		-0.36

Notes

Corrected condensed consolidated statement of financial position

(Amounts in SEK)

Assets	Reported	31-12-2014 Adjustments	Restated
Assets			
Intangible assets			
Capitalized development expenditure	10 901 443		10 901 443
Distribution rights	0	6 921 070	6 921 070
Patents, licenses and similar rights	1 342 029		1 342 029
	<u>12 243 472</u>		<u>19 164 542</u>
Tangible assets			
Equipment	4 057 105		4 057 105
Financial assets			
Shares of associates	8 299 824	-8 299 824	0
Long-term receivables	4 964 255	318 673	5 282 928
Total financial assets	<u>13 264 078</u>		<u>5 282 927</u>
Other non-current assets			
Deferred tax asset	7 094 209		7 094 209
Total non-current assets	<u>36 658 864</u>		<u>35 598 783</u>
Current assets			
Inventory	8 032 454		8 032 454
Trade receivables	15 241 464		15 241 464
Other receivables	4 690 063		4 690 063
Prepayments and accrued income	417 372		417 372
Cash and bank	7 623 092		7 623 092
Total current assets	<u>36 004 444</u>		<u>36 004 444</u>
Total assets	<u>72 663 309</u>		<u>71 603 227</u>

Notes

Corrected condensed consolidated statement of financial position

(Amounts in SEK)

Equity and liabilities

		31-12-2014	
	Reported	Adjustments	Restated
Equity			
Share capital	3 041 299		3 041 299
Additional paid in capital	171 332 029		171 332 029
Retained earnings	-128 037 092	-706 232	-128 743 324
Profit (loss) for the year	-6 298 477	-847 478	-7 145 955
Total equity	<u>40 037 759</u>		<u>38 484 049</u>
Long term liabilities			
Convertible bonds	11 667 483		11 667 483
Other long-term liabilities	5 000 000		5 000 000
	<u>16 667 483</u>		<u>16 667 483</u>
Current liabilities			
Accounts payable	6 635 323		6 635 323
Warranty provisions	900 000		900 000
Other current liabilities	3 617 915	493 628	4 111 543
Accrued expenses and deferred income	4 804 830		4 804 830
Total current liabilities	<u>15 958 068</u>		<u>16 451 696</u>
Total liabilities	32 625 551		33 119 179
Total equity and liabilities	<u>72 663 309</u>		<u>71 603 227</u>

Ratios

	2015 31-dec	2014 31-dec	2013 31-dec
Number of shares	22 025 323	20 275 323	19 575 323
Average number of shares	21 339 906	20 143 101	18 183 249
Average number of diluted shares	22 772 251	21 368 517	20 800 739
Number of options outstanding	1 509 746	1 225 416	1 225 416
Solvency	54%	54%	61%
Result per share before dilution	(0.99)	(0.38)	(1.19)
Result per shares after dilution	(0.93)	(0.36)	(1.04)
Equity per share before dilution	1.82	1.91	2.05
Equity per share after dilution	1.70	1.80	1.79
Operating margin	Neg.	Neg.	Neg.

Other information

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

Uppsala, February, 8 2016

Börje Bengtsson
Chairman of the Board

Tim Thurn
CEO

Bengt Rolén
Board member

Frank Lohr
Board member

Peter Hamberg
Board member

Brian Holch Kristensen
Board member

Kicki Wallje-Lund
Board member

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Since December 2014, C-RAD AB has been listed on the Nasdaq Stockholm exchange Small Cap list.

The information in this interim report is such that C-RAD is required to disclose it publicly in accordance with the Swedish Securities and Clearing Operations Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication on February 8, 2016 at 8:30 am.