

## Strong start in 2014

### Key events within the period January-June 2014

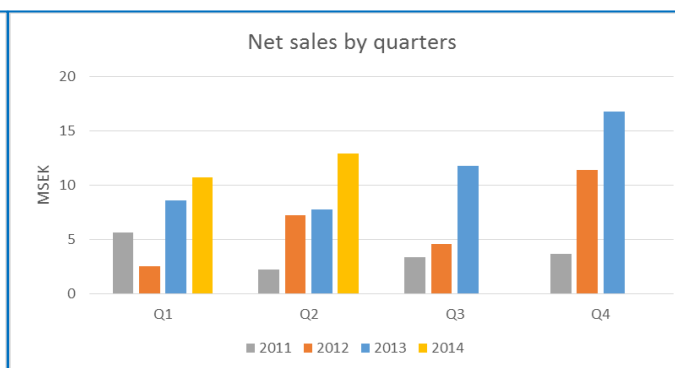
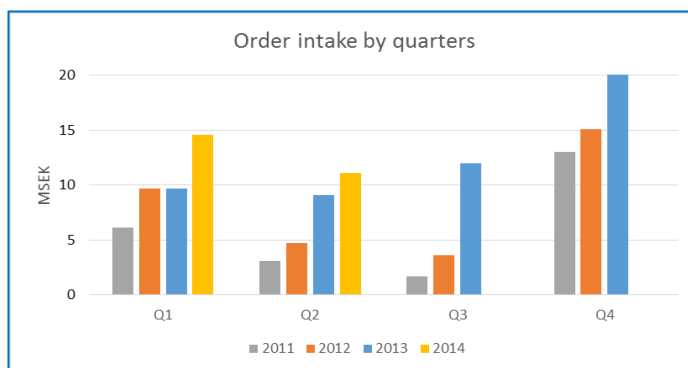
- Net sales:
    - Jan-June 24,1 (16,4) MSEK, +47%
    - April-June 13,0 (7,8) MSEK, +67%
  - Order intake:
    - Jan-June 25,6 (18,8) MSEK, +36%
    - April-June 11,0 (9,1) MSEK, +21%
  - EBITDA:
    - Jan-June -5,6 (-12,8) MSEK
    - April-June -3,9 (-16,1) MSEK
  - Net results per share
    - Jan-June 0,04 (-0,96)
    - April-June 0,13 (-0,59)
- In Q2:**
- Order of three systems from Mälarsjukhuset in Eskilstuna
  - Order of four systems from US customers in June
  - New sales manager and expansion of product portfolio in the Nordic region is underway
  - Outstanding C-RAD Presentation at ESTRO Meeting
  - Cooperation with Scandidos in North America ended
  - Production of diode detectors for IBA Dosimetry will be stopped in Q4
  - Deferred tax asset of 7,1 MSEK recognised
- In Q1:**
- Successful share increase of 700 000 shares, provided 11,4 MSEK before expenses
  - GEMini™ Joint Testing and Validation with TheraView Technology by Cablon Medical B.V.
  - The China Food and Drug Administration has approved the Sentinel system
  - Framework agreement with IBA for the supply of diode detectors 4,6 MSEK (6,2 M)

### Key events after the reporting period

- First Catalyst Order from the UK

### Comparison by quarters

### Summary, consolidated financial results



Amounts in kSEK	Jan-June		12 m
	2014	2013	2013
Net sales	24 132	16 374	45 036
EBITDA	-5 570	-12 822	-14 584
Net results after tax	883	-16 254	-20 995
Cash	10 711	20 812	10 262
Share price 1)	15,5	15,6	19,9
Order intake	25 559	18 802	50 315
Order backlog	23 036	20 213	21 423

1) in SEK, end of period

## Comments from Tim Thurn, CEO:



“The second quarter saw significant progress towards our three targets for 2014: financial growth, development of an international service organization and moving towards releasing the GEMini™ together with a software package for patient imaging and portal dosimetry.

Revenues for Q2 came in very strong, with an increase of 67% over Q2 last year. Revenues YTD increased 47% over last year. Order intake was also strong for the first half of the year at 25,6 MSEK, up 36% over the previous year.

Our investment over the last two years in our US sales organization is now decidedly bearing fruit. The US market showed very positive development, becoming our strongest market for 1H 2014 in terms of order intake. Our second-strongest market cluster, the German-speaking countries, increased order intake by 111% in 1H 2014, a doubling from 1.8 MSEK to 3.8 MSEK.

We boosted our sales efforts in the Nordic region significantly by hiring a sales manager, Lars-Göran Lilja, who not only brings considerable experience from distributing radiation therapy products, but also selected products from his previous portfolio. We plan to strengthen our Nordic offering further by adding complementary products in the area of patient positioning and quality assurance to our portfolio.

GEMini was demonstrated together with Cablon Medical’s software package for portal dosimetry and imaging at the ESTRO Meeting in April, and customer interest there led to identification of concrete projects. We are now following up and developing these customer contacts, and expect to be able to convert them into orders. Due to the high level of interest shown at ESTRO, we also decided to present in late July at AAPM, which brings together players in the world’s largest radiation therapy market, the US. During 2014 we began developing “soft offers” for our products that go beyond. This has created an additional opportunity for us: extended service contract packages have been ordered by several customers in Europe already. Now that many installed devices are exiting their 12-24 month initial warranty periods, this is creating an additional opportunity, and we will focus on offering service contracts to existing customers during the rest of the year. Our service contracts typically run on an annual automatic renewal basis. The service business is starting to contribute its own revenue stream, and further growth is expected.

In May we terminated our year-long mutual distribution agreement with ScandiDos on the North American market. While the general idea of having a partner in the US was correct, we were approaching a situation where we would be offering a competitive product within dosimetry with the GEMini. Ongoing sales projects that were developed during the agreement period will be finalized by the end of July. In order to maintain our strong position we have decided to increase our resources on the US market.

Last but not least, we have received a welcome boost in the form of two new board members, who were elected on April 16. Brian Holch Kristensen will be contributing his expertise on the clinical side and Bengt Rolén, as a representative from the capital side, will add his strengths from the business perspective. A good team just got stronger.”

## Key events Q2 2014

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### **Order of Three Systems from Mälarsjukhuset in Eskilstuna**

C-RAD signed a contract for in total three C-RAD systems with Mälarsjukhuset Eskilstuna. The order contains two Catalyst™ and one Sentinel 4DCT™ System. The procurement was through a public tender, specifically for surface tracking devices.

The radiotherapy center in Eskilstuna is equipped with two Elekta linear accelerators and a GE CT. The installation of the Sentinel 4DCT™ System will take place after the summer. The installation at the Catalyst™ systems will follow.

### **Orders of Four C-RAD Systems from US Customers**

C-RAD received two orders for in total four systems from customers in the US. The two orders include a Catalyst HD™ and a Sentinel 4DCT™ System. The first systems will be installed in the 3rd quarter.

### **C-RAD Business Expansion in the Nordic Countries**

C-RAD has strengthened its sales force by hiring a new Sales Manager for the Nordic region, Lars Lilja. At the same time C-RAD will expand its product portfolio to customers and partners in the Nordic countries.

### **Outstanding C-RAD Presentation at ESTRO Meeting**

In the C-RAD booth the CATALYST HD™ system has been presented on a European conference for the first time. The GEMini™ was demonstrated in combination with the software package from Cablon Medical for portal dosimetry and imaging. Also the joint product of C-RAD and Cyrpa for 4D Imaging and Virtual Simulation has been shown to clinical customers as well as representatives from the major CT vendors. During the conference C-RAD organized site visits of a clinical CATALYST HD™ installation in Vienna. Around 40 customers joined the presentation of the system.

### **C-RAD and ScandiDos have decided to end the cooperation on the North American market**

C-RAD and ScandiDos, two Uppsala-based companies both active in the field of radiation therapy, have decided to discontinue the sales cooperation on the North American market. With upcoming introduction of new products from both companies a partly competitive situation arises. Therefore the sales-cooperation was terminated. C-RAD has rearranged the sales territories after the cancelation to cover the entire region with own resources. The previous product manager has changed into a full time sales role. Currently three regional sales managers are employed at C-RAD in the US. One sales manager is based in the Boston area to cover the North East, one in Delray Beach to cover the South East and one sales person located in San Francisco covers the west coast.

### **The shareholder meeting elected a new Board of Directors**

The shareholders elected Brian Holch Kristensen and Bengt Rolén as new board members at the Annual General Meeting on April 16th. Erik Hedlund and Bengt Lind left the board. Börje Bengtsson was reelected as the chairman of the board.

## Key events Q1 2014

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### **New issue of 700.000 shares**

C-RAD AB has completed a share issue of 11.4 million before deduction of issue costs with authorization from the AGM 2013. The purpose of the decision to issue new shares with deviation from the shareholders' preferential rights, is to strengthen the working capital for the planned change of listing to NASDAQ OMX. Both private and institutional investors subscribed for the shares.

### **GEMini™ Joint Testing and Validation with TheraView Technology by Cablon Medical B.V.**

The technical integration work of GEMini™ has been proceeding well, and based on pre-clinical results C-RAD and Cablon Medical B.V. have agreed to move to the next phase by starting up joint testing and validation activities in collaboration with a leading radiation therapy center, UMC Utrecht in The Netherlands. It is expected that joint testing will be finalized after 6 months.

### **The China Food and Drug Administration has approved the Sentinel system**

A CFDA approval is a prerequisite for medical technology providers to participate in most public procurement for government-funded hospitals. The majority of cancer centers in China are regionally financed or military hospital. The approval covers functionality for patient positioning and motion detection.

### **IBA Dosimetry placed Frame Order for 2014**

IBA placed orders for total 4,6 MSEK for the production of diode detectors. Earlier this year a Frame Order worth 3,6 MSEK has been signed. A second order worth 1 MSEK has been signed in May. The subsidiary C-RAD Imaging AB is since 1 January 2010 responsible for the manufacturing and the further development of the IBA diode detector program. Following current trends in radiation therapy the demand of diode detectors is expected to continuously decrease. C-RAD has therefore decided to restructure the activities and to focus the resources on the prosperous business with advanced products for patient positioning in radiation therapy. It is expected to produce the agreed volume until October 2014 when the production will be stopped.

### **Östersund office will be closed in 2014**

The board has decided to close down operations in Östersund and lay off the four employees there. After this the Swedish operations will only be carried in Uppsala. Management has estimated that no significant costs will be incurred in relation to this, on the other hand operational expenses are expected to decrease compared to previous year.

## Key events after closing of the period

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### **First Catalyst Order from the UK**

C-RAD got the first order for a Catalyst™ system for the radiation therapy center James Cook in Middlesbrough ,UK. The customer ordered Catalyst™ including the software modules for Patient Positioning and Setup as well as for Motion Monitoring. On the UK market C-RAD is represented by the distribution company Vertec Scientific Ltd.

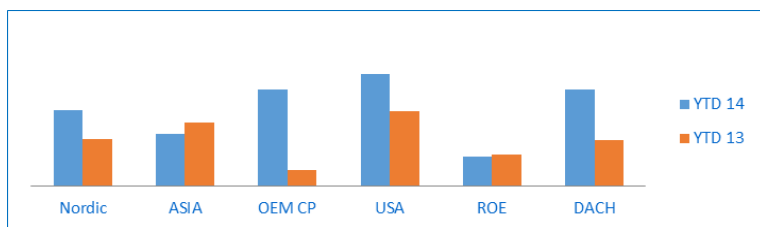
## Financial development - Group

Information and comments in this report relate to the C-RAD Group if not otherwise explicitly described

### Order intake

Order intake during the first half 2014 amounted to 25,6 MSEK compared to 18,8 MSEK in previous year. The increase was primarily driven by the positioning products (Catalyst, Sentinel and HIT lasers).

Order intake for positioning products increased by 65% from previous year and amounted to 18,3 (11,1) MSEK in the first six months. The increase was mainly driven by the German speaking countries and OEM Central Purchasing. The diagram below demonstrates the order intake development by markets.



### Revenues

Revenues in the first half 2014 amounted to 24 MSEK and increased by 36% from previous year. Sale of positioning products accounted for 17,3 MSEK or 72% of revenues in the period, compared to 76% in 2013.

Revenues Jan-Jun (MSEK)		
	YTD 14	YTD 13
Positioning	17,3	12,5
CYRPA production	1,7	0,0
IBA production	3,3	2,8
IBA distribution	1,5	1,1

### Gross profit

The gross profit margin has been increasing and was 65% in the first six months 2014 compared to 52% in previous year. This increase is driven by increased sales volume of positioning products which have higher margins than other products. Fluctuations in gross profit can be expected in shorter periods due to the limited volume of sold systems.

### Seasonality

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

## Financial development - Group

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### **Order backlog**

Order backlog represents orders which have been placed but not delivered and invoiced. The backlog amounted to 23 036 kSEK in end of June 2014, compared to 20 213 kSEK in 30 June 2013.

### **Order conversion rate - positioning products**

The order conversion rate, i.e. the time from receiving an order until the order is delivered was around 60 days for deliveries in first half 2014. This was largely impacted by orders from OEM central purchasing which are usually delivered rather quickly after order. This time can vary significantly between projects.

The order backlog for positioning products amounted to 21,2 MSEK. Weighted average of the outstanding orders is around 5,5 months.

### **Expenses**

The expenses for the first half year are correct and provide fair view of the operations. There are costs recognised in Q2 that were incurred and related to Q1.

Personal expenses amounted to 7,5 MSEK, increased by 18% from previous year. This increase is mainly driven by the increase in number of employees, which was on average 29 in the first six months 2014 compared to 25 in previous year, in addition there were also costs related to the retirement of the former CEO.

### **Personnel**

At the end of the period the number of employees in the Group amounted to 29 (28) persons.

### **Operational expenses**

Operational expenses for 1H 2014 amounted to 9,1 MSEK compared to 10,2 MSEK in previous year. The main reason for the decrease are one-off cost items which were incurred in 2013. These are costs related to the Nasdaq listing and the 29% strategic investment in Cyrpa.

### **Exchange rate**

The financial statements are presented in SEK, the functional currency of C-RAD. Changes in foreign currencies have 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 1H 2014 was 8,9 (8,5), while the average USD rate in the period was 6,5 (6,5). This has a positive influence on the comparison with 1H 2013.

## Financial development - Group

### Capitalized development costs

Capitalized development costs amounted to 11,1 (9,2) MSEK. Capitalization in 1H 2014, which was fully related to the Gemini project, amounted to 2,2 MSEK ).

Capitalised development expenditure		
Project	Carrying amount	Status
Catalyst/Sentinel	5,7	Launched
Catalyst HD	1,2	Launched
Gemini	4,3	Ongoing development
	11,1	

### Deferred tax asset

Following significant improvements in operations in the 1H 2014 compared to previous years, it is now the estimation of the management that there is high probability that part of the unused taxable losses will be utilized in the coming years against taxable profit from operations. A deferred tax asset of 7,1 MSEK has therefore been recognised in the statement of financial position. This results in a positive income tax in the income statement of 7,1 MSEK.

### New share issue

The company completed in February a direct share increase of 11,4 MSEK before issue costs. The issue resulted in the number of shares increased by 700 000 shares, from 19 575 323 shares to a total of 20 275 323 shares, and share capital increases by 105 000 SEK, from 2 936 299 SEK to 3 041 299 SEK.

### Cash flow and financing

Cash flow during 1H 2014 was positive by 289 kSEK. Negative cash flow from operations amounted to 5,8 MSEK while increase in working capital had a negative impact of 4,7 MSEK on the cash flow. The working capital increase is primarily related to increase in accounts receivables, which is in line with the increase in revenues. Receipts from the share issue in February covered the negative flow from operations.

It is expected that the Company does not need in additional funding in the coming 12 months to finance operations and budgeted activities.

### Significant risks and uncertainties

Reference is made to Annual Report 2013 regarding significant risks, uncertainties and management of them. The capitalized development costs of the Gemini project increased to 4,3 MSEK. Until the project will be launched and starts to generate revenue there is certain uncertainty in place. If the project will not develop in line with expectations the company will be forced to write down all or part of the capitalized development costs.

### Parent company

No operations are carried in the parent company except group management and administration.



## Segment reporting

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

**Positioning:** 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.

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

<i>Amounts in kSEK</i>	Segment revenues		Segment operating profit	
	1H 2014	1H 2013	1H 2014	1H 2013
Positioning extern customers .....	20 847	13 518	-5 339	-12 455
Imaging extern sales .....	3 286	2 856	-218	-3 321
Imaging intern sales .....	591	680	0	0
Elimination intern sales .....	-591	-680	0	0
Total .....	<u>24 132</u>	<u>16 374</u>	<u>(5 557)</u>	<u>(15 776)</u>
Share in results of associates .....			-597	-42
Financial items .....			-57	-437
Profit/loss before tax .....			<u>(6 211)</u>	<u>(16 254)</u>

Segment reporting is based on the same accounting principles as applied in the consolidated financial statements 2013. No impairment has been made. Sales by geographical market are based on sales to customers in each country. Two customers represent stand alone over 10 percent of sales from January to June 2014.

Revenue by geographical market	1H 2014	1H 2013
Nordic .....	9 710	11 312
German speaking countries .....	1 594	1 832
RoE .....	8 244	1 343
America .....	822	612
Asia .....	3 762	1 275
	<u>24 132</u>	<u>16 374</u>

## Condensed consolidated statement of comprehensive income

(Amounts in SEK)	2014	2013	2014	2013	2013
	Apr-June	Apr-June	Jan-June	Jan-June	Full year
<b>Operating income</b>					
Net sales .....	13 000 860	7 764 199	24 132 379	16 373 774	45 036 184
Work performed by the company for its own use and capitalized .....	1 099 520	309	2 154 228	80 309	3 853 416
Other operating income .....	407 957	0	537 757	0	0
<b>Total operating income</b>	<u>14 508 337</u>	<u>7 764 508</u>	<u>26 824 364</u>	<u>16 454 083</u>	<u>48 889 600</u>
<b>Operating expenses</b>					
Raw material and consumables .....	-5 507 904	-3 983 911	-8 555 241	-7 783 708	-19 502 876
Other external costs .....	-5 169 734	-5 756 712	-9 127 351	-10 229 660	-19 934 982
Personnel costs .....	-6 605 568	-6 331 345	-12 557 947	-11 024 725	-23 693 801
Depreciations .....	-1 196 523	-1 573 689	-2 140 603	-3 034 322	-5 733 461
Other operating expenses .....	0	-70 884	0	-157 371	-342 018
<b>Total operating expenses</b>	<u>-18 479 729</u>	<u>-17 716 541</u>	<u>-32 381 142</u>	<u>-32 229 786</u>	<u>-69 207 138</u>
<b>Operating profits/loss</b>	-3 971 393	-9 952 033	-5 556 778	-15 775 703	-20 317 538
Result from participation in associated companies .....	-439 369	-42 198	-596 531	-42 198	-425 580
Financial income .....	137 653	0	137 653	0	985 740
Financial costs .....	-34 219	-341 158	-195 133	-436 571	-1 237 352
<b>Profit (loss) before tax</b>	<u>-4 307 328</u>	<u>-10 335 389</u>	<u>-6 210 789</u>	<u>-16 254 472</u>	<u>-20 994 730</u>
Income tax .....	7 094 209	0	7 094 209	0	0
<b>Net results for the period</b>	2 786 881	-10 335 389	883 421	-16 254 472	-20 994 730
Translation difference from foreign operations .....	-55 395	-122 907	-62 001	-212 109	88 555
<b>Comprehensive results for the period <sup>1)</sup></b>	<u>2 731 487</u>	<u>-10 458 296</u>	<u>821 420</u>	<u>-16 466 581</u>	<u>-20 906 175</u>
Results per share before dilution .....	0,14	-0,58	0,04	-0,96	-1,15
Results per share after dilution .....	0,13	-0,53	0,04	-0,88	-1,05

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

## Condensed consolidated statement of financial position

<b>Assets</b>	<b>30-6-2014</b>	<b>30-6-2013</b>	<b>31-12-2013</b>
<b>Assets</b>			
<b>Intangible assets</b>			
Capitalised development expenditure .....	11 142 045	9 178 179	10 836 871
Patents, licenses and similar rights .....	<u>1 797 451</u>	<u>1 811 556</u>	<u>1 543 353</u>
	12 939 496	10 989 735	12 380 224
<b>Tangible assets</b>			
Equipment .....	2 752 146	3 254 120	3 294 474
<b>Financial assets</b>			
Shares of associates .....	7 964 182	8 944 095	8 560 713
Long-term receivables .....	<u>4 964 255</u>	<u>106 162</u>	<u>4 766 623</u>
<b>Total financial assets</b>	12 928 437	9 050 257	13 327 336
<b>Other non-current assets</b>			
Deferred tax asset .....	7 094 209	0	0
<b>Total non-current assets</b>	<u>35 714 288</u>	<u>23 294 112</u>	<u>29 002 035</u>
<b>Current assets</b>			
Inventory .....	4 382 374	5 995 002	4 105 460
Trade receivables .....	15 239 415	6 634 866	11 956 816
Other receivables .....	1 371 546	2 232 744	5 645 889
Prepayments and accrued income .....	1 193 192	683 515	800 108
Cash and bank .....	10 710 724	20 812 440	10 261 549
<b>Total current assets</b>	<u>32 897 250</u>	<u>36 358 567</u>	<u>32 769 822</u>
<b>Total assets</b>	<u>68 611 539</u>	<u>59 652 679</u>	<u>61 771 857</u>

## Condensed consolidated statement of financial position

Equity and liabilities	30-6-2014	30-6-2013	31-12-2013
<b>Equity</b>			
Share capital .....	3 041 639	2 904 874	2 936 639
Additional paid in capital .....	120 128 329	157 784 727	161 222 725
Retained earnings .....	<u>-73 338 876</u>	<u>-121 607 507</u>	<u>-126 131 526</u>
<b>Total equity</b>	<u>49 831 092</u>	<u>39 082 094</u>	<u>38 027 839</u>
<b>Long term liabilities</b>			
Convertible bonds .....	11 586 667	11 526 956	11 505 851
<b>Current liabilities</b>			
Accounts payable .....	2 635 136	2 983 262	3 711 703
Warranty provisions .....	680 000	635 000	680 000
Other current liabilities .....	404 119	1 484 648	4 587 518
Accrued expenses and deferred income .....	<u>3 474 526</u>	<u>3 940 719</u>	<u>3 258 947</u>
Total current liabilities	<u>7 193 781</u>	<u>9 043 629</u>	<u>12 238 168</u>
<b>Total liabilities</b>	18 780 448	20 570 585	23 744 019
<b>Total equity and liabilities</b>	<u>68 611 539</u>	<u>59 652 679</u>	<u>61 771 857</u>
Pledges	7 670 000	7 670 000	7 670 000
Contingent liability	-	-	-

## Condensed consolidated statement of cash flow

Statement of cash flow	2014 Apr-June	2013 Apr-June	2014 Jan-June	2013 Jan-June	2013 Full year
<b>Operating activities</b>					
Profit (loss) before tax .....	(4 307 328)	(9 952 033)	(6 210 789)	(15 775 711)	(20 317 538)
Adjustment for non-cash items, etc .....	536 372	2 377 153	582 906	3 369 237	6 163 461
Interests received .....		0			17 360
Interests paid .....	(34 219)	(340 571)	(195 133)	(436 571)	(613 455)
<b>Cash flow from operating activities before working capital changes</b>	<b>(3 805 175)</b>	<b>(7 915 451)</b>	<b>(5 823 016)</b>	<b>(12 843 045)</b>	<b>(14 750 172)</b>
Working Capital Changes .....	(1 017 586)	(10 855 382)	(4 722 641)	(5 957 382)	(8 106 157)
<b>Cash flow from operating activities</b>	<b>(4 822 761)</b>	<b>(18 770 833)</b>	<b>(10 545 657)</b>	<b>(18 800 427)</b>	<b>(22 856 329)</b>
<b>Cash flow from investing activities</b> .....	0	(282 369)	0	(9 910 169)	(18 519 854)
<b>Cash flow from financing activities</b> .....	0	36 561 554	10 834 688	41 561 554	43 631 311
Net increase (decrease) in cash and cash equivalents .....	(4 822 761)	17 508 352	289 031	12 850 958	2 255 128
Cash and cash equivalents at beginning of period .....	15 356 371	3 304 068	10 261 549	7 961 462	7 961 462
Exchange rate differences .....	177 116	0	160 145	0	44 960
Cash and cash equivalents at end of period .....	<u>10 710 726</u>	<u>20 812 420</u>	<u>10 710 725</u>	<u>20 812 420</u>	<u>10 261 550</u>

## Condensed consolidated statement of changes in equity

Statement of changes in equity	2014 Jan-June	2013 Jan-June	2013 Full year
<b>At beginning of period</b> .....	38 027 838	16 263 517	16 263 517
Share increase .....	11 375 000	41 937 636	45 407 399
Issue expense .....	(540 313)	(3 030 074)	(3 030 074)
Equity part of convertible loan .....	(80 816)	(60 998)	212 591
Other adjustments .....	165 962	226 493	169 135
<b>At end of period</b> .....	<u>10 919 834</u>	<u>39 073 057</u>	<u>42 759 051</u>
Total Other Comprehensive Income .....	<u>883 421</u>	<u>(16 254 480)</u>	<u>(20 994 730)</u>
<b>Closing balance at end of period</b> .....	<b>49 831 092</b>	<b>39 082 094</b>	<b>38 027 838</b>

## Parent company Financial Statements

Income statement	2014 Jan-June	2013 Jan-June	Statement of Financial Position	2014 30. June	2013 30. Dec
Total income .....	168 533	1 800 000	<b>Assets</b>		
Personnel costs .....	-3 136 247	-1 188 271	Tangible assets .....	93 642	104 864
Other costs .....	-3 105 741	-2 157 914	Shares in group companies .....	57 124 000	57 124 000
<b>Total operating expenses</b>	<u>-6 241 987</u>	<u>-3 346 185</u>	Investments in associates .....	8 986 293	8 986 292
Result from financial items .....	24 987	-52 280	Receivables in Group companies .....	36 443 570	33 388 705
Result before tax .....	-6 048 467	-1 598 465	Other receivables .....	5 944 547	5 578 660
Tax .....	0	0	Cash and bank .....	<u>5 407 994</u>	<u>2 218 448</u>
<b>Net results</b> .....	<u>-6 048 467</u>	<u>-1 598 465</u>	<b>Total assets</b>	114 000 045	107 400 969
<b>Statement of comprehensive results</b>			<b>Equity and liabilities</b>		
Net results	-6 048 467	-1 598 465	Equity .....	3 041 639	2 936 639
Translation difference from foreign operations	-62 001	-212 109	Untaxed reserves .....	91 148 618	86 467 398
Total comprehensive results	<u>-6 110 468</u>	<u>-1 810 574</u>	Convertible bonds .....	11 718 442	11 718 442
			Other liabilities .....	<u>8 091 345</u>	<u>6 278 490</u>
			<b>Total equity and liabilities</b>	114 000 045	107 400 969

## Ratios

	2014 30-jun	2013 30-jun	2013 31-dec	2012 31-dec
Number of shares .....	20 275 323	19 363 623	19 575 323	15 868 820
Average number of shares .....	20 076 990	16 897 845	18 183 249	15 868 820
Average number of diluted shares .....	21 302 406	18 502 053	20 800 739	17 473 028
Number of options outstanding .....	1 225 416	1 604 208	1 225 416	1 604 208
Solvency .....	73%	66%	62%	43%
Result per share before dilution .....	0,04	(0,96)	(1,15)	(1,22)
Result per shares after dilution .....	0,04	(0,88)	(1,05)	(1,11)
Equity per share before dilution .....	2,46	2,31	1,94	1,02
Equity per share after dilution .....	2,32	2,11	1,83	0,93
Operating margin .....	Neg.	Neg.	Neg.	Neg.



# Accounting principles

## 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 2013.

From Januari 1, 2014 C-RAD applies the following updates and changes in IFRS:

- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IAS 27 Separate Financial Statements (2011)
- IAS 28 Investments in Associates and Joint Ventures (2011)
- Amendments to IAS 36: Recoverable Amount Disclosure for Non-Financial Assets
- Amendments to IAS 39: Novation of Derivatives and Continuation of Hedge Accounting

The 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

Erik Hedlund, previously a board member in C-RAD until the general meeting 2014 and currently one of the larger shareholders in the Company, holds 30% of the shares in Scandiflash AB. C-RAD and Scandiflash have an agreement regarding assembly and stockholding of Sentinel, Catalyst and related accessories.

In 2012 and 2013 Scandiflash invoiced C-RAD for around 2 MSEK and 5 MSEK respectively for service in accordance with the agreement.

Until April 16 when Erik Hedlund left the board of C-RAD, Scandiflash invoiced C-RAD for around 1,2 MSEK. After Erik left the board, Scandiflash is no longer defined as a related party.

No other 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 asset is reviewed at the end of each reporting period and adjusted in line with the probability of future taxable profit.

## Other information

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This interim report provides a true and fair view of the Group's operations, financial position and earnings. If there should be deviation between the reports in English and Swedish, the Swedish version is valid. This report has not been reviewed by the Group auditors.

Uppsala, 15 August 2014

Börje Bengtsson  
Chairman of the board

Tim Thurn  
CEO

Peter Hamberg  
Board member

Frank Lohr  
Board member

Brian Holch Kristensen  
Board member

Bengt Rolén  
Board member

### **Financial information, publication dates:**

Q3 report 2014	November 7, 2014
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C-RAD AB is since March 2010 listed at Nasdaq Omx First North Premier. Erik Penser Bankaktiebolag is appointed as C-RAD's Certified Adviser. The information in the interim report is such that C-RAD must disclose 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 August 15, 2014 at 15:00.