

# Administration Report including Corporate Governance Report

The Board of Directors and CEO of C-RAD AB (publ), company reg. no. 556663-9174, with its registered office in Uppsala, Sweden, hereby submit the annual accounts and consolidated accounts for financial year 2022. The financial reports have been approved for publication on 6 April 2023. The consolidated and Parent Company financial statements are to be approved at the Annual General Meeting on 5 May 2023.

*Figures in parentheses refer to the previous year. All amounts presented in tables and notes are in SEK thousand unless stated otherwise.*

## About C-RAD in general

C-RAD is a Swedish company headquartered in Uppsala. The company develops, manufactures and sells products and systems on the world market, which provide higher precision, increased efficiency and better safety in radiation treatment of cancer patients. The company's innovations originate from Karolinska Institutet and the Karolinska Hospital in Solna. The Group also includes CYRPA International, which develops innovative products for positioning and virtual simulation in radiation therapy.

C-RAD started its operations at the turn of the year 2004/2005. The business initially focused on research and development and today the company delivers its products to radiation treatment clinics all over the world.

In recent years, C-RAD has been in an expansion phase, laying the foundations for global growth. The basis for these conditions consists of innovative and clinically accepted products and systems as well as a continued expansion of the sales organisation and service. During these years, we have built up trust and our customers feel confident in our advanced products. Powerful testimonials from our customers underscore the clinical benefits that come with our technology. This has now led to a wider acceptance and an increasing demand for our products and solutions.

C-RAD sells systems directly to customers via diagnostics and accelerator companies as well as through specialised distributors. The company's own direct sales organisation has expanded in recent years and has become increasingly important. C-RAD currently has a sales organisation for the Nordic countries, the German-speaking countries, France, East Asia and North America.

## Significant events during the financial year

On 21 June, C-RAD announced that the Board had decided to appoint Cecilia de Leeuw as the new CEO, beginning on

21 December. Cecilia succeeds Tim Thurn, who is leaving the role after almost ten years at the helm. Cecilia de Leeuw has broad international experience in global product management, commercialisation, global sales and driving organisational development. She began her career at Ericsson in 1995 and has since held various senior positions both internationally and in Sweden during 1995–2017. She joins us from Tietoevry Transform, where she was Vice President and Head of Industry Telecom and Consumer. She is a Board member at Kambi and at Net Insight AB. She holds a Master of Science in Industrial Engineering and Management from Linköping University.

C-RAD announced in July that Henrik Bergentoft, CFO since March 2020, had decided to leave his role in order to take up a similar position at a larger listed company. Christoffer Herou has been appointed the new CFO and is expected to take up his post at the end of Q2 2023. In the meantime, Lars Levin has acted as interim CFO.

In October, C-RAD announced the decision from a nationwide tender for positioning technology in Italy. The tender for SGRT (Surface Guided Radiation Therapy) was won by C-RAD distributor Tecnosan SRL and includes Catalyst and Sentinel 4DCT systems. The decision was subject to an appeal deadline, which expired in December. On 6 December, C-RAD consequently announced the order relating to the tender, worth a total of 46 MSEK. Italy currently has around 432 linear accelerators installed, spread across 192 cancer centres. This order for Catalyst and Sentinel 4DCT systems will extend C-RAD's market dominance to over 100 SGRT systems in Italy. The delivery and installation of these systems is expected to begin in spring 2023 and is estimated to be completed by the end of 2024.

On 16 November, C-RAD announced a partnership agreement with Renova Oncology Group, based in Hyderabad, India. The agreement includes an order for several Catalyst+

Five-year summary	2022	2021	2020	2019	2018
<b>Key figures, amounts in MSEK</b>					
Order intake	484.6	353.5	312.6	269.8	246.8
Revenue	301.3	261.2	221.6	205.4	190.1
Gross profit	195.2	165.7	131.6	121.0	110.1
Gross profit margin, %	65	63	59	59	58
Operating profit/loss	21.8	36.0	17.1	(9.6)	0.8
Operating margin, %	7.2	13.8	7.7	(4.7)	0.4
Profit/loss before tax	21.5	35.7	16.4	(11.4)	0.2
Profit/loss after tax	7.5	25.1	14.4	(13.8)	21.2
Earnings per share (SEK)	0.22	0.74	0.43	(0.45)	0.69
Total assets	339.2	306.7	270.5	157.8	146.6
Order backlog	616.0	425.3	350.5	267.1	194.0
Equity ratio, %	72	75	74	53	64
Average number of employees	74	62	59	55	52

See page 73 for definitions of key figures.

HD and Sentinel 4DCT systems and a multi-year service contract. Renova Oncology Group is a private healthcare provider founded in Hyderabad and is in the process of establishing oncology centres throughout India. The first installation will be at Renova's main centre in Hyderabad and this will become a Centre of Excellence, with the aim of establishing a reference site and a training facility. The agreement opens the door for joint research projects. The systems will be delivered with the complete software suite, including modules for respiratory gating, patient setup & positioning and motion monitoring, as well as dedicated software to support stereotactic treatments.

### Sales, operating profit and expenses

For the full year, revenue increased by 15 percent to 301.3 (261.2) MSEK, 8 percent in constant currencies. Broken down geographically, revenues for the full year in EMEA increased 15 percent to 147.5 MSEK, while revenues in the Americas increased 38 percent to 70.6 MSEK. APAC revenues were 83.3 MSEK, which was 1 percent higher than the previous year. Revenue for Life Cycle Business (services) continues to represent an increasing part of the company's total revenue and services now account for 16 percent of revenue. Gross profit margin for the full year was 65 (63) percent. Fluctuations in gross profit can be expected between periods as it is dependent on the product mix and a variation of sales channels in our different markets, where a larger share of direct sales was the main driver behind the improved gross margin during the year. Personnel expenses for the full year amounted to 103.3 (71.7) MSEK. This increase is the

result of the expansion of the number of personnel during the year with the aim of strengthening the organisation for the future. C-RAD has personnel expenses in foreign currencies, primarily USD and EUR, and the weakening of the SEK has increased personnel expenses by around 4.0 MSEK for the full year. Other expenses for the full year amounted to 75.8 (52.5) MSEK. Last year's external expenses were impacted by the pandemic, with little travel and no physical marketing events taking place. The year's expenses, both in the quarter and in the full year, were affected by costs relating to forward-leaning investments in the organisation within sales, service and support, product development and research collaborations. There was greater use of external consultants in our R&D projects compared with last year, also reflected in the capitalised development cost described below. These consultants will gradually be replaced by employed resources. For the full year, 10.1 (4.6) MSEK of development costs have been capitalised and 4.5 (3.8) MSEK has been amortised. The increased capitalisation compared with last year is due to more time being put into development and the fact that external consultants have also been engaged to a greater extent compared with last year. Total capitalised development costs amounted to 21.5 (15.8) MSEK at the end of 2022. Operating income for the full year amounted to 21.8 (36.0) MSEK, corresponding to a margin of 7.2 (13.8) percent. Excluding non-recurring costs connected with the change of management, operating income for the full year amounted to 26.1 (36.0) MSEK and the operating margin to 8.6 (13.8) percent. Net results after tax for the full year amounted to 7.5 (25.1) MSEK, corresponding to 0.22 (0.74) SEK per share.

### Cash flow

Cash flow from operating activities amounted to 9.7 (18.2) MSEK for the full year. During the second quarter the warrant programme from 2019 was converted into shares, generating a capital increase, and in the same quarter the 2022 programme was initiated, totalling 1.0 MSEK. Total liquid funds at the end of the period amounted to 121.9 (122.4) MSEK. In addition, the company has an unused credit facility of 20 MSEK. Net financial income amounted to -0.3 (-0.3) for the full year. The company has no external debt, hence the negligible financial cost.

### Equity

The Group's equity amounted to 242.5 (231.1) MSEK. The Group's equity ratio has decreased from 75 percent in 2021 to 72 percent in 2022.

### Non-current liabilities

At the balance sheet date, the company had non-current liabilities of 4.1 (6.4) MSEK, in its entirety attributable to the non-current portion of lease liabilities.

### Deferred tax asset

The deferred tax asset is impairment tested at each quarter. In 2022, 14.0 MSEK was reported as a tax expense, thus reducing the deferred tax asset. The deferred tax asset amounted to 0.0 (13.1) MSEK as at 31 December. The remaining tax loss in the foreign subsidiaries is 146.3 MSEK. The majority of this relates to the US subsidiary where there is a time limit of 20 years for utilisation of the loss against future taxable gains, while for others there is no restriction. The tax deficit in the foreign subsidiaries has not been capitalised as a deferred tax asset.

### Parent Company

No operations are conducted in the Parent Company except for Group Management and administration. The Parent Company's revenues for the full year 2022 amounted to 28.9 (25.5) MSEK and the operating income was -0.8 (0.4) MSEK. Most of the Group's administrative costs arise in the Parent Company. Revenues in the Parent Company consist of invoiced administration fees to subsidiaries and grants received in development projects.

## Research and development

A prerequisite for C-RAD's business success is strong and innovative R&D with cutting-edge expertise in clinical application and hardware and software.

During the year, the company has continued development work around its core product, Catalyst™.

Capitalised development costs during 2022 amounted

to 10.1 MSEK and relate in their entirety to the product development of positioning products. Total capitalised development costs amounted to 21.5 (15.8) MSEK at the balance sheet date.

## Significant risks and uncertainties

A number of risks have been identified and the impact of these factors is difficult to assess. These factors could have both a positive and negative impact on the company. The risks are described in Note 6.

When assessing the continued development of the company, these risks must also be considered. The factors are listed below in no particular order.

### Pandemics

Unforeseen and, in addition, rapid spread of diseases can mean that society functions, including healthcare, shift their focus and, at least in the short term, cannot focus on investments in new equipment. This could adversely affect C-RAD's sales, as well as the ability to deliver products already ordered. As mentioned, C-RAD is also dependent on third parties in the form of suppliers and cooperation agreements. There is a risk that a pandemic will affect these parties in such a way that they cannot fulfil their obligations to C-RAD, with the subsequent risk of negative effects on both sales and delivery capacity for C-RAD.

### Political risks

Political risk is the risk of financial, market or personnel losses occurring due to political decisions or disruptions. The following are examples of political risk actions that potentially could have an effect on C-RAD in specific markets: decisions made by government leaders regarding taxes, currency valuation, trade tariffs/barriers, investment, wage levels, labor laws, environmental regulations, and development priorities.

### Market growth

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

### Technological development

The medical device industry is still undergoing major changes, largely as a result of technological developments in the field. C-RAD develops solutions for use in advanced radiation therapy. If a completely new technology should arise in the field in which C-RAD is active, combined with changing demands and

preferences of customers, this could have a negative impact on the company's business, earnings and financial position.

### **Intellectual property rights**

Business and sales are to some extent dependent on C-RAD applying for and receiving patent protection for its innovations in the field of radiation therapy in strategically important markets. There are no guarantees that the company will receive patents that are pending or that it will be able to protect patents that have been granted. Even if the company receives patent protection, competing solutions could be developed. There is also no guarantee that in the future a third party will not bring an infringement action against the company. The above risks related to intellectual property rights may have adverse effects on C-RAD's business, earnings and financial position.

### **Permits and approvals**

Marketing and sales of C-RAD's products often require regulatory approvals in the relevant markets. The approval process for medical device products varies between countries and between different healthcare systems, which means that it can be difficult to predict what resources in terms of time and costs will be required to obtain product approvals in different markets. There is also no guarantee that the company will be able to obtain and maintain such permits. If C-RAD does not receive strategically important permits and maintain the permits it has for products marketed and sold in strategic markets, this could have material adverse effects on the company's business, earnings and financial position.

### **Technical risks**

The company manufactures and sells the Sentinel, Catalyst™ and Catalyst HD™ systems and Cyrpa lasers. Interest in the systems is strong and the company's assessment is that the cash flow for the systems will provide good profitability, which means that no indication of impairment is present. Should this investment fail, partially or completely, the company may be forced to write down parts or all of the projects.

### **Competitors in the accelerator field**

If a competitor of C-RAD were to initiate a major investment and product development, this could have a negative impact on C-RAD's sales. Moreover, companies with global operations that currently work in adjacent areas may decide to become established in the same areas of business. Such companies could have larger financial and organisational resources than C-RAD. If C-RAD is unable to adapt its business and products to meet market demand, there is a risk of losing competitiveness, which in turn could have an adverse impact on the company's business, earnings and financial position.

### **Dependence on key personnel**

Success is based largely on the skills of the employees in general and of key personnel in particular. The future development of the company largely depends on the ability to attract and retain skilled personnel. If any key personnel should choose to leave the company, it could result in delays in development and higher costs for both product development and recruitment, at least in the short term.

### **Dependence on suppliers**

C-RAD's products are usually manufactured by subcontractors. It cannot be ruled out that one or more of these could choose to terminate cooperation with C-RAD and that the company would be unable to replace the subcontractor in a timely, qualitatively or financially satisfactory manner. There is also a risk that C-RAD's suppliers and manufacturers could fail to meet quality requirements, resulting in product liability claims. Similarly, establishment of new suppliers or manufacturers could be more expensive and take longer than C-RAD has calculated. Both Sentinel and Catalyst™ contain components with long delivery times that are currently only available from a few suppliers. If these components could not be delivered for any reason, or if deliveries should be delayed, deliveries to C-RAD's customers could be delayed. Overall, this could have an adverse impact on the company's business, earnings and financial position.

### **Dependence on cooperation agreements**

C-RAD's sales are made directly to radiation therapy centres and in cooperation with distributors and industrial partners. Building an efficient distribution network is of great importance for the company's sales performance and requires time and costs for training initiatives and visits to key customers. The company is, and will continue to be, dependent on cooperation agreements with external parties for the sale of the products. If such collaborations with external partners should fail, the company will find it difficult to implement its development plans. There is also a risk that the companies with which C-RAD has signed, or will sign, cooperative agreements will be unable to meet their obligations under these agreements. Existing cooperation agreements may also be terminated or changed. Overall, this could have an adverse impact on the company's business, earnings and financial position.

### **Cyber security risks**

Cyber security risks relate to the loss of confidentiality, integrity or availability of information, data or control systems and reflect the potential negative effects on the company's operations, such as assignments, functions or reputation.

### **Ability to manage growth**

C-RAD's business may grow substantially through a sudden

and unexpected increase in demand for its products, which would place great demands on management as well as the operational and financial structure of the company. As the business grows, the company needs to ensure that efficient planning and management processes are in place, which may require investments and allocation of management resources to be able to implement the business plan in a market undergoing rapid development. A fast and strong market response could result in delivery problems. The inability to handle such increased capacity requirements could have a negative impact on the business, earnings and financial position.

### Financial risks

The company is exposed to various financial risks such as currency risk, credit risk, interest rate risk, liquidity risk and financing risk.

Currency risk is associated primarily with future transactions, recognised assets and liabilities, as well as investments in foreign subsidiaries.

The Group's credit risk is related to accounts receivable. Customers largely consist of public and private cancer clinics around the world. The company has thus far not written off any accounts receivable due to a customer's inability to pay. The Parent Company's credit risk is related to the financing of its subsidiaries' operations through loans.

Interest rate risks are associated with changes in interest rates that have an adverse effect on the company. On the balance sheet date, the company did not have any long-term interest-bearing loans. Excess liquidity is placed in the bank and/or fixed income securities with high ratings. Liquidity risk is the risk of being unable to meet payment obligations as a result of insufficient liquidity. The Group has products in the commercialisation phase and technical risks and market acceptance may lead to cash flow delays.

Financing risk is the risk of being unable to obtain the financing necessary to cover the needs of current operations at any given time.

See note 6 for more information on financial risks and financial risk management.

### Employees

At the turn of the year, the Group had a total of 79 (66) employees. The average number of employees in 2022 was 74 (62). The majority of employees work in research and development and related activities. The employees possess cutting-edge competencies within their respective disciplines and several also have extensive experience of radiation therapy and radiation physics.

### Incentive programmes for employees

At the Annual General Meeting on 6 May 2022, an incentive

programme was approved through the issue of 100,000 warrants in C-RAD. Current employees of the C-RAD Group subscribed for a total of 54,700 warrants. A summary of active incentive programmes is presented in Note 16. Share-based payments.

### Environment

The Group's environmental impact mainly relates to transport and electricity consumption that delivered and installed products require for their operation. The Group's operations are not subject to licensing or reporting requirements under the Swedish Environmental Code.

### Significant events after the end of the financial year

On 2 January, C-RAD announced that Christoffer Herou has been appointed CFO, starting at the end of Q2, 2023.

On 2 March, the Nomination Committee's proposal for the new Board of Directors of C-RAD was announced. Kristina Willgård is proposed as the new Chair of the Board. C-RAD's Nomination Committee also proposes the election of Susanne Ekblom and Peter Simonsbacka. Chair of the Board Lars Nyberg has notified the Nomination Committee that he is not standing for re-election to the Board. Per-Arne Blomquist, Kicki Wallje-Lund and Åsa Hedin have also notified the Nomination Committee that they are not standing for re-election to the Board.

On 15 February, C-RAD announced an order from Nordstrahl in Nuremberg, Germany. The order includes multiple systems and a multi-year service contract. The total order value is approximately 8.3 MSEK.

### Future development

The strengths of C-RAD's products, the continued strong growth of the industry and the actions that the company is taking to uniquely position C-RAD in the marketplace create expectations of future growth. C-RAD will become even further established in proven and new markets and help to make cancer treatment more efficient for healthcare providers, better in quality and safer for patients and medical personnel.

### Corporate Governance Report

#### Corporate Governance

C-RAD is a Swedish public limited company based in Uppsala. Corporate governance at C-RAD AB is based on Swedish legislation, primarily the Swedish Companies Act, the Swedish Code of Corporate Governance (the "Code"), the Nasdaq OMX Stockholm's listing requirements as specified in the "Rules for Issuers" and the internal instructions and policy documents that the company has established and adopted. The company's shares have been admitted to trading on Nasdaq OMX Stockholm since 16 December 2014. As of this date, the company is obligated to apply the Code. The company applies

the Code from the time of admission to trading of its shares on Nasdaq OMX Stockholm. If any deviation from the Code should arise, such deviations must be explained in connection with each section.

### General Meeting

The General Meeting is the company's highest decision-making body. By law, the Annual General Meeting must be held within six months following the end of the financial year. The Annual General Meeting decides on issues such as adopting the income statement and balance sheet, the allocation of the company's earnings, discharge from liability, election of Board members and appointment of auditors. Notice of the Annual General Meeting, as well as Extraordinary General Meetings where questions regarding amendments to the Articles of Association are addressed, must be issued no earlier than six and no later than four weeks before the Meeting. Notice of other General Meetings must be issued no earlier than six and no later than three weeks before the Meeting. Shareholders recorded in the register maintained by Euroclear on behalf of C-RAD no later than five business days before the meeting and who have expressed their intention to participate to the company as described in the Notice of the Meeting have the right to attend and vote at the Annual General Meeting. Shareholders may be represented by proxy. Notice of the meeting is issued in accordance with the Companies Act no earlier than six and no later than four weeks before the meeting.

### Authorisation granted by the 2022 General Meeting

The AGM authorised the Board to decide on C-RAD potentially issuing a maximum of 2,500,000 new Class B shares.

### Articles of Association

C-RAD's Articles of Association contain no restrictions on how many votes each shareholder may cast at a General Meeting. Each Class A share entitles the holder to ten votes and each Class B share carries one vote at the Annual General Meeting. The total number of shares at the balance sheet date was 33,766,935. Moreover, C-RAD's Articles of Association do not include any specific provisions on the appointment and dismissal of Board members or on amending the Articles of Association.

### Nomination Committee

The Nomination Committee's task is to submit proposals prior to the Annual General Meeting regarding, among other things, the Chair of the Board, Board members, auditors, remuneration to the Board and, where appropriate, proposals for appointment of auditors and for their fees. The principles for appointing the Nomination Committee are decided by the

Annual General Meeting. C-RAD's Nomination Committee prior to the 2023 Annual General Meeting consists of Anna Frick, Gaetan Boyer and Lars Nyberg. The Nomination Committee appointed Gaetan Boyer to be the chair of the Committee.

### Board of Directors

The Board conducts its work as described in the Swedish Companies Act, the Code and other rules and regulations applicable to the company. The overarching task of the Board of Directors is to manage the company's affairs and organisation. The Board currently consists of six members and the company has ensured that the composition is adapted to meet the requirements of the Code. For additional information about the current Board of Directors and Group management, please see the relevant sections on pages 18 to 21.

All Board members are independent of the company and of the company's major shareholders.

### Rules of procedure and Board meetings

At the statutory Board meeting following the Annual General Meeting, the Board of Directors of C-RAD adopts the rules of procedure with instructions regarding the rules of procedure between the Board of Directors and the Chief Executive Officer, as well as instructions for financial reporting. The Board holds at least four ordinary meetings in addition to the statutory meeting. Meetings are coordinated as far as possible with the timing of financial reporting and the Annual General Meeting. In addition to ordinary meetings, the Board of Directors is called to further meetings as the situation requires. In 2022, the Board met 13 times, including the statutory meeting at which the rules of procedure were adopted. In addition to the ordinary meetings, the Board of Directors held five extraordinary Board meetings to discuss the change of company CEO. The work of the Board of Directors was also carried out through meetings of the Audit Committee. The Chair of the Board also maintained an ongoing dialogue with the Board members between ordinary Board meetings.

By far the most important issue during the year was the appointment of a new CEO. In autumn 2021, Tim Thurn announced his long-term intention to leave the company. In 2016, C-RAD's sales totalled 80 MSEK and the company made a loss of 30 MSEK. Following strong growth, the company broke even in 2018 and by 2022 sales were almost four times higher than in 2016, with positive earnings and cash flow.

The Board of Directors decided that the change of CEO was an opportunity for C-RAD to take the next step to establish itself as a market leader, improve efficiency and increase focus on strategically important areas; such as continued profitable growth, service becoming a larger part of the business, a strengthening of the sales organisation in key markets and an increased focus on product development. The process to recruit

the company’s new CEO was extensive and the Board devoted a lot of time to this. The Board met several candidates during the process and before the appointment of Cecilia de Leeuw as the new CEO, all the Board members had individual meetings with her. The Board decided that Cecilia de Leeuw is the right person to take C-RAD to the next level. As in previous years, the Chair of the Board held two meetings per month with the CEO during the year, to provide support and to act as a sounding board. This routine continued with Cecilia de Leeuw immediately after her appointment and the transition to a new CEO went smoothly.

**Attendance at board meetings in 2022**

<b>Board member</b>	<b>Number of meetings</b>
Lars Nyberg . . . . .	13
Kicki Wallje-Lund . . . . .	11
David Sjöström . . . . .	12
Åsa Hedin . . . . .	11
Jenny Rosberg . . . . .	13
Per-Arne Blomquist . . . . .	13

The Board’s work is evaluated once per year. The Chair of the Board organises the evaluation through questionnaires, compiles the results and presents them at the following Board meeting where discussions are ongoing and any improvement areas identified.

**Board committees and committee work**

The Audit Committee consists of Per-Arne Blomquist as Chair of the Committee and Kicki Wallje-Lund and Jenny Rosberg as members. The committee had six meetings in 2022. The Remuneration Committee consists of Lars Nyberg, David Sjöström and Åsa Hedin.

**Internal control**

According to Swedish corporate governance rules, the Board of Directors shall ensure that C-RAD has adequate internal controls and remains informed of and evaluates the company’s internal control systems. Since 2016, the Board has appointed an Audit Committee that monitors the current affairs of the company through regular meetings with the company’s finance department. An important part of the control environment is that the organisation and decision-making procedure, as well as responsibilities and authorities, are clearly defined and communicated in policy documents. Any identified risks within the financial reporting will be handled within the company’s control structure and will result in a number of control activities.

C-RAD has adopted policies and procedures relating to financial reporting, as well as a finance handbook that includes accounting policies, financial policy and reporting

procedures. Control activities are designed to prevent, detect and correct errors and deviations and include, for example, comparison of profit and loss items, account reconciliation, monitoring and reconciliation of Board decisions and policies adopted by the Board. The Board reviews the interim and annual reports before publication.

Levels and rules for approval of transactions within the company and with external partners are set through an authorisation procedure. The company also has rules for approval of transactions.

**Internal audit**

The Board has determined that existing internal control processes and functions at C-RAD are adequate and there is no need to introduce an internal audit function. The monitoring provided by the Board, management and the company’s external auditors is currently considered to fulfil this need. However, the Board conducts an annual assessment to determine whether such a function is necessary to maintain good control of the company and the Group.

**Financial reporting and follow-up**

Under applicable laws and stock exchange rules as well as other regulations applicable from time to time, the company strives to regularly provide accurate, reliable and timely financial information. Financial information is published regularly as quarterly reports, annual reports and press releases containing news and significant events that may affect the share price, in accordance with the company’s information policy. The company’s CFO prepares a monthly report on key performance indicators for the Board.

**Ownership**

At the end of the year, C-RAD had 4,578 shareholders according to Euroclear. The two largest shareholders together held 19.5 percent of the shares and 18.1 percent of the voting rights. As at the balance sheet date, the company’s share capital amounted to SEK 5,065,284, with a quota value of SEK 0.15 per share, divided into 33,766,935 shares, of which 862,887 were class A shares and 32,904,048 were class B shares. Each Class A share entitles the holder to ten votes and each Class B share carries one vote at the Annual General Meeting. The total number of votes in the company is 41,532,918. No known shareholder agreements exist.

**Remuneration to the Board of Directors**

The Annual General Meeting decides on remuneration to the Board of Directors. The Annual General Meeting of 6 May 2022 resolved that the Chair of the Board shall be paid SEK 400,000 in remuneration annually and that the other Board members shall be paid SEK 200,000 each. Members of the Audit Committee shall be paid SEK 30,000 each.

## Ownership structure – 10 largest shareholders in terms of votes

Shareholders as at 31/12/2022	A shares	B shares	Total shares	Capital, %	Votes, %
Svea Bank AB	100,000	3,924,969	4,024,969	11.93%	11.86%
Hamberg Förvaltning AB	379,762	822,671	1,202,433	3.56%	11.12%
Lars Nyberg and family	70,000	2,462,930	2,532,930	7.50%	7.62%
Lars Kling	0	2,568,500	2,568,500	7.61%	6.18%
Olle Stenfors	180,000	341,000	521,000	1.54%	5.15%
Avanza Pension	0	1,892,399	1,892,399	5.60%	4.56%
Anders Brahme	133,125	0	133,125	0.39%	3.21%
Eiffel Investment Group SAS	0	1,186,922	1,186,922	3.52%	2.86%
Berenberg Funds	0	1,173,889	1,173,889	3.48%	2.83%
Nordnet Pensionsförsäkring	0	1,127,833	1,127,833	3.34%	2.72%
Other	0	17,402,935	17,402,935	51.53%	41.90%
	<b>862,887</b>	<b>32,904,048</b>	<b>33,766,935</b>	<b>100.00%</b>	<b>100.00%</b>

### Remuneration to senior executives

The total remuneration in 2022 to the senior executives Tim Thurn, Cecilia de Leeuw, Håkan Axelsson, Kurt Wang, Ivan Astralaga, Lars Levin, Henrik Bergentoft, Annica Jämtén Ericsson, Emelie Gessner Gozzi, Kashif Ikram and Johan Danielsson amounted to 18.9 MSEK, of which 3.2 MSEK related to remuneration for the outgoing CEO Tim Thurn and the newly appointed CEO Cecilia de Leeuw. The average number of senior executives was 7 in 2022. All amounts relating to remuneration to senior executives are exclusive of social security contributions. The pension cost for senior executives in 2022 amounted to 1.6 MSEK. Management's pension terms are in line with other employees within the Group. Tim Thurn, Cecilia de Leeuw, Henrik Bergentoft and Håkan Axelsson are/were employed at the Parent Company C-RAD AB, while Annica Jämtén Ericsson, Emelie Gessner Gozzi, Kashif Ikram and Johan Danielsson are/were employed at the subsidiary C-RAD Positioning AB, Ivan Astralaga is employed at the subsidiary C-RAD Inc and Kurt Wang is employed at the subsidiary C-RAD Medical Device Co Ltd. Lars Levin has not been employed as he acted as interim CFO.

### Guidelines for remuneration to senior executives

The 2020 Annual General Meeting resolved on guidelines for remuneration to senior executives, which remains for 2022. The guidelines for remuneration to senior executives are as follows. The term 'senior executives' refers to the CEO and the people who are in Group management. Remuneration to the CEO and other senior executives will consist of fixed salary, variable remuneration, other benefits and pension provisions. The total remuneration will be market-based and competitive, and also be related to responsibility and authority. The variable remuneration of the company management may amount to a maximum of 100 percent of the fixed remuneration. Upon

termination of the employment contract by the company, termination and severance pay will not exceed eight (8) months' salary. Pension benefits will follow the ITP plan and any additional portions will be based on defined contributions, unless specific reasons indicate otherwise. The retirement age for Executive Management shall normally be 65 years. The Board may only deviate from these guidelines if special reasons exist in individual cases.

### Remuneration to auditors

At the 2022 Annual General Meeting, Öhrlings Pricewaterhouse Coopers AB was re-elected to serve as auditor for the company, with Johan Engstam as principal auditor. Remuneration is paid to the auditor on a time and materials basis. For further information on fees, see note 13. Audit assignments refer to auditing of the annual accounts, accounting records and administration by the Board and the CEO, as well as other duties that the company's auditor is obligated to perform, as well as the provision of advice or other assistance as a result of observations made in conjunction with such an examination or the performance of such other duties. Everything else is classified as other assignments.

### Proposed allocation of earnings

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

Share premium reserve	373,172,548
Retained earnings	-135,127,955
Profit/loss for the year	16,273,117
Total retained earnings:	254,317,710

The Board of Directors and the CEO propose that the retained earnings of SEK 254,317,710 be carried forward.