

C-RAD AB - INTERIM REPORT

JANUARY - SEPTEMBER 2018

Press release October 26, 2018

C-RAD REPORTS ALL-TIME HIGH IN QUARTERLY ORDER INTAKE

THIRD QUARTER 2018

- Order intake: 64.2 (55.5) MSEK, 16%.
- Revenues: 46.7 (33.2) MSEK, 41%.
- Operating profit: 0.4 (-1.4) MSEK.
- Net results after tax: 0.3 (-1.7) MSEK
- Result per share: 0.01 (-0.05) SEK.

INTERIM PERIOD JAN-SEP 2018

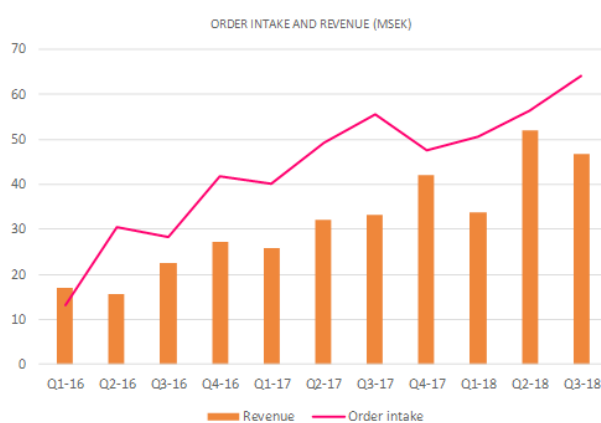
- Order intake: 171.1 (145.0) MSEK, 18%.
- Revenues: 132.4 (91.1) MSEK, 45%.
- Operating profit: -2.4 (-11.2) MSEK.
- Net results after tax: -3.1 (-11.8) MSEK
- Result per share: -0.10 (-0.38) SEK.

SIGNIFICANT EVENTS DURING THE QUARTER

- Sahlgrenska University Hospital selects C-RAD's innovative SIGRT solution. Order value: 8.5 MSEK.
- MedAustron, the first Ion-therapy treatment site in Austria, selected C-RAD Catalyst PT. Order value: 4.9 MSEK.

SIGNIFICANT EVENTS AFTER THE QUARTER

- Cecilia Danckwardt-Lillieström was appointed new CFO for the Group on October 15th, 2018.



SUMMARY FINANCIAL RESULT

MSEK	Q3, JUL-SEP			INTERIM PERIOD JAN-SEP			FULL YEAR
	2018	2017	Change	2018	2017	Change	2017
Order intake	64,2	55,5	16%	171,1	145,0	18%	192,5
Revenues	46,7	33,2	41%	132,4	91,1	45%	133,1
Gross profit	28,6	19,5	47%	75,6	53,4	42%	78,6
Gross profit margin (%)	61%	59%		57%	59%		59%
Operating profit	0,4	-1,4		-2,4	-11,2		-10,0
Net results after tax	0,3	-1,7		-3,1	-11,8		-10,9
Cash	8,0	17,9	-56%				14,6
Share price balance sheet day, SEK	27,50	33,90	-19%				28,30
Order backlog	175,4	140,0	25%				139,8
out of which Products	116,2	98,7	18%				97,5
out of which Service contracts	59,2	41,3	43%				42,3

COMMENTS FROM THE CEO

■ SUBSTANTIAL PROGRESS ON ALL KEY FINANCIAL MEASURES

In the third quarter we are showing substantial progress on all key financial measures: Order intake, revenue and profit.

With order growth in the third quarter of 16 percent to 64,2 MSEK compared to same period in 2017 and 14 percent compared to the second quarter 2018 we conclude a strong summer quarter. In all our segments we saw an improvement, our largest segment – sales of our Catalyst HD and Sentinel 4DCT systems – grew with 20 percent whereas service sales and HIT laser systems grew with 76 percent and 139 percent respectively.

Revenue totaled 46,7 MSEK, an increase of 41 percent compared to the third quarter previous year. With a more favorable product mix, comprising a lower share of sales of distribution products with significantly lower profit margins and a higher share of C-RAD's Catalyst and Sentinel products, gross profit improved from 53 percent in Q2 to 61 percent in the third quarter and is therewith exceeding the rolling 12 months average. Operating profit improved from -1,4 MSEK in 2017 to 0,4 MSEK in 2018. Operating cash flow during Q3 was 8,4 MSEK. We can conclude that the results are proving the constantly increasing interest for our products.

Looking into the development across all segments by geography during the first three quarters: Orders in the region APAC and EMEA showed a strong growth with approximately 112 percent to 41,6 MSEK and 27 percent to 108.1 MSEK respectively. The third quarter in the US has usually been weak, though we are not satisfied with the result. Measures to improve the performance in North America have been taken and we expect visible results during the coming months. We do have an excellent product that meets the customer requirements and the market has the potential. The Chinese and Japanese markets are the main driver for the encouraging development in APAC. After a period of investments to build up reference sites, identify key opinion leader and creating awareness in the market, we now see the results. In a symposium at the Japanese radiation therapy conference more than 300 interested customer joined a presentation by Dr. Richard Crownover from MD Anderson about their clinical experience with C-RAD.

A sign of further acceptance of our products is the order that we have received from Sahlgrenska University Hospital, Gothenburg Sweden, where the customer saw the advantages of surface tracking and specifically of the C-RAD solution and decided to upgrade the department with Catalyst HD. Sahlgrenska had already two linear accelerators equipped with Catalyst Systems from before. Another exciting project that was awarded to C-RAD is a system for the MedAustron particle treatment center. This project is of strategic importance for us as the market of particle therapy is rapidly growing and we foresee further opportunities in this segment in the future, but also as part of the project C-RAD lift its current solution on to a new level of performance and integration that will ultimately be accessible to other customers.

The third quarter shows an encouraging result overall; however, we also identify areas that require improvement. The biggest asset is the interest in our products on the market. This is the basis for our growth strategy in combination with an excellent team and fantastic products, says Tim Thurn, CEO of C-RAD.



FINANCIAL DEVELOPMENT, GROUP

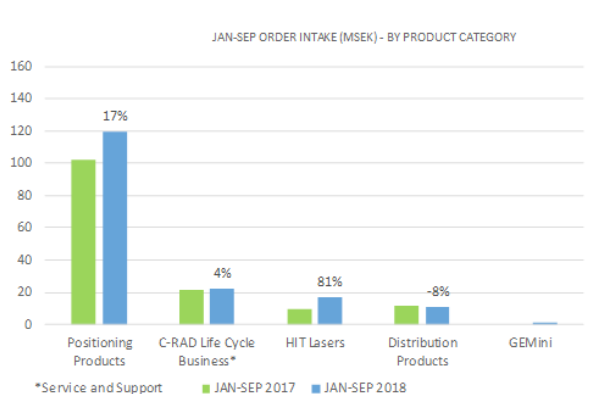
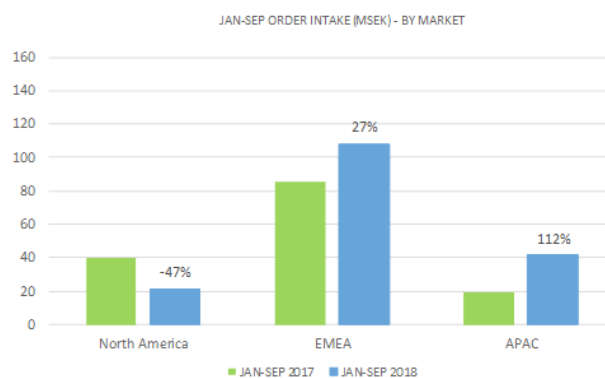
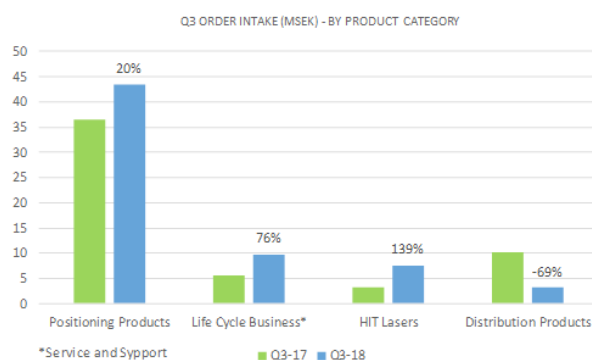
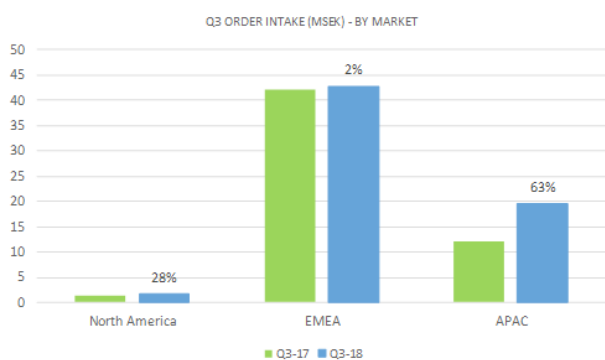
ORDER INTAKE

Order intake during the third quarter amounted to 64.2 MSEK compared to 55.5 MSEK in the previous year, an increase of 16 percent. The order intake growth compared to 2017 was primarily driven by the APAC-region, with medium-sized orders from Japan, China and India. Order intake for North America and EMEA increased marginally compared to 2017. It should be noted that in the previous year, the EMEA region received the largest order ever from Elekta concerning the project Nya Karolinska Solna of 21 MSEK in the third quarter.

During the quarter, one large order was received in the EMEA region from Sahlgrenska University Hospital with order value of 8,5 MSEK.

Order intake increased across all segments except for Distribution products, where the comparable figure in the third quarter of 2017 was unusually high based on the order for Nya Karolinska Solna.

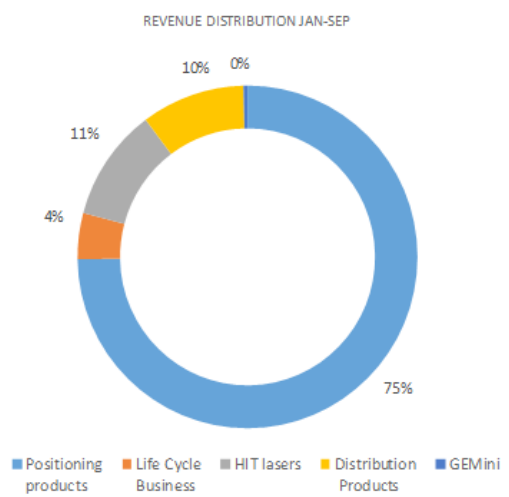
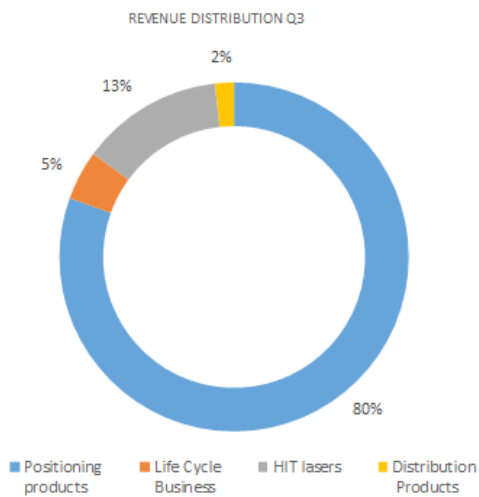
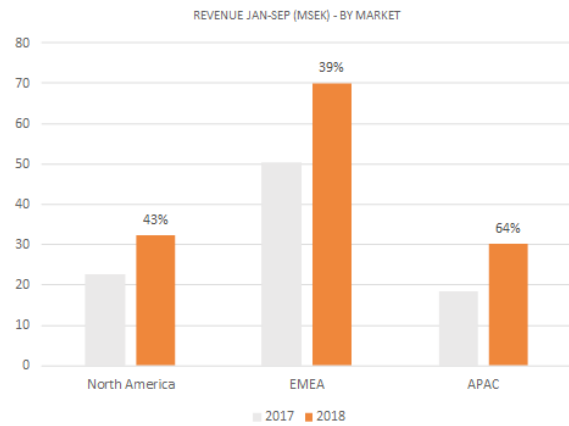
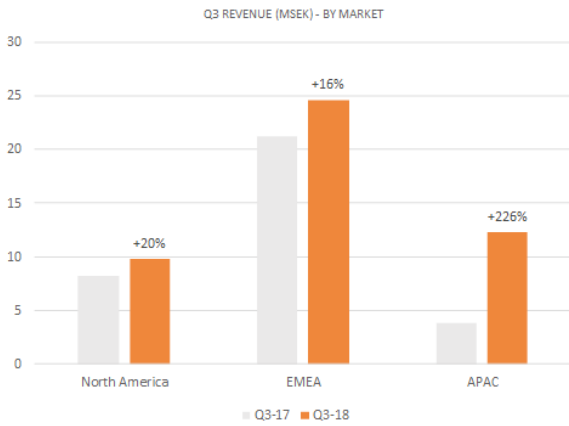
Order intake during January - September amounted to 171.1 MSEK, an increase of 18 percent.



REVENUES

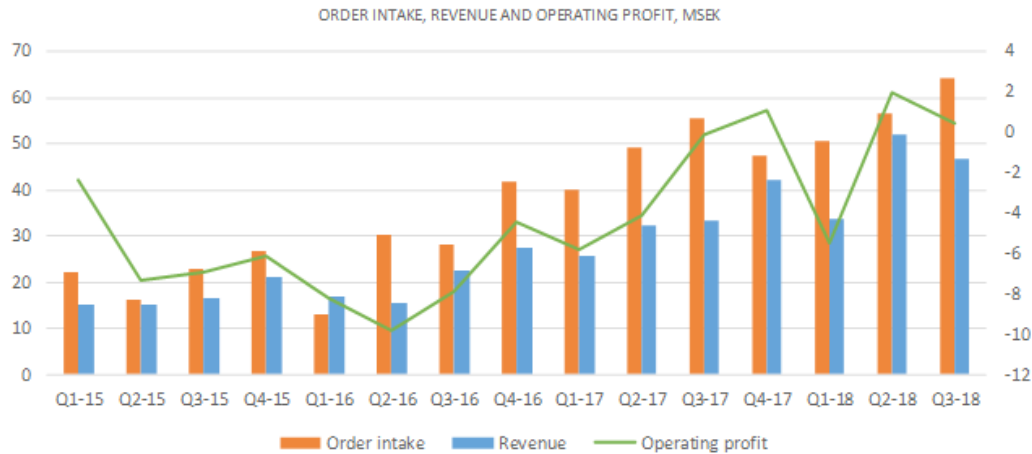
Revenues increased from 33.2 MSEK during the third quarter 2017 to 46.7 MSEK during the third quarter 2018, an increase of 41 percent. The increase is primarily related to deliveries in the APAC region, mainly to China, Japan and Taiwan. Revenues in the APAC region increased by 226 percent compared to the same quarter in 2017, and with 44 percent compared to the previous quarter 2018. Revenues for North America and EMEA also increased during the quarter with 20 percent and 16 percent respectively.

Revenues increased from 91.1 MSEK during the first nine months 2017 to 132.4 MSEK in 2018, an increase of 45 percent. All regions have developed well looking at the full period January to September.



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. As the larger part of C-RAD's cost base is fixed, fluctuations in revenue have a direct impact on the quarterly operating profit. Volatility in order intake between quarters and markets is to be expected in our business.

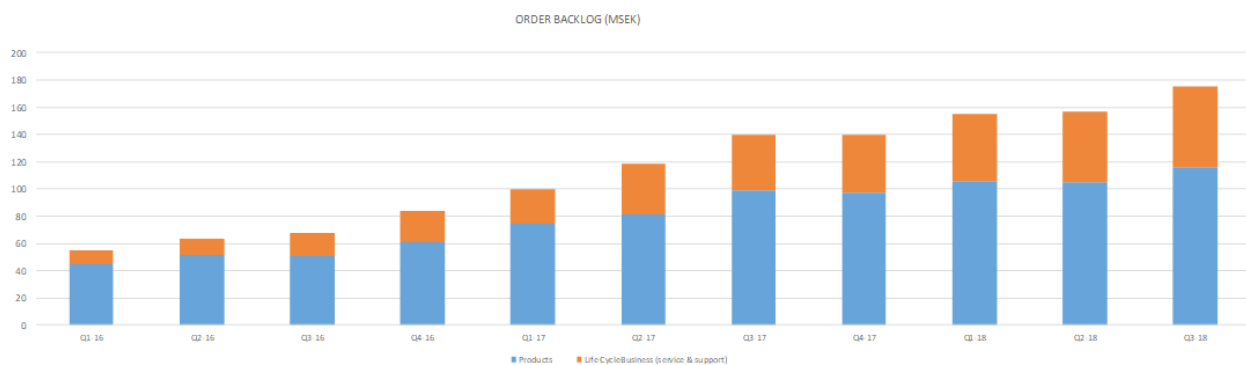


ORDER BACKLOG AND ORDER CONVERSION RATE

The order backlog represents orders that have been received but not delivered and invoiced. The backlog amounted to 175.4 MSEK at the end of third quarter of 2018 compared to 140 MSEK in the same period of 2017, an increase of 25 percent. From the total order backlog, 116.2 (98.7) MSEK involves products and 59.2 (41.3) MSEK refer to Life Cycle Business (service contracts).

The weighted average delivery time for products recognized as revenue in the third quarter was just above six months (five months during the same quarter 2017), which is slightly higher than the standard conversion rate during the last 12 months. This is the time from receiving an order until the order is delivered and revenue recognized, based on deliveries of C-RADs own products.

9.7 MSEK of the order backlog for Life Cycle Business will be recognized as revenue within 12 months, as service contracts are recognized as revenue over the contract period. This can be compared to revenues of 8.0 MSEK for the last 12 months. The service contract can be up to eight years while the average duration is around five years.



GROSS PROFIT

Gross profit margin was 61 percent during the third quarter 2018, compared to 59 percent in the corresponding period in 2017. The gross profit on our own products has been relatively stable during the last year. Fluctuations in gross profit can be expected in shorter periods as it is dependent on the product mix and market as well as the exchange rate fluctuations. Gross profit margin for January to September was 57 percent.

OPERATIONAL EXPENSES

Operational expenses for the third quarter 2018 amounted to 12.4 MSEK compared to 8.0 MSEK in the previous year. The increase is related to higher order intake and revenue, higher marketing expenses and increased development cooperations.

Operational expenses for January – September amounted to 33.1 (25.7).

PERSONNEL EXPENSES

Personnel expenses for the third quarter 2018 amounted to 14.2 (12.4) MSEK. The increase compared to last year is mainly related to the expansion of operations, which entails sales- service and development resources being enhanced, but also to remuneration related to order intake and revenue in line with the improved sales and deliveries of purchased systems.

The average number of employees increased from 46 in Q3 2017 to 55 in the corresponding period in 2018. At the end of September 2018, the number of employees in the Group amounted to 56 (47).

Personnel expenses for January to September amounted to 43.0 (37.8) MSEK.

CAPITALIZED DEVELOPMENT COSTS

Capitalizations during the third quarter of 2018 of 0.9 (1.1) MSEK are related to continued development of the Positioning products and HIT Laser. Amortization was done on the GEMini development for the first time during the third quarter.

Capitalizations during January to September amounted to 2.6 (3.1) MSEK.

Total capitalized development costs amounted to 23.9 (22.5) MSEK at the end of September.

NET FINANCIAL INCOME

Net financial income for the quarter amounted to 0 (-0.3) MSEK. The last earn-out payment was finalized during the quarter, which resulted in a write-down of financial debt of 0.4 MSEK.

Net financial income for the quarter amounted to -0.6 (-0.6) MSEK.

RESULTS

Net results before and after tax during the quarter amounted to 0.3 MSEK compared to -1.7 MSEK in 2017, corresponding to 0.01 (-0.05) SEK per share.

Net results before and after tax during January – September amounted to -3.1 (-11.8), corresponding to -0.10 (-0.38) per share.

FINANCING AND CASH FLOW

Cash flow during July to September amounted to 2.0 (9.1) MSEK. Operating cash flow was 8.4 (-10.0) MSEK. Cash flow from financing activities amounted to -5.5 due to decreased usage of the invoice discounting solution. The final earn-out payment for the acquisition of Cyrpa international was also paid-out during the quarter and amounted to 0.4 MSEK.

Cash flow during January – September amounted to -6.0 (5,6) Mkr. Operating cash flow was -7,2 (-3,3) Mkr. Cash flow from financing activities amounted to 3.8 (13.1) MSEK.

By September 30, C-RADs total available funds amounted to 25.5 MSEK, out of which cash balance amounted to 8.0 MSEK and unutilized credit facilities amounted to 17.5 MSEK. Utilized credit facilities as of balance sheet day amounted to 14.5 MSEK.

SIGNIFICANT RISKS AND UNCERTAINTIES

Reference is made to the Annual Report for 2017 page 49-52, regarding significant risks and uncertainties, and how these are managed.

OTHER SIGNIFICANT EVENTS DURING THE QUARTER

On September 27th, 2018, C-RAD announced an order for its advanced surface tracking technology from Sahlgrenska University Hospital in Gothenburg, Sweden. The customer has chosen to equip the newly ordered linear accelerators with Catalyst HD™ and upgrades the existing C-RAD installation to its latest version. Total order value was 8.5 MSEK and it is expected to commence delivery for the first system in the fourth quarter 2018.

On October 11th, 2018, C-RAD announced that it has signed a purchasing agreement with MedAustron – the first Ion-therapy treatment site in Austria. The agreement entails the acquisition of C-RAD's most advanced surface tracking technology and a service agreement. Total order value was 4.9 MSEK. Delivery is expected to start in December 2018 and finalized in Q3 2019.

There were no other significant events during the quarter.

OTHER SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Cecilia Danckwardt-Lillieström was appointed Chief Financial Officer on October 15, 2018. The previous CFO, Therése Björklund, remains in the company on another position within the finance department in order to strengthen the financial activities in the company.

There have been no other significant events after the reporting period.

SHARES

As of September 30, 2018, the total number of shares in C-RAD were 30 757 036, out of which 862 887 A-shares and 29 894 149 B-shares. Total number of voting rights amounted to 38 523 019, out of which for A-shares 8 628 870 voting rights and for B-shares 29 894 149 voting rights. The Company's registered share capital was 4.6 MSEK. The total number of outstanding shares has been unchanged during the quarter.

INCENTIVE PROGRAM

In order to strengthen the company's possibilities to keep competent personnel and key employees, the company has introduced incentive programs to achieve a long-term owner perspective. The incentive program consists of warrants, sold at market price based on the Black & Scholes valuation model. The following incentive programs are active as per the balance sheet day:

	Number of subscribed warrants	Start date	Earliest date for exercise	Latest date for exercise	Exercise price (SEK/warrant)	Average warrant price (SEK/warrant)	Total capital increase as per balance sheet day (SEK)	Total capital increase upon exercise 100% (SEK)
Incentive program 2016/2019	264 000	2016-04-30	2019-02-01	2019-05-01	11,80	1,1	297 000	3 412 200
Incentive program 2017/2020	235 559	2017-05-16	2020-02-01	2020-04-30	21,21	3,4	800 901	5 797 107
Incentive program 2018/2021	100 000	2019-06-15	2021-02-01	2021-04-30	40,54	4,7	466 000	4 520 000

PARENT COMPANY

No operations are carried in the Parent Company except for Group Management and administration. For the full period January – September 2018, revenues for the Parent Company amounted to 16.4 (12.6) MSEK and operating profit amounted to 0.0 (-2.8) MSEK. During the quarter, a shareholder's contribution was made to C-RAD Imaging AB (1.5 MSEK). Write-down on shares in subsidiaries was made on the corresponding amount.

NOMINATION COMMITTEE

C-RAD's Nomination Committee ahead of the 2019 Annual General Meeting comprises:

- Per Hamberg
- Lennart Ågren
- Lars Nyberg

The Nomination Committee has appointed Per Hamberg as Chairman of the Committee.

The Nomination Committee is tasked ahead of the 2019 Annual General Meeting with preparing proposals pertaining to the number of Board members, Board fees, the composition of the Board, election of the Chairman of the Board, election of the Chairman of the Annual General Meeting, auditors' fees and the election of auditors as well as guidelines for appointing the Nomination Committee. Proposal to the nomination committee can be delivered via email: info@c-rad.com no later than February 15, 2019.

UPCOMING EVENTS

October 26, 2018 Webcast on report January - September 2018, at 13.00.
February 8, 2019 Consolidated Year End Report, 2018. Webcast at 11.00 am.

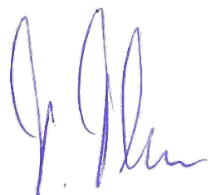
PRESENTATION OF THE INTERIM REPORT

CEO Tim Thurn and CFO Cecilia Danckwardt-Lillieström will present the interim report by Webcast on Friday October 26 at 08:00 CEST. After the presentation, there will be room for questions and answers. The presentation will be held in English. To participate in the presentation live, please register your cooperation at: <https://attendee.gotowebinar.com/register/186749145585415171>.

OTHER INFORMATION

This interim 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 interim report has not been reviewed by the company auditors.

Uppsala, October 26, 2018



Tim Thurn
CEO

C-RAD AB (PUBL)

C-RAD AB (publ)

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For more information:

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The information in this interim report is such that C-RAD is required to disclose pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act.

The information was submitted for publication, through the agency of the contact person set out above, on October 26, 2018 at 8:00 am.

AUDITOR'S REPORT

C-RAD AB (PUBL) CORP. REG. NO. 556663-9174

INTRODUCTION

We have reviewed the condensed interim financial information of C-RAD (publ) as of 30 September 2018 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm 26 October 2018

Öhrlings PricewaterhouseCoopers AB

Michael Bengtsson
Authorized Public Accountant

Consolidated Income Statement in brief Mkr	Q3 2018	Q3 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Revenues	46,7	33,2	132,4	91,1	133,1
Raw material and consumables	-18,2	-13,7	-56,9	-37,8	-54,5
Gross profit	28,6	19,5	75,6	53,4	78,6
Gross profit margin	61%	59%	57%	59%	59%
Other external expenses	-12,4	-8,0	-33,1	-25,7	-36,5
Personnel expenses	-14,2	-12,4	-43,0	-37,8	-51,6
Capitalized development costs	0,9	1,1	2,6	3,1	4,4
Depreciation	-1,8	-1,1	-4,0	-4,1	-4,5
Other operating income/expenses	-0,7	-0,4	-0,5	-0,1	-0,4
Total operating expenses	-28,2	-20,8	-78,0	-64,6	-88,6
Operating income	0,4	-1,4	-2,4	-11,2	-10,0
Financial income	0,4	0,0	0,4	0,0	0,0
Financial costs	-0,4	-0,3	-1,0	-0,6	-0,9
Income before tax	0,3	-1,7	-3,1	-11,8	-10,9
Tax	0,0	0,0	0,0	0,0	0,0
Net income (Attributable to Parent company's shareholders)	0,3	-1,7	-3,1	-11,8	-10,9
Results per share before dilution	0,01	-0,05	-0,10	-0,38	-0,37
Results per share after dilution	0,01	-0,05	-0,10	-0,38	-0,37

Consolidated Statement of Comprehensive Income MSEK	Q3 2018	Q3 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Net income	0,3	-1,7	-3,1	-11,8	-10,9
Other comprehensive income					
Income/expenses recognized in equity					
Exchange differences on translating foreign operations	0,3	-1,3	0,4	-1,5	-0,9
Other comprehensive income of the period (after tax)	0,6	-3,0	-2,7	-13,3	-11,8
Total comprehensive income for the period (Attributable to Parent company's shareholders)	0,6	-3,0	-2,7	-13,3	-11,8

Segment Reporting	Q3	Q3	Jan-Sep	Jan-Sep	Jan-Dec
MSEK	2018	2017	2018	2017	2017
Revenues by segment					
Positioning	46,7	33,0	131,8	90,6	132,5
Imaging	0,0	0,2	0,6	0,5	0,6
Total revenues	46,7	33,2	132,4	91,1	133,1
Income by segment					
Positioning	1,2	-1,3	-0,3	-10,8	-8,7
Imaging	-0,8	-0,1	-2,1	-0,4	-1,3
Operating income	0,4	-1,4	-2,4	-11,2	-10,0

Segment reporting is based on the same accounting principles as applied in the consolidated financial statement for 2017.

	Q3	Q3	Jan-Sep	Jan-Sep	Jan-Dec
<u>Revenue per geographical market</u>	2018	2017	2018	2017	2017
North America	9,8	8,2	32,4	22,6	30,7
EMEA	24,6	21,2	69,9	50,2	71,4
APAC	12,3	3,8	30,1	18,3	31,0
Total	46,7	33,2	132,4	91,1	133,1

	Q3	Q3	Jan-Sep	Jan-Sep	Jan-Dec
<u>Revenue per product group</u>	2018	2017	2018	2017	2017
Positioning products	37,6	29,3	98,9	75,5	109,8
HIT Laser	6,2	2,0	14,1	8,7	12,3
Life Cycle Business	2,1	1,5	5,8	3,6	5,8
Distribution	0,8	0,4	13,1	3,3	5,2
GEMini	0,0	0,0	0,5	0,0	0,0
Summa	46,7	33,2	132,4	91,1	133,1

Consolidated Balance Sheet in brief MSEK	30-09-2018	30-09-2017	31-12-2017
Intangible assets			
Intangible assets	28,1	27,7	28,3
Tangible assets	1,3	2,4	2,1
Long-term receivables	0,1	0,1	0,1
Deferred tax receivables	7,1	7,1	7,1
Total non-current assets	36,6	37,3	37,6
Inventory	11,7	6,8	20,1
Current receivables	61,0	48,0	45,7
Cash and liquid assets	8,0	17,9	14,6
Total current assets	80,7	72,7	80,4
Total assets	117,3	110,0	118,1
Equity	69,2	58,3	71,4
Other long-term liabilities	0,0	0,3	0,0
Current liabilities	48,1	51,4	46,7
Total equity and liabilities	117,3	110,0	118,1

Consolidated Cash Flow Statement in brief MSEK	Q3 2018	Q3 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Operating income	0,4	(1,4)	(2,4)	(11,2)	(10,0)
Adjustment for non-cash items	2,8	1,5	5,2	4,4	6,7
Interests received	0,0	0,0	0,0	0,0	0,0
Interests paid	(0,4)	(0,3)	(1,0)	(0,6)	(0,9)
Cash flow from operating activities before working capital changes	2,8	(0,2)	1,8	(7,4)	(4,2)
Changes in working capital	5,6	10,1	(9,0)	4,0	0,2
Cash flow from operating activities	8,4	9,9	(7,2)	(3,4)	(4,0)
Investments	(0,9)	(1,5)	(2,6)	(4,3)	(5,5)
Cash flow from investing activities	(0,9)	(1,5)	(2,6)	(4,3)	(5,5)
Premiums received for warrants	0,2	0,2	0,5	0,9	0,9
New borrowings	0,0	0,4	3,7	12,2	10,7
Amortization of loans	(5,7)	0,0	(0,4)	0,0	(0,3)
Cash flow from financing activities	(5,5)	0,6	3,8	13,1	11,3
Net increase (decrease) in cash and cash equivalents	2,0	9,1	(6,0)	5,6	1,8
Cash and liquid assets at beginning of period	6,3	9,1	14,6	12,7	12,7
Exchange rate differences	(0,3)	(0,3)	(0,6)	(0,3)	0,1
Cash and liquid assets at end of period	8,0	17,9	8,0	18,0	14,6

Change in Group Equity MSEK	Q3 2018	Q3 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Opening balance	68,4	61,3	71,4	70,6	70,6
Share issue	0,2	0,0	0,5	1,0	12,7
Cost of Share Issue	0,0	0,0	0,0	(5,3)	(5,4)
Equity part of convertible loan	0,0	0,0	0,0	0,0	(0,1)
Changes in the period	0,2	0,0	0,5	(4,3)	7,2
Total comprehensive income for the period	0,6	(3,0)	(2,7)	(13,3)	(11,8)
Closing balance at end of period	69,2	58,3	69,2	58,3	71,4

Parent Company Income Statement in brief	Jan-Sep	Jan-Sep	Full Year
MSEK	2018	2017	2017
Revenues	16,4	12,6	18,7
Operating expenses	-12,6	-14,1	-17,9
Operating income	3,8	-1,5	0,8
Financial items	-3,8	-1,3	-3,3
Income before tax	0,0	-2,8	-2,5
Tax	0,0	0,0	0,0
Net income	0,0	-2,8	-2,5

Parent Company Balance Sheet in brief	30-09-2018	30-09-2017	31-12-2017
MSEK			
Intangible assets	3,7	4,6	4,4
Tangible assets	0,0	0,0	0,1
Financial assets	166,8	165,3	167,4
Total non-current assets	170,6	169,9	171,9
Current receivables	1,5	1,2	1,2
Cash and liquid assets	0,2	0,2	0,4
Total assets	172,4	171,3	173,4
Restricted equity	4,6	4,4	4,6
Unrestricted equity	164,6	152,3	164,1
Total equity	169,2	156,7	168,7
Other non-current liabilities	0,0	0,3	0,0
Total non-current liabilities	0,0	0,3	0,0
Convertible bonds	0,0	11,7	0,0
Other current liabilities	3,2	2,6	4,7
Total current liabilities	3,2	14,3	4,7
Total equity and liabilities	172,4	171,3	173,4

Group Review per quarter

Income Statement (MSEK)	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	FY 2017	FY 2016	FY 2015
Revenues	46,7	51,9	33,8	42,0	33,2	32,2	25,8	27,3	22,5	15,6	17,3	133,1	82,7	66,2
Cost of Sale	-18,2	-24,6	-14,1	-16,8	-13,7	-13,6	-10,4	-10,6	-10,1	-7,2	-8,0	-54,5	-35,9	-32,1
Gross Profit	28,6	27,3	19,7	25,2	19,5	18,6	15,4	16,7	12,4	8,4	9,3	78,6	46,8	34,1
Other external expenses	-12,4	-11,0	-9,7	-10,8	-8,0	-8,9	-8,8	-9,4	-9,0	-8,3	-7,0	-36,5	-33,7	-26,6
Personnel expenses	-14,2	-14,5	-14,3	-13,9	-12,4	-13,2	-12,2	-12,1	-10,3	-9,3	-9,8	-51,7	-41,5	-31,1
Capitalized development costs	0,9	0,8	0,9	1,3	1,1	0,9	1,1	1,6	0,3	0,9	0,7	4,4	3,5	4,3
Depreciation	-1,8	-1,1	-1,1	-0,9	-1,1	-1,4	-1,6	-1,3	-1,5	-1,5	-1,6	-5,0	-5,9	-5,6
Other operating income/ expenses	-0,7	0,4	-0,2	0,1	-0,4	-0,1	0,5	0,1	0,2	0,1	0,2	0,1	0,5	4,5
Operating expenses	-28,2	-25,4	-24,4	-24,2	-20,8	-22,7	-21,0	-21,1	-20,3	-18,1	-17,5	-88,7	-77,1	-54,5
Operating income	0,4	2,0	-4,7	1,1	-1,4	-4,1	-5,6	-4,4	-7,9	-9,7	-8,2	-10,0	-30,4	-20,4
Financial items, net	-0,1	-0,4	-0,2	-0,3	-0,3	-0,2	-0,2	-0,2	-0,1	-0,3	-0,3	-0,9	-0,9	-0,8
Income before tax	0,3	1,6	-4,9	0,8	-1,7	-4,3	-5,8	-4,6	-8,0	-10,0	-8,5	-10,9	-31,2	-21,2
Tax	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Net income	0,3	1,6	-4,9	0,8	-1,7	-4,3	-5,8	-4,6	-8,0	-10,0	-8,5	-10,9	-31,2	-21,2
Balance Sheet (MSEK)	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	FY 2017	FY 2016	FY 2015
Non-current assets	36,6	37,5	37,8	37,6	37,3	37,3	37,5	37,5	38,6	38,9	38,9	37,6	37,5	39,7
Current assets	80,7	86,5	73,5	80,4	72,7	69,9	62,3	64,6	53,3	47,9	41,5	80,4	64,6	33,9
Total assets	117,3	124,0	111,3	118,0	110,0	107,2	99,8	102,1	91,9	86,8	80,4	118,0	102,1	73,6
Equity	69,2	68,4	66,3	71,4	58,3	61,3	64,8	70,6	54,0	61,6	30,5	71,4	70,6	40,0
Non-current liabilities	0,0	0,0	0,0	0,3	0,3	12,3	12,4	12,5	12,6	12,7	28,2	0,3	12,5	12,8
Current liabilities	48,1	55,6	45,0	46,4	51,4	33,6	22,6	19,0	25,3	12,5	21,7	46,4	19,0	20,8
Total equity and liabilities	117,3	124,0	111,3	118,1	110,0	107,2	99,8	102,1	91,9	86,8	80,4	118,1	102,1	73,6
Cash Flow Statement (MSEK)	Q3 2018	Q4 2017	Q4 2017	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	FY 2017	FY 2016	FY 2015
Operating cashflow	8,4	-3,7	-12,1	-0,7	10,0	-9,8	-3,5	-8,2	-13,9	-11,4	-11,0	-4,0	-44,6	-22,9
Cashflow from investing activities	-0,9	-0,8	-0,9	-1,4	-1,5	-1,2	-1,6	-0,8	-0,4	-1,7	-0,7	-5,5	-4,0	-6,0
Cashflow from financing activities	-5,5	5,2	4,1	-1,5	0,6	5,1	7,6	15,9	4,5	22,0	13,8	11,3	56,7	25,7
Totals	2,0	0,7	-8,9	-3,6	9,1	-5,9	2,5	6,9	-9,8	8,9	2,1	1,8	8,1	-3,2
Key Ratios	Q3 2018	Q4 2017	Q4 2017	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	FY 2017	FY 2016	FY 2015
Total order intake (MSEK)	64,2	56,4	50,6	47,5	55,5	49,3	40,2	41,9	28,2	30,4	13,0	192,5	113,5	88,1
Quarterly change (%)	14%	11%	7%	-14%	13%	23%	-4%	49%	-7%	134%	-51%	0%	n/a	n/a
Change compared to same period last year (%)	16%	14%	26%	13%	97%	62%	208%	57%	23%	87%	-41%	70%	29%	29%
Total Revenues (MSEK)	46,7	51,9	33,8	42,0	33,2	32,2	25,8	27,3	22,5	15,6	17,3	133,2	82,7	66,2
Quarterly change (%)	-10%	54%	-20%	27%	3%	25%	-5%	21%	44%	-10%	-16%	n/a	n/a	n/a
Change compared to same period last year (%)	41%	61%	31%	54%	48%	106%	49%	33%	46%	3%	14%	61%	25%	24%
Gross Margin (percent of Revenues)	61%	0%	0%	60%	59%	59%	60%	57%	55%	54%	54%	59%	57%	52%
EBIT-margin (percent of Revenues)	1%	4%	-14%	3%	-4%	-13%	-22%	-16%	-35%	-62%	-47%	-8%	-37%	-31%
Profit margin (percent of Revenues)	1%	3%	-14%	2%	-5%	-13%	-22%	-17%	-36%	-64%	-49%	-8%	-38%	-32%
Earnings per share before dilution (SEK)	0,01	0,05	-0,16	0,03	-0,05	-0,14	-0,20	-0,16	-0,29	-0,44	-0,39	-0,10	-1,21	-0,99
Equity per share before dilution (SEK)	2,25	2,30	2,23	2,40	1,98	2,08	2,20	2,75	2,18	2,65	1,38	2,34	2,39	1,82
Equity per share after dilution (SEK)	2,21	2,16	2,10	2,27	1,87	1,97	2,07	2,59	2,05	2,49	1,29	2,21	2,26	1,70
Last paid share price (SEK)	27,50	31,20	30,40	28,30	33,90	22,60	14,80	12,10	10,90	9,10	8,60	28,30	12,10	15,10
Equity/asset ratio (percent)	59%	55%	60%	60%	53%	57%	65%	69%	59%	71%	38%	60%	69%	54%
Cash Balance (MSEK)	8,0	6,3	5,5	14,6	17,9	9,1	2,4	12,7	5,7	11,0	6,7	14,6	12,7	4,4
Number of employees at end of period	56	54	50	49	47	46	46	46	46	41	41	49	46	41
Average number of outstanding shares (millions)	30,8	30,8	30,8	29,8	29,5	29,5	29,5	25,7	24,7	23,3	22,0	29,6	25,7	21,3
Average number of diluted shares (millions)	31,3	31,3	31,3	31,2	31,2	31,1	31,3	27,3	26,3	24,8	23,6	31,3	25,5	22,5
Number of outstanding shares at end of period (millions)	30,8	30,8	30,8	30,8	29,5	29,5	29,5	29,5	27,5	27,5	22,0	30,8	29,5	22,0
Number of outstanding warrants at end of period (millions)	0,5	0,5	0,5	0,5	1,7	1,8	1,8	1,8	1,6	1,5	1,5	1,7	1,8	1,5

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. The Group is applying IFRS 9 Financial Instruments and IFRS 15 Revenue from contracts with as of January 1, 2018, which is described here below. The applied accounting principles are in all other aspects consistent with what is stated in note 1 in the Financial Statements for 2017.

New standards as of January 1st, 2018

The Group is applying IFRS 9 Financial Instruments and IFRS 15 Revenue from contracts with as of January 1, 2018.

IFRS 9 Financial Instruments has replaced IAS 39 Financial Instruments: Recognition and Measurement. The new standard introduces 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 has been implemented from January 1, 2018 onwards. The company does not have any derivatives and all financing is done at market rate. Client loss for the Group has been, and is expected to be, very moderate why no credit loss reserve has been booked.

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 has been implemented from January 1st, 2018 onwards. The effect of the new standard has not been considered to be substantial and recalculation of the comparable year 2017 has therefore not been presented. The effect would have amounted to 0,4 MSEK for 2017.

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

New IFRS that have not yet come into force

IFRS 16 Leasing replaces IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease and related rules, and will be effective as of 2019. Under the new standard, the lessee is required to recognise all contracts that meet the definition of a lease (except leases of 12 months or less and leases of low-value assets) as a right-of-use asset and liability in the statement of financial position. Leases that currently comprise operating leases will subsequently be recognised in the balance sheet, which entails that the current operating expense, corresponding to the leasing charges for the period, will be replaced by amortisation and interest expense in the income statement. C-RAD's financial statements will largely be impacted by improved operating profit, increased total assets, and cash flow from leases moved from operating activities to financing activities (amortisation and interest paid).

IFRS 16 is not expected to have a substantial effect on the Group as the business contains a relative low number of leasing contracts. Inventory and analysis of existing leasing contracts is ongoing and a detailed analysis will be presented in the Year-End Report for 2018.

Exchange rates

The financial statements are presented in SEK, the functional currency of C-RAD. 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. Orders, order back-log and income statement are translated at the period-average exchange rate while balance sheet items are translated at the closing rate. The average EUR rate during the first third quarter of 2018 was 10.2 (9.6), while the average USD rate in the period was 8.6 (8.6). Closing rate for EUR was 10.3 (9.6) och USD 8.9 (8.1).

Related party transactions

During the third quarter of 2018, C-RAD has purchased printing material from Thurn Transmedia Com to an amount of 1 KSEK. The owner of Thurn TransmediaCom is related to the CEO of C-RAD, Tim Thurn.

Capitalized development costs

Development expenses that fulfil the recognition criteria in IAS38 are capitalized. Impairment test are performed quarterly. 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.

Contingent liabilities

Contingent liability of SEK 2 000 000 in the Parent company refer to guarantee commitment for subsidiary.

Pledges

The pledges refer to a chattle mortgage for the Company's credit line with Nordea and Erik Penser Bank AB (security of 12.150.000 SEK) and a bank guarantee of 500 000 with one of the Company's suppliers as beneficiary.