ANNUAL REPORT 2018

C-RAD

C-RAD. HIGH QUALITY CANCER TREATMENT

The operations of the C-RAD group are based on research and development that originates from Karolinska Institutet and Karolinska Hospital in Solna, as well as the Royal Institute of Technology in Stockholm.

Our mission is global in scope: C-RAD's cutting-edge solutions ensure exceptionally high precision, safety and efficiency in advanced radiation therapy, helping to cure more cancer patients and improve their quality of life. In new advanced radiation therapy techniques, the radiation dose must be delivered to the tumor with extremely high precision and microsecond timing. Our positioning and scanning products assure just that.

C-RAD was founded in 2004. The founders are researchers from Karolinska Institutet and the Royal Institute of Technology in Stockholm and Karolinska Hospital in Solna and people with extensive industrial experience in the field of radiation therapy. The C-RAD Group consists of the Parent Company C-RAD AB (publ), as well as the subsidiaries in Sweden and abroad.

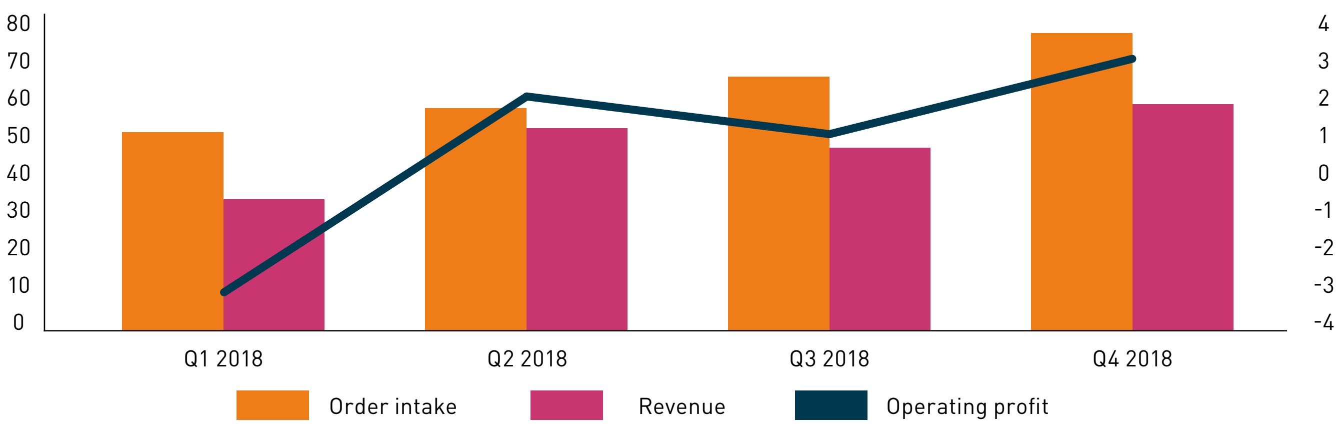
The C-RAD Group is headquartered in Uppsala, Sweden

The first product was launched in 2006, when C-RAD introduced the Sentinel™ system, which was based on laser scanning technology and the c4D software platform. The technology has constantly evolved since the first deliveries were made in 2007. In 2011 C-RAD launched the Catalyst™ system, a next-generation optical surface scanning system. Catalyst HD™ was released in December 2013 and in April 2015, C-RAD released a specific version of Catalyst for use in proton and particle therapy. In June 2015, C-RAD completed its acquisition of the Franco-Belgian Cyrpa group, which added their innovative laser solutions for patient positioning and virtual simulation to the C-RAD portfolio.

In 2011 C-RAD began to focus on developing an international sales force in key markets and now has well-established sales and support teams in the US, Germany, China and France.

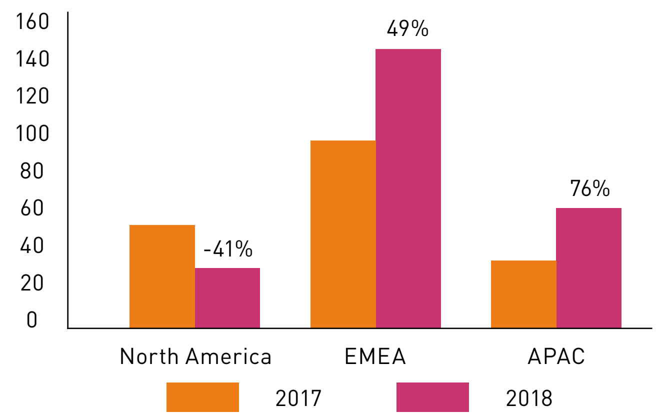
C-RAD AB has been listed on the Small Cap segment of NASDAQ Stockholm since December 16, 2014.

ORDER INTAKE, REVENUE AND OPERATING PROFIT, MSEK



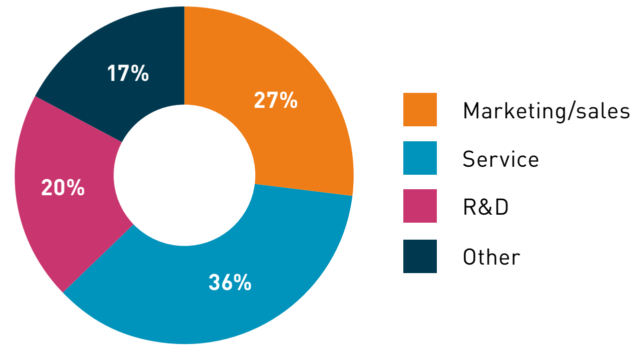
The increasing order intake during the last years have now resulted in the first full year operating profit in 2018..

ORDER INTAKE, MSEK. C-RAD GROUP: 246,8 MSEK (192,5), + 28%



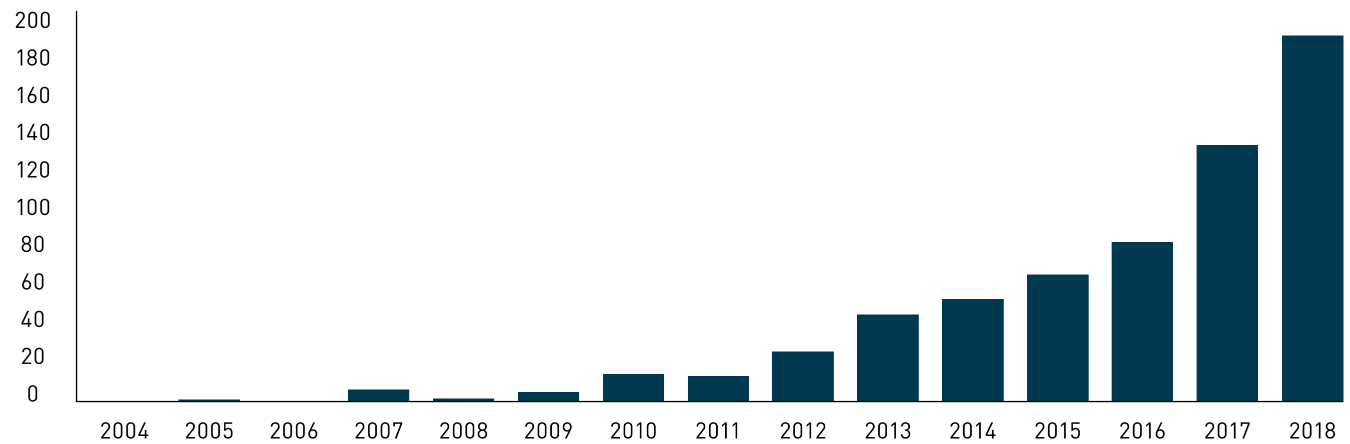
With an order intake of about 150 MSEK, the EMEA-region stands for about 60 percent of the Group's total order intake.

C-RAD PERSONNEL



Over half our team works directly with customers, either with sales or service. Our strong development team assures a flow of future innovations that will benefit customers as well as patients.

REVENUES, MSEK. C-RAD GROUP: 190,1 MKR (133,1), + 43%



ORDER INTAKE

Continued strong order intake globally

During the last years, C-RAD has invested to build a strong local presence within the sales- and service organization which is now yielding return. Order intake for the group increase with 28 percent during 2018 compared to the previous year. In the EMEA region, which was the initial market for C-RADs establishment, C-RAD received order for about 150 MSEK during the year, corresponding to almost 60 percent of the total order intake. The APAC region accounted for 26 percent of total order intake and the Americas for 14 percent.

FORWARD-LOOKING INFORMATION

This report contains forward-looking information that is based on expectations and forecasts of future events. There are risks and uncertainty factors that can affect how these expectations will be realized. Some of these risks and uncertainty factors are described on pages 24-25. C-RAD does not undertake to publicly update or revise forward-looking information, over and above what is required by law or exchange regulations.

CEO COMMENT

SURFACE TRACKING ON ITS WAY TO BECOME THE STANDARD OF CARE

The year 2018 was a record year for C-RAD with strong development in many areas. From a financial perspective it was the first profitable year in C-RAD's history. In line with our strategy to deliver sustainable growth, this performance was driven by increased acceptance in the market, supported by additions to our portfolio with new products in the field of workflow management and that we entered into new markets. All in order to give even more patients access to high end radiation therapy – powered by C-RAD.

ANNUAL REPORT 2018 | CEO COMMENT

Cancer case numbers rising around the world

The number of people diagnosed with cancer is rising and the number continues to increase dramatically, all over the world. The main drivers are a growing population with an in average longer life expectancy in combination with constantly improving possibilities to diagnose cancer in an early stage. Whereas in the past the primary objective in cancer care was tumor control – the possibility to minimize uncontrolled tumor growth – another aspect is becoming equally important: Quality of life for patients after the treatment. More countries around the globe, for example China and Japan, are realizing the importance of surface tracking technology for optimal treatment and are now investing significant amounts to empower cancer care systems. The demands on cutting-edge cancer care are therefore increasing and C-RAD has a very important contribution to provide healthcare professionals with the tools needed. Everywhere around the world.

C-RAD's technology becoming a standard

Surface tracking technology has become the standard of care in radiation therapy and that has resulted in an increasing demand for our products and solutions. Over time, we have built trust and our customers have developed confidence in our cutting-edge products. During 2018 our sales project funnel has substantially increased also with the number of smaller orders from primarily new customers, and also existing customers that are upgrading their department with our solution. This trend together with our powerful customer testimonials underline the clinical benefit of our technology.

Continued growth and improved profitability

The rising demand for high precision radiation therapy and therewith the higher adaption of our technology is the main driver for the growth of our business. During 2018 order intake grew from 192.5 MSEK to 246.8 MSEK – an increase of 28 percent compared to the previous year. The backlog in the beginning of the 2018 and the strong growth of order intake during the year led to an impressive growth in revenue of 43 percent over the full year, from 133.1 MSEK in 2017 to 190.1 MSEK in 2018. During the same period the order stock grew from 140 MSEK to 194 MSEK at the end of 2018. The gross profit margin for the C-RAD products was increased and despite a shift in the product mix with an unusual high contribution of distribution products the overall gross profit margin remained stable at 58% for the full year 2018. This development led to a profit for the year 2018.

OUR PRESENCE IN THE MAIN MARKETS CONTINUES TO DELIVER SOLID RESULTS. AS THE OVERALL MARKET ACCEPTANCE IN OUR TECHNOLOGY IS INCREASING AND THE DEMAND FOR OUR PRODUCTS AND SOLUTIONS IS GROWING, WE ALSO SEE STRONGER RESULTS IN THE MARKETS WHERE WE WORK WITH DISTRIBUTORS.

New innovative products, new and growing markets

During 2018 C-RAD continued to invest and expand into new segments of workflow management for radiation therapy and initiated projects of strategic importance in the field of particle therapy with a version of its Catalyst system. Particle therapy can be considered the spearhead in radiation therapy when it comes to precision and accuracy. With these projects C-RAD will lift its current technology onto a new level that will ultimately help to successfully treat more patients worldwide. The success in these prestigious projects also helps C-RAD to position itself as the market leader in our field.

The APAC region was in 2018 the fastest growing region for C-RAD, mainly driven by the development in China and Japan – as the strongest markets in the region. The cooperation with our distributor in Japan is yielding very good results. A closely aligned marketing strategy in this region, positions the C-RAD product as a desirable complement to the high-end linear accelerator. Whereas we realigned our presence in North America in the end of 2018, we are expecting this market to get back to year over year growth. In EMEA we traditionally and still are having a strong footprint.

Our presence in the main markets continues to deliver solid results. As the overall market acceptance in our technology is increasing and the demand for our products and solutions is growing, we also see stronger results in the markets where we work with distributors. This is a very positive development and an effective way to grow our business as it gives us scalability with moderate investments. We are well prepared to even further develop into new markets. And in doing so, during 2018 we started our sales activities in Latin America. We have in our growth strategy identified the most important markets where we have then established relationships with various distributors and potential client. These investments are expected to contribute to sales growth already in 2019.

All in all, I feel 2018 was a year where we took important steps forward and continued to build a solid foundation for future growth.

Looking ahead

We set ourselves ambitious targets to secure leadership in our industry, not just in financial results, but also in how we partnering with our customers. I have the privilege to regularly spend time with our customers across the globe. Naturally, we discuss how new developments in cancer care provide more options and optimism for people diagnosed each year with cancer. One mega-trend that we see adapted in the healthcare sector is data driven process automation. Utilizing data and information that is available from different systems in a smart way to automate processes, ensure highest safety levels and provide healthcare providers with processed data to draw clinical and business decisions. The digital transformation is giving a huge opportunity for healthcare providers to be able to dedicate more quality time to patients instead of administration where in a global perspective, governments are putting increased attention on the healthcare spending.

Our long-term relationships with our customers are a tremendous asset, not only for succeeding today, but also for developing and co-creating the solutions for the future. With our position in the market and the close relationship with our customers in combination with our innovative or solutions and our strategic partners we will provide an outstanding value proposition to our customers. The first steps have been taken in 2018. For 2019 we will continue to invest even more in innovation and R&D, that will lead to great products with the latest technology available and strengthening our market share moving forward.

Our strategy serves us well

We are now having a long track record of steadily increasing order intake year over year, with order intake exceeding revenue including a well performing service business. That means we are growing the company. Despite that order intake can fluctuate considerably from one reporting period to the next, we see that the underlying market continues to grow significantly and this is forming the base for future growth.

OUR LONG-TERM RELATIONSHIPS WITH OUR CUSTOMERS ARE A TREMENDOUS ASSET, NOT ONLY FOR SUCCEEDING TODAY, BUT ALSO FOR DEVELOPING AND CO-CREATING THE SOLUTIONS FOR THE FUTURE.

Beside all directly measurable results, C-RAD underwent also a journey to become a more mature company. This development has been achieved by hard work and dedication of the entire C-RAD team as well as support from our solid group of long-term shareholders. I am proud on what we have achieved and we will continue to work smart to develop the company in order to build sustainable value for all our shareholders in the coming years. I see the dynamic and the business opportunities in the market and I am excited to continue our journey. We remain committed to our strategy and we will challenge ourselves to continuously improve in order to uniquely position C-RAD for growth in 2019 and beyond and ultimately help more patients that are suffering from cancer. C-RAD has a key-role to play here, to make the world healthier and more sustainable.

Tim Thurn, CEO

C-RAD

C-RAD GROUP

The Company is engaged in development and sales of innovative systems with applications in advanced radiation therapy for the treatment of cancer. The systems can be used to position the patient prior to the treatment and to localize and monitor the tumor by recording information such as patient movements during radiation treatment. The aim is to increase the accuracy and efficiency of radiotherapy as well as to minimize radiation damage to the patient's healthy tissue and organs of risk.

BUSINESS MODEL

The C-RAD business model relies on subcontractors for manufacturing of the Company's products. C-RAD is focusing on product development, sales and marketing, supply chain as well as quality control and certification of products. The international subsidiaries are responsible for local marketing and sales as well as service and support. Medical centers that provide advanced radiation therapy worldwide are the end users of C-RAD's products. C-RAD is currently focusing its sales activities on Europe, North America and East Asia. During 2018, C-RAD has also established a sales organization in Latin America and Central Asia. C-RAD is thereby covering about 80 percent of the global radiation therapy market. Depending on the market the products are distributed through three different channels:

Direct sales – The Company maintains its own sales force in the following regions: Scandinavia, German-speaking countries, North America, and France. In China C-RAD is working with direct sales and a distributor. In 2018 direct sales accounted for the largest share of a total of 246.8 MSEK in order intake.

Distributors – In several markets, mainly in Asia, Latin America and partly in Europe, independent distributors specializing in radiation therapy equipment and who have local connections are responsible for sales and service. Selection criteria when choosing distributors include a proven track record in radiation therapy sales, as well as adequate resources to provide high-quality technical services, such as through an in-house service organization. Sales through distributors accounted for 22 percent or 53.6 MSEK of 2018 order intake.

Industrial partners – Sales are also made through industrial partners active in the field of radiation therapy. Procurement processes for C-RAD systems are often conducted simultaneously with procurement processes for linear accelerators. Sales activities are therefore often carried out in close cooperation with the manufacturers of radiation equipment, such as Varian and Elekta, as well as CT vendors. Sales through our industrial partners accounted for 30 percent or 74.4 MSEK of 2018 order intake and it is the Company's objective to further develop this sales channel.

Organization and Group structure – The Parent Company C-RAD AB (publ) provides group-wide services in sales and administration. The Group comprises eight wholly-owned subsidiaries out of which three are Swedish and five are foreign. In Scandinavia, C-RAD is also appointed distributor for various companies that develop complementary products in the field of quality assurance and patient positioning in radiation therapy. In the beginning of 2019, C-RAD signed cooperation agreements with the USA-based company Xecan and the German company Opasca, with the purpose to distribute parts of these company's product portfolios on selected markets around the world. These cooperations will complement C-RADs current offering with products within workflow management.

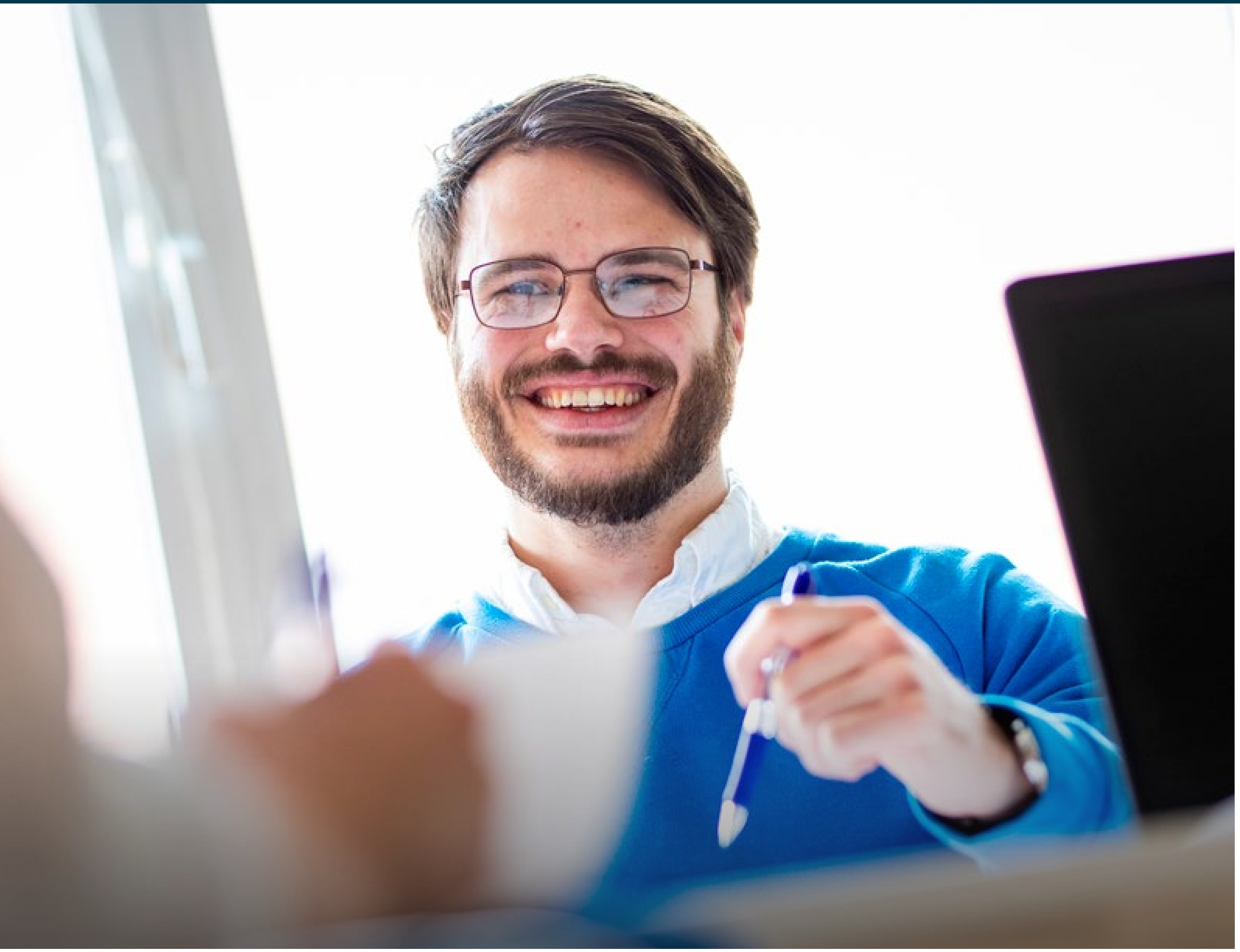
OUR STRATEGY

Product excellence

Studies show the expected rapid development of cancer cases. C-RAD is prepared to support customers with its solutions to improve treatment quality for the two most important cancer indications, such as breast cancer, lung cancer as well as other indications in the head or thorax for men and women. This opens a large potential market for C-RAD.

With its current product portfolio C-RAD is focused on optical patient positioning and patient monitoring products. A commonly used abbreviation for such solutions is SIGRT – surface image guided radiation therapy. The key selling points are workflow optimization, safety and radiation-free positioning. The core products Sentinel and Catalyst are aimed at providing our customers first-class solutions for treating breast cancer patients. A dedicated solution to support so called stereotactic treatments based on the Catalyst platform was launched in 2017. During 2018, reference

ANNUAL REPORT 2018 | C-RAD GROUP



centers were established and a number of publications have now confirmed the C-RAD technology. With a modular product concept, customers can select a configuration that is tailored to their current clinical needs. C-RAD provides the opportunity to upgrade the system throughout the product life-cycle. This gives potential for C-RAD to benefit from the constantly growing installed base through up-sales opportunities to existing customers.

During 2018, C-RAD has invested in the future by strengthening the research and development department, an investment that will continue in 2019. Based on the existing footprint in the market, and a satisfied customer base, C-RAD has potential to further strengthen their value proposition and to provide customers with a comprehensive, patient centric solution. In 2018, C-RAD entered the market for work flow management and resource optimation with the first solution for patient identification. Cooperation with partners that are experts in their respective areas is very important to secure the market presence. The benefit for the customer is that the products are integrated with C-RADs system for surface scanning, which optimizes the customer and patient experience. During the year, C-RAD has also had several successful larger projects within particle therapy with a dedicated version of the Catalyst system. Particle therapy is in the front-end within radiation therapy when it comes to precision and accuracy. The success in these prestigious projects further establishes C-RAD as the market leader in the branch.

SALES OPTIMIZED FOR GROWTH

Our sales strategy is focused on three sales channels: direct sales, sales through our industrial partners and distributors. Clinical customers appreciate a thorough dialog before issuing a purchase order to C-RAD. As part of the sales process our sales people evaluate the exact needs of the customer and configure the system to their requirements. The acceptance of SIGRT solutions among customers has significantly increased during the last years.

Even though our sales people usually work directly with the end customer, the purchase order is in many cases part of a larger package that might include a linear accelerator or a CT – especially in EMEA and APAC, whereas in North America customers commonly invest to upgrade their installed linear accelerators where the cooperation with our partners is essential. Because of the complexity of the products, C-RAD obtains the best results when a dedicated person is focused on the sales of C-RAD equipment.

In Asia and Latin America C-RAD works with distributors in all markets. Local customs and business practices require a distributor as the link between C-RAD and clinical customers. Also in smaller European markets, C-RAD selects local distributors to provide the C-RAD offering to the customer. The advantages of a direct sales organization are a closer contact between the organization and clinical customers.

The financial volumes of the products and the complexity make a dedicated direct sales force profitable within a short period of time. To further exploit the potential in the markets C-RAD is working on strengthening the sales organization in established markets but also to further expand in new markets that have business potential. At the same time, the increased acceptance of the C-RAD products has improved the possibilities of sale through the existing distribution network, which enables scale-up.

SERVICE AS A STRATEGIC ELEMENT

C-RADs Life Cycle Business create long-term customer relations based on the product life cycles and provides more stable income streams based on continuous payments.

C-RAD Services today covers primarily all soft products such as service contracts, dedicated application training, and installation services. We have service contracts with different levels, and customers can choose a full-service agreement that includes full support for hardware and software as well as preventive maintenance. Less comprehensive service agreements are available that cover only hardware, or only software updates. Customers may choose service contracts on an annual renewal basis, but the most frequently chosen solution is to purchase a long-term service agreement as part of the product procurement. This long-range approach confirms our customers' faith in our products and in us as a partner. With the growing need for a service network, C-RAD has established its own C-RAD service organization in core markets. In countries where C-RAD is represented by distributors, C-RAD ensures a high and homogeneous service level by offering regular service training programs at C-RAD's training center for the distributors.

The increasing workload on clinical personnel is an important reason for customers to outsource service and quality assurance tasks to experts.

C-RAD service engineers can ensure rapid and professional support and intervention when necessary. For application training, C-RAD is establishing a network of application specialists, both employees and clinical consultants, who have dedicated knowledge in the field of optical patient positioning with C-RAD products. The service networks establish a platform where a long-term relationship with the customer comes naturally, also after the initial procurement. The customers needs are growing with time. C-RADs forward-looking approach offer solutions within workflow management as a complement to the existing products, which make it more interesting for the customers to upgrade their C-RAD installations than to engage in cooperation with new partners.

CLINICAL WORKFLOW

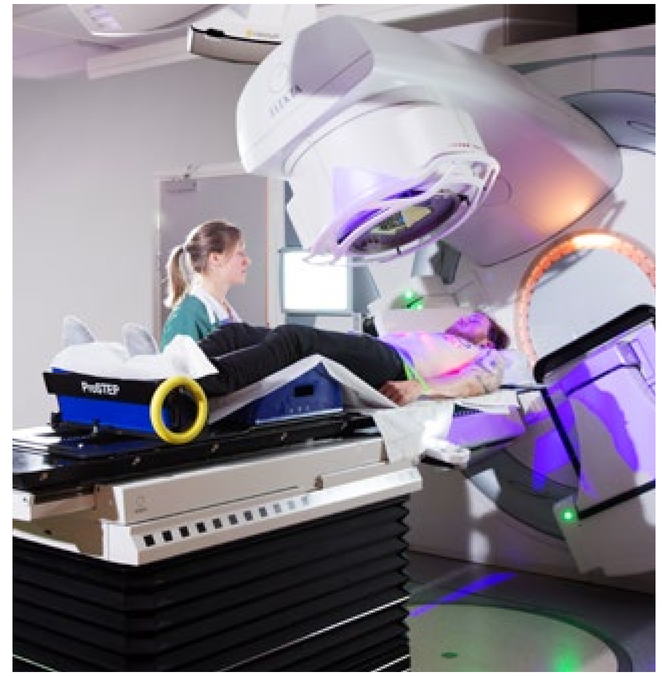
C-RADs high-end products support workflow integration for multi-vendor environment, from the CT scan to the treatment room. The c4D interface functions as a universal interface towards systems from other suppliers. The support guarantees complience and advanced quality assurance.

SENTINEL™ 4DCT

- Laser-based optical surface scanning system.
- Functionality for 4D CT reconstruction and gated imaging in a CT room.
- Easy integration and usage.

CYRPA LASER

- Laser systems for virtual simulation required for all CT in radiation therapy.
- Double diodes for each laser.
- SmartPhantom™ RT, automatic laser calibration in the CT room.
- Only positioning system guaranteeing accuracy of 0.1mm.



CATALYST

- Advanced IMRT.
- Optical surface tracking and back projection.
- Fully optimized software for workflow integration.
- Automatic and independent verification of critical parameters that earlier required manual control.
- Support real-time decision making.

CATALYST HD

- For advanced stereotactic radiation therapy.
- Three cameras at optimal angles.
- Maximum patient surface coverage.
- Accurate positioning during non-coplanar treatments.
- Intra-fraction detection to help maintain initial patient positionand maximum dose delivery within the target.

CATALYST PT

- Dedicated proton and particle therapy solution.
- Several cameras to capture the patient surface independent of couch rotation.
- Automatic reference adjustments ensure uninterrupted motion monitoring.
- High flexibility with custom-made optimized mounting solutions.
- Extra neutron shielding.

C-RAD'S CUTTING-EDGE SOLUTIONS ENSURE EXCEPTIONALLY HIGH PRECISION, SAFETY AND EFFICIENCY IN ADVANCED RADIATION THERAPY, HELPING TO CURE MORE CANCER PATIENTS AND IMPROVE THEIR QUALITY OF LIFE.

C-RAD. INSPIRING EXCELLENCE IN CANCER TREATMENT.

C-RADs VISION

From left: Johan Bostedt, Nils Semberg, Tim Thurn, Peter Nyman, Therése Björklund and Ling Zhang.

Tim Thurn

CEO of C-RAD AB and President since July 2013. CEO of C-RAD Positioning AB since 2011. Acting CEO of C-RAD Imaging AB since 2014. Born 1981. Tim Thurn has worked in the field of radiation therapy since 2003 and previously worked with product development at the German laser company LAP GmbH, where he also held the positions of product manager and sales manager. Tim holds a Master in Business Administration and a master degree in Electrical Engineering. **Holdings in C-RAD:** 0 A shares, 100,000 B shares, 140,588 warrants.

Ling Zhang

Ling Zhang, MD, has been Global Marketing Manager since April 2015. Born 1971. Ling worked between 2007 and 2015 in China as marketing manager for Varian Medical Systems. During the period 1997-2007 he held a number of positions at Siemens Healthcare. Ling Zhang holds a degree as medical doctor. **Holdings in C-RAD:** 0 A shares, 0 B shares, 13,000 warrants.

Therése Björklund

CFO between December 2016 and October 2018, and acting CFO as of March 2019. Born 1981. Therése Björklund has been working with accounting and company management since 2004 in positions as Head of Finance and Administration at Tbricks, an international financial software developer, and interim CFO at the engineering consultancy firm PQR International Group. Therése has studied Business and Economics at Stockholm Business School and School of Economics and Management in Lund. **Holdings in C-RAD:** 0 A shares, 500 B shares, 80,000 warrants.

Johan Bostedt

R&D Manager since September 2016, before that Johan was lead engineer at C-RAD Positioning. Born 1963. Johan Bostedt has long experience as systems engineer, sales engineer and project manager for several technical development projects, e.g. Mobile base station software development and Airborne sea surveillance mission system development. Johan holds a Master degree in physics engineering. **Holdings in C-RAD**: 0 A shares, 0 B shares, 0 warrants.

Extended executive team: **Peter Nyman,** Production and Supply Chain Manager. **Nils Semberg,** Global After Sales and Support Manager.

BOARD OF DIRECTORS

Lars Nyberg, Chairman of the Board

Chairman of the Board since 2016. Lars Nyberg was during 2007-2013 President and CEO at Telia-Sonera AB. 1995-2003 Chairman of the Board and CEO of the US-based IT company NCR Corp (NYSE:NCR). He continued as Chairman of the Board until 2005. Lars has held several managerial positions in Philips and he was a member of the Philips Group Management Committee. **Holdings in C-RAD:** 70 000 A shares, 2 281 411 B-shares.

Peter Hamberg, Director

Board member since 2013. Born 1973. BA, San Francisco State University. CEO at Hamberg Förvaltning AB. Several directorships in the real estate and IT industries. Board member of Net Entertainment AB since 2007. **Holdings in C-RAD:** 379,762 A shares held through a company, 1,160,893 B-shares out of which 697,671 held through a company.

Åsa Hedin, Director

Board member since 2017. Born 1962. Åsa Hedin has extensive experience from leading positions within the med-tech industry, including Executive Vice President Marketing and Corporate development of Elekta AB and Executive Vice President of Elekta Neuroscience. Member of the board in Fingerprint Cards AB, Hermes Medical AB, Tobii AB, Cellavision AB, E J:or Öhman Fonder AB, Immunovia AB, and Nolato AB. Åsa also holds a position as Industrial advisor at the Chalmers Dept of Microtechnology and Nanoscience. Åsa has previously been a board member of the Swedish Space Commission AB, Stiftelsen Ruter Dam, Elekta NeuroMag Oy (chairman of the board9, and MedCap AB. Åsa holds a Master of Science in Biophysics/Bioengineering from the University of Minnesota. **Holdings in C-RAD:** 0 A shares, 0 B-shares.

Kicki Wallje-Lund, Director

Board member since 2015. Born 1953. Kicki Wallje-Lund has vast experience in business development in a number of international companies, primarily in banking and finance. She has held senior positions at NCR, Digital Equipment, AT&T, Philips, ICL and Unisys. Other board assignments: chairman of the board at THQ Nordic AB (publ), board member of Betsson AB (publ) and Wellnet AB. **Holdings in C-RAD:** 0 A shares, 100 000 B shares.

Peter Eidensjö, Director

Board member since 2017. Born 1957. Peter Eidensjö has extensive experience from leading positions within finance and business management from listed and unlisted companies. Peter has previously held positions as CFO, regional business manager and CEO of Cherry and CFO of Betsson AB. He is a chairman of the board of Global Gaming 555 AB and owner, board member and consultant in PE Konsult and Investing AB. Peter Eidensjö studied at Stockholm School of Economics. **Holdings in C-RAD:** 0 A shares, 10,000 B-shares.

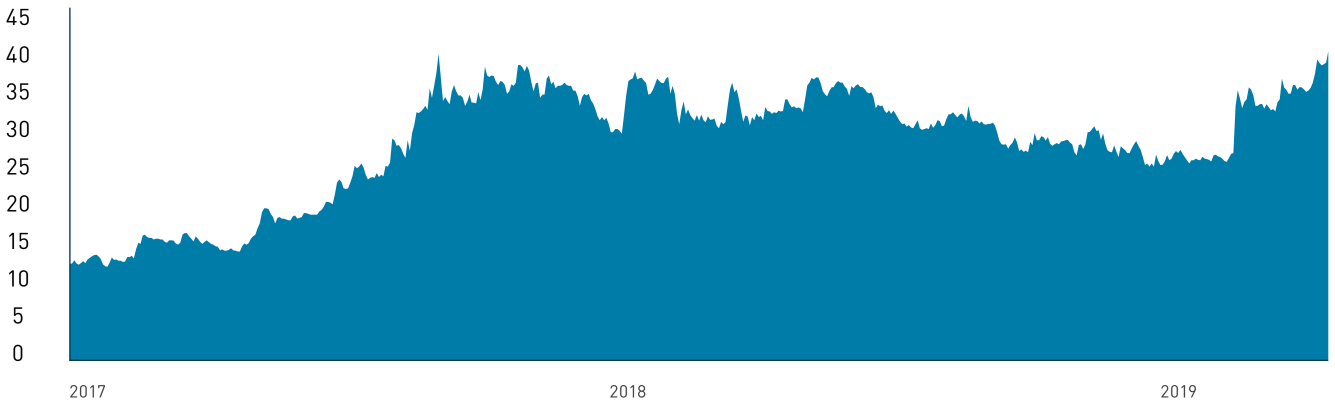
David Sjöström, Director

Board member since 2017. Born 1974. David Sjöström is Deputy Chief Physicist at Herlev Hospital, Department of Oncology, Division of Radiotherapy, Herlev, Danmark. David Sjöström holds among other education a master of Science (Major in Physics) from the University of Lund. **Holdings in C-RAD:** 0 A shares, 0 B-shares.

Michael Bengtsson, Authorized Auditor

PricewaterhouseCoopers AB med huvudansvarig revisor Michael Bengtsson, Auktoriserad revisor. Född 1959. Michael är huvudansvarig revisor för bl. a Indutrade, Sweco, Nobina, Bure, Eniro, och Bonnier-koncernen.

SHARE PRICE, SEK 2017-01-01 – 2019-04-09



STÖRSTA AKTIEÄGARE, 2018-12-31

Shareholder	Class A	Class B	Totalt	Capital (%)	Votes (%)
Peter Hamberg inkl Hamberg förv.AB	379 762	1 160 893	1 540 655	5,01%	12,87%
Svea Ekonomi AB	100 000	3 141 875	3 241 875	10,54%	10,75%
Lars Nyberg	70 000	2 281 411	2 351 411	7,65%	7,74%
Lars Kling	0	2 661 040	2 661 040	8,65%	6,91%
Olle Stenfors	180 000	170 000	350 000	1,14%	5,11%
Nordnet Pensionsförsäkring AB	0	1 954 649	1 954 649	6,36%	5,07%
Försäkringsaktiebolaget Avanza Pension	0	1 833 882	1 833 882	5,96%	4,76%
Per Hamberg	0	1 782 784	1 782 784	5,80%	4,63%
Anders Brahme	133 125	56 500	189 625	0,62%	3,60%
Handelsbanken Liv	0	1 007 216	1 007 216	3,33%	2,61%
Other	0	13 843 899	13 843 899	45,01%	35,94%
Total	**862 887**	**29 894 149**	**30 757 036**	**100%**	**100%**

SHARE CAPITAL

The share capital in C-RAD is SEK 4,613,556.70 divided between 862,887 Class A shares and 29,894,149 Class B shares. The total number of outstanding shares is 30,757,036 shares with a par value of SEK 0.15 per share. All outstanding shares are fully paid. C-RAD's Articles of Association provide that share capital shall amount to not less than SEK 3,000,000 and not more than SEK 12,000,000. In addition, the number of shares shall be at least 22,000,000 shares and a maximum of 88,000,000 shares. Holders of Class A shares of C-RAD may submit a request to the Board of Directors to convert Class A shares into Class B shares. Class A and Class B shares may each be issued to the maximum number that corresponds to 100 percent of the share capital.

TRADING IN C-RAD SHARES

C-RAD shares have traded since December 16, 2014 on NASDAQ Stockholm, Small Cap, under the ticker CRAD and ISIN code SE00 0201 6352. The closing price on December 28, 2018 was SEK 25.80 (28.30). The lowest closing price in 2018 was SEK 24.20 on December 10 and the highest was 36.10 on January 9, 2018. Average number of shares traded is 43,395 (118,485), worth about SEK 1,3 million (3.0) with an average of 109 trades per trading day (199).

ADMINISTRATION REPORT 20–29

ANNUAL REPORT 2018 | ADMINISTRATION REPORT

ADMINISTRATION REPORT INCLUDING CORPORATE GOVERNANCE REPORT

The Board of Directors and CEO of C-RAD AB (publ), Company reg. no. 556663-9174, hereby submit the annual accounts and consolidated accounts for financial year 2018. The Board's registered office is in Uppsala. The financial reports will be adopted by the Board and approved for publication on April 10, 2019. The consolidated and Parent Company financial statements will be submitted for approval at the Annual General Meeting on May 8, 2019.

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

ABOUT C-RAD IN GENERAL

C-RAD is a Swedish company that is headquartered in Uppsala. The company develops, manufactures and sells products and systems in the global market that increase high precision, efficiency and safety in radiotherapy of patients with cancer. The company's innovations originate from Karolinska Institutet and Karolinska Hospital in Solna. The C-RAD Group also includes Cyrpa International that develops innovative products for positioning and virtual simulation within radiotherapy.

C-RAD started its operations at the turn of 2004/2005. At first the company focused on research and development. Today the company delivers its products to radiation therapy centers worldwide.

Over the past years, C-RAD has pursued an expansion strategy. The prospects for growth with profitability remain strong, based on innovative and clinically accepted products and systems, as well as the continued expansion of the sales organization and service. Over time, we have built trust and our customers have developed confidence in our cutting-edge products. Powerful customer testimonials underline the clinical benefit of our technology. This has lead to a broader market acceptance and a growing demand for our products and solutions.

C-RAD sells its systems directly to customers, through diagnostic and accelerator companies and through specialized distributors. The company's own direct-selling organization has become increasingly important. C-RAD currently has its own sales organization for the Nordic countries, the German-speaking countries, France, East Asia and North America.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Growing sales and order intake

During 2018, order intake continued to increase across all product categories. The Company's healthy growth was driven by a market that has acknowledged the importance of surface scanning technology in order to provide an optimized treatment. Order intake for the full year increased by 28 percent, with a growing number of small and medium sized orders providing a stable base to the order intake.

The EMEA region was the largest region both in order intake and in revenue, but also the APAC region is showing stable growth.

Order intake from the Company's Life Cycle Business amounted to 38.2 MSEK during 2018, to be compared with 24.6 MSEK during 2017. The product category mainly consists of the sale of service contracts. In the Company's strategic process, this product category has been identified as one of the elements for continued growth, and it is encouraging to see the great interest from the customers to "insure" their systems with our usually multiyear service contracts. Besides the purely commercial benefit, the service contracts also contribute to improve the relationships with the customers and increase customer satisfaction.

A strong service organization that can support the customers all the way is a pre-requisite for continuing the development of the Company's life cycle business. C-RAD has own service technicians in the most important markets; Germany, France, Scandinavia, China, and the US. In the other regions the service is handled by distributors or the customer's own service team. This ensures high quality in the service work for all regions.

Five year summary	2018	2017	2016	2015	2014
Key figures, amounts in SEK					
Order intake	246,8	192,5	113,5	88,1	68,4
Revenue	190,1	133,1	82,7	66,2	53,2
Operating profit/loss	0,8	-10,0	-30,4	-20,4	-13,9
Profit/loss before tax	0,2	-10,9	-31,2	-21,2	-14,2
Profit/loss after tax	21,2	-10,9	-31,2	-21,2	-14,2
Total assets	146,6	118,1	102,1	73,6	71,6
Order backlog	194,0	139,8	83,5	60,2	36,4
Equity ratio %	64	60	69	54	54
Average number of employees	52	48	40	34	26

For definitions of the key figures, see page 78.

Sales, operating profit/loss and expenses

Consolidated sales amounted to 190.1 MSEK (133.1), an increase of 43 percent from 2017. The increase is mainly attributable to the Positioning segment. During the last years, the C-RAD Group has made substantial investments to strengthen the direct sales organization by recruiting new personnel within sales and services, primarily in the key markets US, China and France. This has had a direct impact on the income statement as the Company incur costs, primarily for personnel and travel expenses, until revenue is generated. Since the middle of 2016, the results from these investments can be seen as a remarkable increase in order intake and C-RAD has now a strong organization to support further growth. The Company intends to continue the investments in the sales- and service organization, and within research and development, during 2019. This will continue to drive future growth through an even stronger sales organization, while at the same time ensure that the Company also going forward will be able to provide cutting edge technology with competitive advantages.

Capitalized development costs for the Group totaled 3.4 (4.4) MSEK during the year. Total investments in capitalized expenditures, distribution rights and patents amounted to 26.9 (28.3) MSEK. Total investments in research and development amounted to 16.6 MSEK, out of which 13.2 MSEK was recognized as an expense in the income statement.

Operating income for the year amounted to 0.8 (-10.9) MSEK. Group depreciation and amortization amounted to -6.6 (-4.5) MSEK.

This resulted in the first full-year profit in C-RADs history. I conjunction with this, a deferred tax asset was booked in the fourth quarter based on the accrued taxable loss for the Swedish subsidiaries.

Comprehensive income for the year amounted to 21.7 (-11,8) MSEK.

Cash flow

Consolidated cash and cash equivalents at December 31, 2018 totaled 9.3 (14.6) MSEK. Cash flow was 4.4 (1.8) MSEK. Cash flow from operating activities and investments was -13.6 MSEK in 2018 (-9.5). Cash flow from financing activities totaled 9.2 (11.3) MSEK. Positive cash flow from financing activities refer to usage of the invoice discounting solution and payments for the warrant program for the employees. The Company's assessment is that no further capital increases will be needed to support the financing of the business and budgeted activities during the coming twelve months.

Equity

The Group's equity amounted to 93.6 (71.4) MSEK. The Group's equity ratio has increased from 60 percent in 2017 to 64 percent in 2018.

Non-current liabilities

The Company had no long-term liabilities on the balance sheet day.

Deferred tax asset

The deferred tax asset is reviewed every quarter. As the group reports a profit for the full year 2018, with expectations of profit also in the comping years, a deferred tax asset was booked on the accrued taxable loss for the Swedish entities. The tax revenue on deferred tax amounted to 21 MSEK during 2018 and the total value of the deferred tax asset was 28.1 (7.1) MSEK by the end of December, 2018. The remaining unused taxable loss in the foreign subsidiaries amounts to 74.1 MSEK, and there are currently no time constraints regarding utilization of the losses against future taxable profits.

Parent Company

The Parent Company's sales amounted to 19.0 (18.7) MSEK and loss before tax was -5.6 (-2.5) MSEK. The Parent Company incurs the majority of the Group's administrative expenses. Revenues in the Parent Company consist of invoiced administrative fees to subsidiaries and subsidies for development projects.

During the year the parent company wrote down value on shares in subsidiaries in C-RAD Imaging AB, C-RAD Innovation AB and Cyrpa International AB om 6.2 MSEK following capital increases to the companies, and intercompany receivables of 1.3 MSEK towards C-RAD Imaging AB.

Cash flow for the Parent Company was 0.1 (-0.1) MSEK. Negative cash flow from investing activities totaled -4.3 (-4.1) MSEK, mainly referring to capital increases in subsidiaries. Positive cash flow from financing activities refer to the warrant program that was approved on the Annual General Meeting 2018.

RESEARCH AND DEVELOPMENT

A prerequisite for C-RAD's business success is a strong and innovative R&D team with experience in clinical application as well as hardware and software. To maintain our leading position in the market, we have established direct clinical contacts with leading university hospitals and key personnel in radiation therapy worldwide. It gives us the opportunity to evaluate and improve existing products and explore new ideas and technologies, all with the goal of contributing to better cancer treatment and making the difference for our users and patients.

GEMini™ – the GEMini-technology, licensed from CERN in Geneve for usage within radiation therapy, is offering unique advantages for imaging systems and dosimetry. C-RAD has further developed the original technique and CERN, with their experience from development methods and physics, is a support in the work to improve the robustness of the system.

In March 2018, C-RAD announced that it has signed an agreement with a Chinese company Beijing HGPT Technology & Trade Co., Ltd regarding the procurement and cooperation around the GEMini Portal imaging and dosimetry detector The cooperation project has developed well during the year.

During the year, product development of the Catalyst/Sentinel has also been prioritized, where new functionality has been delivered during the year and is also planned for delivery during 2019.

Capitalized development costs in 2018 amounted to 3.4 MSEK. They are attributable to the GEMini project, 1.2 MSEK, and to the product development of the Catalyst/Sentinel of 2.2 MSEK.

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 negative and a positive effect 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.

Market growth

The market for advanced radiation therapy is expected to face 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. 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 adversely affect market acceptance of the products, which 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

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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 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 risk

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 fully or partially fail the company may be forced to write down parts or all of the projects.

The assessment is that GEMini will provide good profitability and that no impairment of the investment is present. If delays or major obstacles should arise, the company may be forced to write down the book value of the project.

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 organizational 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 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 excluded that one or more of these would choose to terminate cooperation with C-RAD and that the company cannot replace the subcontractor in a timely, qualitatively or financially satisfactory manner. There is also a risk that C-RAD's suppliers and manufacturers fail to meet quality requirements. Similarly, establishment of new suppliers or manufacturers could become more expensive and take longer than C-RAD has calculated. Sentinel, Catalyst and GEMini all 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 centers 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 agreement may also be terminated or changed. Overall, this could have an adverse impact on the company's business, earnings and financial position.

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

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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 risk

The company is exposed to potential financial risks such as currency risk, credit risk, interest rate risk and cash flow risk.

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

Credit risk is associated with accounts receivable and the Parent Company's loans to subsidiaries. Customers largely consist of public and private cancer centers around the world. The company has thus far not written off any accounts receivable due to a customer's inability to pay.

Interest rate risks are associated with changes in interest rates that affect the company negatively. On the balance sheet day, 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.

Cash flow risk is the risk of not being able to meet payment obligations due to insufficient liquidity or a difficulty in obtaining external loans.

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

PERSONNEL

At year-end the Group had a total of 52 employees. The average number of employees in 2018 was 52. The company hired new employees globally during the year. The majority of employees work in sales and service, but also within research and development. Recruitment of new employees for the C-RAD companies has been successful over the years. The employees have cutting-edge expertise in their respective disciplines. Several also have extensive experience in radiation therapy and radiation physics.

INCENTIVE PROGRAMS FOR THE EMPLOYEES

The Annual General Meeting on May 31st, 2018, approved an incentive program consisting of issue of 100 000 warrants in C-RAD AB, where the employees and senior executives owns the right to sign up for in total 90 000 warrants and the subsidiary C-RAD Positioning AB owns the right to subscribe for 10 000 warrants. Warrants that has been subscribed for by the subsidiary may be transferred on one or more occasions to persons that are senior executives or employees in the Group. Current employees in the C-RAD Group subscribed for 90 000 warrants, or 100 percent of the allocated amount. Out of these, 72 000 were subscribed for by Group management, other executive employees and other managers.

ENVIRONMENT

The Group's environmental impact mainly involves transports 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

C-RAD and XECAN announce strategic development and sales cooperation

In February, 2019, C-RAD and the US based company XECAN signed a partnership agreement to develop new products to advance patient positioning and resource management within radiation therapy. The development work will start immediately with a team from both companies and will be done in several phases. A first version of the product is expected to be presented in the second quarter 2019. The XECAN technology will be fully integrated in C-RAD's c4D software platform. C-RAD and XECAN also signed a distribution agreement that grants C-RAD the sales rights of the product in major markets. C-RAD is targeting new customers but will also provide a seamless upgrade path for customers that are already equipped with C-RAD technology.

FUTURE DEVELOPMENT

The strengths of the C-RAD products, the continued strong growth of the industry and the actions that the Company is taking to uniquely position C-RAD in the market place, create expectations for growth in 2019 and beyond. C-RAD will become even further established in proven and new markets and help to make cancer treatment more efficient for health care providers, better in quality and safer for patients and medical personal.

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 December 16, 2014. As of this date, the company is obligated to apply the Code. The Company intends to apply 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. No deviation has occurred.

Annual General Meeting

The Annual 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 disposition of the company's earnings, discharge from liability, election of directors 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.

Authorization 2018 provided by the General Meeting

The AGM authorized the Board to decide if C-RAD will issue a maximum of 2,500,000 new B-shares. The authorization had not been used on the balance sheet day.

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 is 30,757,036. Moreover, C-RAD's Articles of Association do not include any specific provisions on the appointment and dismissal of directors 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, Chairman of the Board, directors, auditors, remuneration to the Board and, where appropriate, proposals for appointment of auditors and for their fees. Principles for appointing the Nomination Committee are resolved by the Annual General Meeting. C-RAD's Nomination Committee prior to the 2018 Annual General Meeting consists of Per Hamberg, Lennart Ågren, and Lars Nyberg. The Nomination Committee appointed Per Hamberg to be chairman 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 organization. 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 16 and 17.

All directors are independent of the Company and the Company's major shareholders, with the exeption of Peter Hamberg, who is independent of the Company and its management, but is not independent of the Company's major shareholders.

Rules of procedure and Board meetings

At the 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 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 regular meetings, the Board is called to other meetings as situations dictate. In 2018, the Board met 8 times, including the statutory meeting. All board members attended all meetings to which they were summoned.

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Attendance at Board meetings in 2018

Director:	Number of meetings
Lars Nyberg	8
Peter Hamberg	7
Kicki Wallje-Lund	7
David Sjöström	8
Åsa Hedin	8
Peter Eidensjö	8

Evaluation of the Board's work is done once per year. The Chairman organizes evaluation through questionnaires, compile the results and present at the following board meeting where the discussions are ongoing and any area for improvement identified.

Board committees and committee work

The audit committee consist of Peter Eidensjö, Kicki Wallje Lund, and Peter Hamberg since the Annual General Meeting 2018. The audit committee had four meetings during 2018. The Board does not currently have a remuneration committee, instead, the Board holds the opinion that the tasks that would otherwise be performed by such Committees are better performed by the Board of Directors in its entirety.

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. In 2016, the Board assigned an audit committee that follows the current affairs through regular meetings with the Company's financial functions. An important part of the control environment is that the organization 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 results in a number of control activities.

C-RAD has adopted policies and procedures relating to financial reporting, as well as a financial manual 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 the annual reports before publication.

Levels and rules for approval of transactions within the company and with external partners are set through an authorization 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 fulfill 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. 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 3,504 shareholders according to Euroclear. The two largest shareholders together held 15.55 percent of the shares and 23.62 of the voting rights. As of the record date for the Meeting, the company's share capital will amount to SEK 4,613,556.70 with a par value SEK 0.15 per share, divided into 30,757,036 shares, including 862,887 Class A shares and 29,894,149 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.
Total number of votes in the company is 38,523,019.
No known shareholder agreements exist.

OWNERSHIP STRUCTURE – OWNERS OF AT LEAST 10 PERCENT OF VOTES

Shareholders	A shares	B shares	Total shares	Capital (%)	Votes (%)
Peter Hamberg, inklusive Hamberg Förv. AB	379 762	1 160 893	1 540 655	5,01%	12,87%
SVEA EKONOMI AB	100 000	3 141 875	3 241 875	10,54%	10,75%
Other	383 125	25 591 381	25 974 506	84,45%	76,38%
Total	**862 887**	**29 894 149**	**30 757 036**	**100 %**	**100 %**

Remuneration to the Board of Directors

The Annual General Meeting decides on remuneration to the Board of Directors. At the Annual General Meeting May 31, 2018 resolved that the Chairman shall be paid SEK 400,000 in remuneration for 2018 and the other Directors shall be paid SEK 200,000 each.

Remuneration to senior executives

Total remuneration to senior executives Tim Thurn, Ling Zhang, Johan Bostedt, Cecilia Danckwardt Lillieström and Therése Björklund in 2018 was 5,1 MSEK, of which 2,1 MSEK related to remuneration to Tim Thurn, CEO. All amounts relating to remuneration to senior executives do not include social security contributions. Pension costs for senior executives during 2018 totaled 0.7 MSEK. Pension terms for Executive Management are in line with those of other employees within the Group. Tim Thurn, Cecilia Danckwardt Lillieström and Therése Björklund are employed by the Parent Company C-RAD AB while Johan Bostedt and Ling Zhang are employed by the affiliate C-RAD Positioning AB.

Guidelines for remuneration to senior executives

The 2019 Annual General Meeting will resolve on guidelines for remuneration to senior executives. The Board of Directors proposes the following guidelines for remuneration to senior executives. 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, other benefits and pension provisions. The total remuneration will be market-based and competitive, and also be related to responsibility and authority. 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 are present to indicate otherwise. The retirement age for Executive Management shall normally be 65 years. The Board may only deviate from these guidelines if special reasons are present in individual cases.

Remuneration to auditors

At the 2018 Annual General Meeting, Öhrlings Pricewater-House Cooperas AB was re-elected to serve as auditor for the company, with Michael Bengtsson as principal auditor. Remuneration is paid to the auditor on a time and materials basis. For further information on fees, see note 13 of the 2018 Annual Report. 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 other such duties. Everything else is classified as other assignments.

PROPOSED APPROPRIATION OF PROFITS

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

Retained loss	-95 379 532
Share premium reserve	259 909 231
Profit for the year	-3 391 103
Total retained earnings	161 138 596

The Board and the President propose that the retained earnings of SEK 161.138.596 be carried forward.

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CONSOLIDATED INCOME STATEMENT

All amounts in SEK Thousands unless otherwise stated.

	NOT	2018	2017
Operating income			
Net sales	11	190 110	133 125
Purchased goods and services		-80 001	-54 494
Total operating income		**110 109**	**78 631**
Operating expenses			
Other external costs	13,14	-45 606	-36 462
Personnel costs	15	-59 270	-51 630
Own work capitalized		3 444	4 350
Depreciation and amortization of property plant and equipment, as well as intangible assets	20,21	-6 573	-4 513
Other operating expenses/income	12	-1 296	-367
Total operating expenses		**-109 301**	**-88 621**
Operating profit/loss (EBIT)		**808**	**-9 990**
Financial income	17	369	0
Financial expenses	17	-968	-917
Profit (loss) before tax		**210**	**-10 907**
Tax on profit/loss for the period	18,19	20 981	0
Profit (loss) for the year		**21 191**	**-10 907**
Consolidated statement of comprehensive income Items that may be reclassified subsequently to profit or loss			
Translation difference from foreign operations		478	-869
Total comprehensive income for the year (1)		**21 669**	**-11 776**
Earnings per share			
Earnings per share, basic		0,69	-0,37
Earnings per share, diluted		0,68	-0,37

(1) 100 percent attributable to Parent Company shareholders.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	NOT	31-12-2018	31-12-2017
Intangible assets			
Capitalized development expenditure	21	22 718	23 375
Distribution rights	21	3 531	4 379
Patents, licenses and similar rights	21	638	554
		26 887	**28 308**
Property, plant and equipment			
Equipment	20	1 274	2 141
Financial assets			
Non-current receivables	6,22	102	101
Deferred tax assets	19	28 075	7 094
Total financial assets		**28 177**	**7 195**
Total non-current assets		**56 338**	**37 644**
CURRENT ASSETS			
Inventories	7	11 663	20 101
Accounts receivable	6,28	44 329	23 475
Other receivables		3 760	2 398
Prepaid expenses and accrued income	8	21 191	19 844
Cash and bank balances	6,27	9 333	14 594
Total current assets		**90 276**	**80 412**
Total assets		**146 614**	**118 056**

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EQUITY AND LIABILITIES	NOT	31-12-2018	31-12-2017
Equity	**23**		
Share capital		4 614	4 614
Additional paid-in capital		268 194	267 738
Reserves		-391	-869
Retained earnings incl profit for the year		-178 774	-200 075
Total equity		**93 641**	**71 407**
Current liabilities			
Accounts payable		9 321	8 289
Warranty provisions	29	2 305	1 976
Other current liabilities		22 882	17 947
Accrued expenses and deferred income	30	18 464	18 437
		52 973	**46 649**
Total liabilities		**52 973**	**46 649**
Total equity and liabilities		**146 614**	**118 056**

CONSOLIDATED STATEMENT OF CASH FLOWS

	NOT	2018	2017
Operating activities			
Operating profit/loss before financial items		808	-9 990
Adjustments for non-cash items	26	8 003	6 663
Interest received		0	0
Interest paid		-917	-917
Cash flow from operating activities before working capital changes		**7 894**	**-4 244**
Increase (decrease) operating receivables		-23 580	-678
Increase (decrease) inventories		8 438	-13 741
Increase (decrease) operating liabilities		-2 357	14 644
Cash flow from operating activities		**-9 606**	**-4 020**
Investing activities			
Acquisition of intangible assets		-270	0
Capitalized development expenditures		-3 444	-4 350
Acquisition of property, plant and equipment		-251	-873
Acquisition associated companies		0	-291
Cash flow from investing activities		**-3 965**	**-5 514**
Financing activities			
Warrants		456	888
Debt repayment		-417	-291
Borrowings		9 133	10 726
Cash flow from financing activities		**9 172**	**11 323**
Cash flow for the year		-4 399	1 789
Opening cash and cash equivalents		14 594	12 682
Exchange rate differences in cash and cash equivalents		-862	123
Closing cash and cash equivalents	**27**	**9 334**	**14 594**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL	ADDITIONAL PAID-IN CAPITAL	RESERVES	RETAINED EARNINGS	TOTAL
Opening equity 2017-01-01	**4 430**	**255 230**		**-189 058**	**70 602**
Rights issue	184	11 535			11 719
Issued warrants		972			
Equity component, convertible loan				-110	-110
Total transactions with owner	**184**	**12 507**		**-110**	**12 581**
2017 profit/loss				-10 907	-10 907
Translation difference, foreign operations			-869		-869
Total comprehensive income for the year			-869	-10 907	-11 776
Closing equity 2017-12-31	**4 614**	**267 738**	**-869**	**-200 075**	**71 407**
Rights issue					0
Issued warrants		456			456
Total transactions with owner	**0**	**456**		**0**	**456**
Equity component, convertible loan				110	110
Total comprehensive income for the year			478	21 191	21 669
Closing equity 2018-12-31	**4 614**	**268 194**	**-391**	**178 774**	**93 641**

PARENT COMPANY – INCOME STATEMENT

	NOT	2018	2017
Operating income			
Net sales		18 962	18 701
Total operating income		**18 962**	**18 701**
Operating expenses			
Other external costs	13,14	-8 169	-7 522
Personnel costs	15	-8 089	-8 008
Depreciation of property, plant and equipment	20,21	-34	-26
Amortization of intangible assets		-847	-847
Other operating expenses		0	-1 517
Total operating expenses		**-17 140**	**-17 921**
Operating profit/loss (EBIT)		**1 822**	**780**
Interest income and similar profit/loss items	17	365	0
Interest expense and similar profit/loss items	17	-7 796	-3 323
Profit (loss) before tax		**-5 609**	**-2 542**
Tax on profit/loss for the period	18,19	2 217	0
Profit (loss) for the year		**-3 391**	**-2 542**

PARENT COMPANY – BALANCE SHEET

ASSETS	NOT	31-12-2018	31-12-2017
Property, plant and equipment			
Equipment	20	35	69
Intangible assets			
Distribution rights	21	3 531	4 379
Financial assets	**22**		
Shares in Group companies		108 128	108 128
Receivables from Group companies		53 382	59 279
Deferred tax asset	18	2 217	0
		163 727	**167 407**
Total non-current assets		**167 293**	**171 855**
CURRENT ASSETS			
Other receivables		264	459
Prepaid expenses and accrued income	8	888	707
Cash and bank balances	27	472	387
Total current assets		**1 623**	**1 553**
Total assets		**168 917**	**173 408**

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PARENT COMPANY – BALANCE SHEET

EQUITY AND LIABILITIES	NOT	31-12-2018	31-12-2017
Equity			
Restricted equity	23		
Share capital		4 614	4 614
Non-restricted equity			
Share premium reserve		259 909	259 453
Retained earnings		-95 380	-92 837
Profit (loss) for the year		-3 391	-2 542
		161 138	**164 074**
Total equity		**165 753**	**168 688**
Non-current liabilities			
Non-current liabilities	24	0	961
		0	**961**
Current liabilities			
Accounts payable		668	1 201
Other current liabilities		1 260	932
Accrued expenses and deferred income	30	1 236	1 626
		3 165	**3 759**
Total liabilities		**3 164**	**4 719**
Total equity and liabilities		**168 917**	**173 408**

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STATEMENT OF CASH FLOWS, PARENT COMPANY

	NOT	2018	2017
Operating activities			
Operating profit/loss before financial items excl. interest		-5 609	-2 542
Adjustments for non-cash items	26	6 121	5 668
Other non-cash items			
Interest paid		-85	-354
Cash flow from operating activities before working capital changes		**427**	**2 772**
Increase (decrease) operating receivables		3 577	2 407
Increase (decrease) accounts payable		-532	142
Increase (decrease) operating liabilities		484	-2 165*
Cash flow from operating activities		**3 956**	**3 155**
Investing activities			
Acquisition of property, plant and equipment		0	-57
Shareholder contributions		-3 900	-3 713
Acquisition associated companies		-417	-351
Cash flow from investing activities		**-4 317**	**-4 121**
Financing activities			
Issued warrants		456	888
Cash flow from Financing activities		**456**	**888**
Cash flow for the year		95	-78
Opening cash and cash equivalents		387	466
Exchange rate differences in cash and cash equivalents		-10	4
Closing cash and cash equivalents	**27**	**472**	**387**

2018: including change in debt related to contingent liability for Cyrpa International that was recognized as long-term liability by 2017-12-31 but that was finalized during 2018.

STATEMENT OF SHAREHOLDERS' EQUITY, PARENT COMPANY

	SHARE CAPITAL	SHARE PREMIUM RESERVE	RETAINED EARNINGS	TOTAL
Opening equity Jan. 1, 2017	**4 430**	**246 946**	**-92 838**	**158 539**
Rights issue	184	11 535		11 719
Issued warrants		972		972
Total transactions with owner	**184**	**12 507**	**0**	**12 691**
2017 profit/loss			-2 542	-2 542
Closing equity Dec. 31, 2017	**4 614**	**259 453**	**-95 380**	**168 688**
Issued warrants		456		456
Total transactions with owner	**0**	**456**	**0**	**456**
2018 profit/loss			-3 391	-3 391
Closing equity Dec. 31, 2018	**4 614**	**259 909**	**-98 770**	**165 753**

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1. NATURE OF THE BUSINESS

The primary business of C-RAD AB and its subsidiaries (the Group) is to develop, manufacture and sell products and systems that ensure high precision, efficiency and safety in radiotherapy of patients with cancer.

2. GENERAL INFORMATION AND COMPLIENCE WITH IFRS

The parent company of the Group, C-RAD AB, is a Swedish public limited company based in Uppsala. The C-RAD Group is headquartered at address Bredgränd 18, 753 20 Uppsala, Sweden. C-RAD shares are listed on NASDAQ OMX Stockholm. The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act, the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups, and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as approved by the EU Commission for application within the EU. The preparation of financial statements in compliance with IFRS requires the use of a number of important estimations for accounting purposes. Furthermore, when applying the Group's accounting policies, management must make certain assessments The areas which involve a high degree of assessment, which are complex, or such areas in which assumptions and estimations are of material significance for the consolidated financial statements, are set forth in Note 35.

The Parent Company applies the same accounting policies as the Group except in the cases described under "Parent Company accounting policies". The differences arising between the Parent Company and the Group's accounting policies are attributable to limitations on the ability to apply IFRS in the Parent Company as a result of the Swedish Annual Accounts Act and the Pension Obligations Vesting Act, and to some extent based on tax considerations.

The consolidated financial accounts for the year ended December 31, 2018 (including comparatives) were approved for issue by the Board on April 10, 2019. Regulations in Sweden stipulate that the financial statements may not be changed after they have been approved.

3. NEW AND UPDATED STANDARDS

On January 1, 2018, two new standards became applicable, IFRS 9 Financial Instruments and IFRS 15, Revenues from contracts with customers. Information on the effect of these new standards can be found in note 33. A number of new and updated standards are applicable for financial years beginning on January 1, 2019 and later. More information on these standards can be found below.

IFRS 16 Leasing

IFRS 16 Leases replaces IAS 17 Leasing agreements and IFRIC 4 Determining Whether an Arrangement Contains a Lease. The new standard implies that all assets and liabilities referable to contracts that are considered to be a leasing contract in the meaning of the standard should be recognized on the balance sheet. In the income statement, depreciation is reported separately from interest expense related to the lease liability. Exceptions for recognition on the balance sheet are leases of low value items and short term leases of less than 12 months. Agreements that are recognized as operational leasing will hence be activated in the balance sheet. The Group will apply this standard as of January 1st, 2019.

The Group applies the simplified transition method and will not recalculate the comparative figures. Rights of Use are valued at an amount corresponding to the leasing liability (adjusted for prepaid and accrued leasing fees). During 2018, the Company has worked on preparing for the introduction of the new standard, through the collection and review of the group's leasing agreements and evaluation of its effects.

Leasing agreements in which the group is lessee

The Group will report new assets and liabilities for operational leasing contracts for office premises, office equipment, and vehicles. The costs of these leases will change, as the group will recognise the depreciation for usage rights and interest expenses for leasing liabilities. The Previously reported group operating lease cost linearly over the leasing period and the reported assets (prepaid leasing fees) and liabilities (accrued leasing fees) only to the extent that there was a difference between actual leasing fees and the reported cost. Only the amount that is paid out by the lessee is included.

More information is available in note 32.

4. STANDARDS, AMENDMENTS AND INTERPRETATIONS RELATING TO EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED BY THE GROUP

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards were published by the IASB. These have not yet entered into force and have not been early adopted by the Group.
Group Management expects that all relevant statements will be implemented in the Group's accounting policies during the first reporting period beginning after the date the statement becomes effective. Information on new standards, amendments and interpretations that are expected to be relevant to the consolidated financial statements is given below. Certain other new standards and interpretations have been issued but are not expected to have any material impact on the consolidated financial statements.

5. SUMMARY OF ACCOUNTING POLICIES

The principal accounting policies used in preparing the consolidated financial statements are summarized below.

5.1 Basis of consolidation

The consolidated financial statements include the operations of the Parent Company and the subsidiaries. The Parent Company has a controlling influence over the subsidiary if the company is exposed, or has rights to variable returns from its involvement in the subsidiary, and has the ability to affect yields by exercising its dominant influence over the subsidiary. The balance sheet date for all subsidiaries is December 31.

The consolidated accounts include C-RAD AB, the wholly owned subsidiaries C-RAD Positioning AB, C-RAD Imaging AB, C-RAD Innovation AB and the US wholly-owned C-RAD Incorporated and the German wholly-owned C-RAD GmbH and the Belgian wholly owned subsidiary CYRPA International Sprl.

All intercompany transactions and balance items are eliminated on consolidation, including unrealized losses on intercompany sales of assets which are reversed on consolidation.

Net income and other comprehensive income of subsidiaries acquired or disposed of during the year are recognized from the date on which the acquisition or disposal enters into force, as appropriate.

The purchase method is used to recognize the Group's acquisitions of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable acquired assets and assumed liabilities and contingent liabilities in an acquisition of a business are initially measured at the fair values on the acquisition date, regardless of the scale of any non-controlling interests. The surplus that comprises the difference between the cost and the fair value of the Group's share of identifiable acquired net assets is recognized as goodwill. Acquisition costs are expensed as incurred.

5.2 Translation of foreign currencies

The consolidated financial statements are presented in SEK, which is also the Parent Company's functional currency. Transactions in foreign currencies are translated to the functional currency of each Group company, based on the prevailing exchange rates on the date of the transaction (spot rate). Gains and losses on foreign currency as a result of settlement of such transactions and due to the revaluation of monetary items using the closing rate are recognized in profit or loss.

Non-monetary items are not translated on the balance sheet date, but are valued at historical cost (adjusted for the rate on the transaction date), except for non-monetary items measured at fair value, which are translated at the exchange rate at the date when fair value was determined.

The order back-log contains received but not yet delivered orders, valued to average exchange rate.

5.3 Financial statements of foreign operations

Assets and liabilities of foreign subsidiaries are translated from the respective Group company's functional currency to the Group's reporting currency at the rate on the balance sheet date. Revenues and expenses in foreign operations are translated into SEK at the average rate, which is an approximation of the rates on each transaction date. The average rate is calculated quarterly. Exchange differences arising on translation of foreign operations are recognized in other comprehensive income. The functional currency of Group companies has remained unchanged during the reporting period.

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5.4 Segment reporting
The Group has two operating segments: positioning and imaging. When identifying operating segments, Group management usually follows the Group's business areas, which correspond to the main products and services that the Group offers. (See Note 11).

Each operating segment is managed separately because each requires different resources and methods. All transactions between segments are carried out on a commercial basis.

The Group uses the same valuation principles for segment reporting under IFRS 8 as in its financial statements

5.5 Revenue
Revenue arises from the sale of goods and provision of services. Revenue is measured at the fair value of the consideration the Group receives or will receive for goods supplied and services rendered, excluding sales tax, rebates and trade discounts.

Sales of goods are recognized when the control of the goods has been transferred to the buyer, normally when the customer has possession of the goods, usually at delivery or installation, depending on the agreed terms of delivery. Sales of services as a separate, one-off item are recognized when services are rendered. Multi-annual service agreements are recognized over the term of the contract

5.6 Operating expense
Operating expenses are recognized in profit or loss when the service is utilized or when the event occurs. Warranty costs are recognized when the Group incurs an obligation, which usually occurs when the product is sold.

5.7 Borrowing cost
Borrowing costs directly attributable to acquisitions, construction or production of a qualifying asset are capitalized during the period of time required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period incurred and recognized in "Financial expenses." The Group currently has no qualifying assets.

5.8 Intangible assets
Expenses directly attributable to the development phase of a project are recognized as intangible assets provided they meet the following requirements:
– The development expenditure can be reliably measured.
– The project is technically and commercially feasible.
– The Group intends and has sufficient resources to complete the project.
– The Group has the ability to use or sell the product.
– The product will generate probable future economic benefits.

Development expenditures that do not meet these criteria for capitalization are expensed as incurred.

Directly attributable costs include personnel costs incurred during product development, along with an appropriate portion of relevant overhead and borrowing costs.

Reporting in subsequent periods
All intangible assets, including capitalized internal development, have a finite useful life. They are therefore recognized at cost, whereby capitalized costs are depreciated over their estimated useful lives. Residual values and useful lives are reviewed at each balance sheet date. In addition, impairment testing is carried out as described in note 21.

Other intangible assets
Other intangible assets acquired by the Group are recognized at cost less accumulated amortisation and impairment.

The following useful lives are applied:
– Capitalized development costs: 5-10 years
– Patent: 10 years

Internally developed products that are not yet finalized and that have been capitalized, are not amortized but tested for impairment in accordance with Note 21.

Depreciation is included in the item "Depreciation and amortization of property plant and equipment, as well as intangible assets". Subsequent expenditures on maintenance of products and patents are expensed as incurred.

5.9 Property, plant and equipment
Assets are initially recognized at cost or manufacturing costs, including expenses for putting the asset in place and in condition to be used according to Group management's intentions. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation is linear based on cost less the estimated residual value. The following useful lives are applied:
IT equipment and other equipment: 3–10 years.

Significant estimates of residual values and estimated useful lives are updated as necessary, though at least once a year.

Operational leasing
A leasing contract is operational when the economic benefits associated with ownership of the object, in all material respects, are not transferred to lessee. The leasing fee is therefore allocated linearly over the lease term.

Financial leasing
A leasing contract is financial when the economic benefits associated with ownership of the object, in all material respects, are transferred to lessee. All current leasing obligations in the Group refer to operational leasing contacts.

5.10 Deprecation, amortization and impairment
When there is an indication that an asset or group of assets declined in value, its carrying value is assessed. In cases where the carrying amount exceeds the estimated recoverable amount, the carrying amount is immediately written down to the recoverable amount. Impairment testing of intangible assets is reviewed annually and when indications of impairment are present. The recoverable amounts of assets are determined based on calculations of useful value. When determining value in use, the present value of the future cash flows that the asset is expected to give rise to during its useful life is estimated. Impairment testing is performed at the lowest level at which separate cash flows can be identified. Future cash flows are taken from the company's business plan.

The amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value in use, is recognized as an impairment loss. To determine value in use, Group management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of these cash flows. The data used for impairment testing purposes are directly connected to the Group's budget, adjusted as necessary to exclude the effects of future reorganizations and improvements of assets.

Discount factors are determined individually for each cashgenerating unit and reflect Group management's assessment of their respective risk profiles, such as market and assetspecific risk factors.

5.11 Financial instruments
For periods before January 1, 2018, Financial instruments were treated in line with IAS39. New principles in line with IFRS 9 that are used as of January 1, 2018 is presented below. As the Company is implementing IFRS 9 forward looking, the comparable figures has not been recalculated.

Financial assets valued at amortized cost
Financial assets are recognised and valued at amortized cost using the effective interest method. The carrying amount of these assets is adjusted with any expected credit losses reported (see impairment below). Interest income from these financial assets is reported using the effective interest method and is included in financial income. Financial assets valued at amortised cost consist of accounts receivable, other receivables and cash and bank items.

Financial liabilities valued at amortized cost
Financial liabilities are recognised and valued at amortized cost using the effective interest method. Borrowings are reported net of transaction costs and any difference between the amount received (net of transaction costs) and the amount of the repayment is recognised in the income statement divided over the loan period, applying the effective interest method. Other financial liabilities consist of borrowing from credit institutions, trade payables and other current liabilities.

General Principles
Purchases and sales of financial assets and liabilities are recognised on the trade date – the date on which the Company undertakes to purchase or sell the asset or liability. Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the company has transferred virtually all risks and benefits associated with the ownership. Financial liabilities are removed from the balance sheet when the contractual obligation has been fulfilled or otherwise extinguished. Financial assets are included in current assets with the exception of items with a due date more than 12 months after the balance sheet date, which are classified as fixed assets. Financial liabilities are classified as current liabilities unless the company has an unconditional right to defer payment of the debt for at least 12 months after the end of the reporting period.

The carrying amount of short-term financial liabilities and assets is presumed to correspond to its fair value, as these items are short-term in nature. The book value of the company's other financial assets and liabilities is deemed to correspond to the fair value of these.

Impairment of financial assets
The Company assesses the future expected loan losses associated with assets reported at amortized cost. The Company reports a credit reserve for such expected credit losses at each reporting date. For accounts receivable, the simplified approach for kreditreservering is applied. The Method means that expected losses over the entire duration of the claim are used as a starting point for provision. The Reserve is based on the expected credit loss where the amount Corresponds to the present value of the difference between the expected recoverable amount and the amount under the contract.

In subsequent periods, financial assets acquired with the intention of being held short-term (short-term investment) are reported in accordance with the lowest value principle at the lower of cost and market value.

At each balance sheet date, the company assesses whether there is any indication of impairment in any of the financial fixed assets (other long-term securities holdings). Write-down is expected to be permanent. Impairment is recognized in the income statement.

5.12 Provisions
Provisions are recognized when the Group has or may be considered to have an obligation as a result of past events and it is probable that payments will be required to settle the obligation. A further condition is that a reliable estimate can be made of the amount that has to be paid. Estimated costs for product guarantees are charged against operating expenses in conjunction with income recognition of the products, see note 29 for more information.

5.13 Fair value
Group management uses valuation techniques in calculating the fair value of financial instruments in those cases where there are no prices in active markets and for non-financial assets. This involves making estimates and assumptions that are consistent with how market participants would price the instrument.

Group management bases its assumptions as far as possible on observable data, but these are not always available. In these cases, Group management uses the best information available. An estimated fair value may differ from the actual price that could be achieved in a transaction on commercial terms on the balance sheet date.

5.14 Inventory
Inventories are measured at the lower of cost and net realizable value. Cost includes all costs directly attributable to the manufacturing process. Costs for commonly replaceable articles are allocated according to the first in, first out principle. Net realizable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

5.15 Capitals and reserves
Share capital represents the nominal value of issued shares.

Share premium includes premiums (if any) received on issue of share capital. Transaction costs directly attributable to the issue of new shares or warrants are recognized, net of tax, in equity as a deduction from the proceeds.

5.16 Deferred tax
Deferred tax is recognized using the balance sheet method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is calculated based on the tax rates decided on or announced as of the balance sheet date, which can be expected to be in effect when the relevant deferred tax asset is realized or the deferred tax liability is paid.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be used.

5.17 Pensions and remuneration to employees
A plan in which the company's obligation is limited to the fees that the company has undertaken to pay is considered to be a defined-contribution pension plan. In that case, the amount of the employee's pension depends on the fees paid by the company to the plan or to an insurance company and the return on capital provided by the contributions. Consequently, it is the employee who bears the actuarial risk and Investment risk. The Company's obligations for contributions to defined contribution plans are recognised as an expense in the profit or loss for the year as they are earned.

C-RADs pension plans have been classified as defined contribution plans and correspond with the public pension plan. Remuneration to employees in the form of salary, paid holiday, etc., are reported as they are earned.

5.18 Government grants
Government grants are recognized at fair value when there is

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reasonable assurance that the grant will be received and that the company will comply with all attached conditions.

Government grants related to expected costs are reported as deferred income. The grant is recognized in the period when the costs for which the grant is intended to compensate arise.

Government grants relating to the acquisition of property, plant and equipment reduces the carrying amount of the asset.

5.19 Research and development costs
Research costs are expensed as incurred. Expenditures on development, where research findings or other knowledge is applied to produce new products or applications, are recognized as intangible assets when the criteria for capitalization under IAS 38 are met. The carrying amount includes all directly attributable costs, such as materials, purchased services and benefits to employees, alongside an appropriate part of the relevant operating costs and borrowing costs.

5.20 Statements of cash flow
The statement of cash flows is prepared using the indirect method. The reported cash flow includes only transactions involving payments and disbursements.

5.21 Contingent liabilities and contingent assets
A contingent liability is recognized when there is a possible commitment arising from past events and whose existence is confirmed only by one or more uncertain future events or when there is a commitment that is not recognized as a liability or provision because it is unlikely that an outflow of resources will be required.

A contingent asset is recognized when an external party has a possible undertaking against the company arising from occurrences and whose existence is confirmed only by one or more uncertain future events or when an external party has a commitment to the company that is not recognized as a liability or provision because it is unlikely that an outflow of resources will be required.

5.22 Parent company accounting policies
The Parent Company has prepared its annual accounts according to the Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 2 Reporting for Legal Entities. RFR 2 means that the Parent Company shall apply IFRS standards as far as this is possible within the framework of the Annual Accounts Act and with consideration given to the relationship between accounting and taxation. The differences between the Group's and the Parent Company's accounting policies are stated below. The following accounting policies for the Parent Company were applied consistently in all periods shown in the Parent Company's financial reports.

Shareholder contribution
Shareholder contributions are recognized directly in equity by the recipient and capitalized as shares and participations by the issuer, to the extent no impairment loss is identified.

Revenue
Parent Company's income consists primarily of invoiced management fees from subsidiaries.

Share in Group companies
Shares in Group companies are recognized using the cost method less impairment. Acquisition-related transaction costs are included in cost. When there is an indication that shares in subsidiaries or associated companies decreased in value, the recoverable amount is estimated. If this is lower than the carrying amount, an impairment loss is recognized. Impairment losses are recognized in financial items in the income statement.

6. ASSET MANAGEMENT, RISKS AND RISK MANAGEMENT
Asset management
The Group's objective for asset management is to ensure the ability to continue operations and to provide adequate return to shareholders by pricing products and services at an equivalent level of risk.

Financial risk management
The Group is exposed to various kinds of financial risk in its business operations. Financial risks refer to fluctuations in the company's profits and cash flow as a result of changes in currency exchange rates, interest levels, financing and credit risks. The Group's finance policy for managing financial risks has been prepared by the Board and forms a framework of guidelines.

The Group does not engage in active trading of financial assets for speculative purposes. The most significant financial risks to which the Group is exposed are described below.

Sensitivity to foreign currency
Most of the Group's transactions are denominated in SEK.

Exposure to exchange rate fluctuations arises from the Group's sales to and purchases from other countries. These sales and purchases are mainly denominated in USD and EUR.

The Group monitors cash flows that are not denominated in SEK to reduce its exposure to foreign exchange risk. The Group does not use foreign exchange forward contracts to reduce its currency risk.

Disclosure of financial assets and liabilities in foreign currencies that expose the Group to foreign currency risk is provided below.

The following table shows the sensitivity of income and equity in terms of the Group's financial assets and financial liabilities and exchange rates: USD/SEK and EUR/SEK "all else being equal". A change of +/- 10% of the exchange rate SEK/USD is assumed for the year that ended December 31, 2018 (2017: 10%). A change of +/- 5% is assumed for the exchange rate SEK/EUR (2017: 5%). Both of these percentages were determined based on average market volatility in exchange rates during the previous twelve months. The sensitivity analysis is based on the Group's consolidated financial assets and financial liabilities in foreign currency held on each balance sheet date.

If the SEK had appreciated against the USD by 10% (2017: 10%) and against the EUR by 5% (2017: 5%), this would have had the following effect:

SHORT-TERM EXPOSURE

18-12-31	EUR	USD
Financial assets	47 285	11 642
Financial liabilities	-30 523	-5 596
Total exposure	**16 762**	**6 046**

2017-12-31	EUR	USD
Financial assets	24 484	14 244
Financial liabilities	-18 635	-6 792
Total exposure	**5 849**	**7 452**

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	PROFIT (LOSS) FOR THE YEAR		EQUITY	
	EUR	USD	EUR	USD
31 december 2018	-838	-605	-428	4 403
31 december 2017	-292	-745	-401	-745

If the SEK had depreciated against the USD by 10% (2017: 10%) and against the EUR by 5% (2017: 5%), this would have had the following effect:

	EUR	USD	EUR	USD
31 december 2018	838	605	428	-4 403
31 december 2017	292	745	401	745

Sensitivity to interest rate risk

The Group's policy is to minimize exposure to interest rate risk relating to cash flows in long-term financing. As at December 31, the Group was not exposed to changes in the market interest rates as there were no long-term borrowings with variable interest rates.

Credit risk analysis

Credit risk is the risk that a counterparty will not fulfill an obligation to the Group.

The Group is exposed to this risk by granting loans to and receivables from customers.

The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets at 31 December, as summarized below:

Types of financial assets - carrying amounts	2018	2017
Accounts receivable	44 329	23 475
Loans	102	101
Cash and cash equivalents	9 333	14 594
Total exposure	**53 764**	**38 170**

The Group continuously monitors defaults from customers and other counterparties. The Group's credit risk is limited since customer operations are usually funded directly or indirectly by public funds. Credit losses have historically been low.

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Accounts receivables aging, total accounts receivables	2018	2017
Less than 3 months	42 866	18 889
3 to 6 months	670	2 897
Over 6 months	793	1 689
Total accounts receivable	**44 329**	**23 475**
Past due at the end of the financial year	**21 919**	**13 263**

GROUP

Currency analysis, total accounts receivables	2018	2017
SEK	2 648	1 775
EUR	28 656	13 429
USD	10 282	6 662
Other	2 743	1 609
	44 329	**23 475**

Financial instruments
The below table show the Group financial assets and liabilities by category and with fair value and carrying amount per item.

	31-12-2018		31-12-2017	
Loans and receivables	**Fair value**	**Carrying amount**	**Fair value**	**Carrying amount**
Accounts receivable	44 329	44 329	23 475	23 475
Loans	102	102	106	106
Cash and cash equivalents	9 333	9 333	14 594	14 594

Financial liabilities recognised at amortized cost:	Fair value	Carrying amount	Fair value	Carrying amount
Accounts payable	9 321	9 321	8 289	8 289
Liablities to credit institutions (invoice discounting solution)	19 859	19 859	10 726	10 726
Liability for contingent consideration, acquisition of Cyrpa international	0	0	457	457
Total financial liabilities recognised at amortized cost:	**29 180**	**29 180**	**19 472**	**19 472**

During 2018, the last contingent consideration for the acquisition of Cyrpa International Sprl was paid-out. At the time of the acquisition, the total contingent consideration was assessed to amount to 1.3 MSEK. The final contingent consideration amounted to 1.0 MSEK. The difference is accounted for as financial income by change in value of holdings in securities holdings.

GROUP

Accounts payables aging, total accounts payable	2018	2017
Due within 30 days	6 263	6 785
Due within 60 days	155	463
Due after 60 days	233	0
Past due at the end of the financial year	2 670	1 041
Total accounts payable	**9 321**	**8 289**

GROUP

Age analysis of liabilities to credit institutions and liabilities for contingent consideration	2018	2017
Due within 30 days	7 390	7 761
Due within 60 days	12 469	2 965
Due after 60 days	0	457
Past due at the end of the financial year	0	0
Total liabilities to credit institutions and liabilities for contingent consideration	**19 859**	**11 183**

Liquidity risk analysis
Liquidity risk is the risk that the Group is unable to meet its obligations. The Group manages liquidity needs by monitoring scheduled debt payments and projected cash inflows and outflows in daily operations.

On the balance sheet date the Group had external financing through a credit line from Erik Penser Bank AB of SEK 10 million, and an overdraft facility of SEK 2 million from Nordea which were unutilized. As of January, 2017, the Company also holds an invoice discounting solution with Erik Penser Bank AB of SEK 20 million which was utilized to SEK 19.9 million on the balance sheet day. The shares in the subsidiary C-RAD Positioning AB is pledged as a security for the credit line with Erik Penser Bank AB. As security for the invoice discounting solution, Erik Penser Bank AB holds a company mortgage of SEK 5 million and the accounts receivables in C-RAD Positioning AB. The overdraft facility at Nordea is also contingent on certain agreed levels of order intake, revenue and result.

The terms for the different credit facilities are listed below:

Credit facility	GRANTED	UTILIZED	RUNNING TIME	INTEREST
Overdraft facility, Nordea AB	2 MSEK	0 MSEK	Until further notice	Stibor 1W + 4,50%. Variable interest.
Credit line, Erik Penser Bank AB	10 MSEK	0 MSEK	Cancelled by C-RAD, valid until March 6, 2019.	Stibor 3M + 6,25%
Invoice discounting solution, Erik Penser Bank AB	20 MSEK	19,9 MSEK	Until further notice	Stibor 3M + 5,65%
Business credit, Nordea Bank AB (firm quote as of March, 2019)	20 MSEK	0 MSEK	24 mån fr o m mars 2019	Stibor 1W + 4,50%. Variable interest.

Net debt

Group	CASH AND CASH EQUIVALENTS	SHORT-TERM BORROWINGS	SHORT-TERM INVOICE DISCOUNTING SOLUTION	TOTAL
Net debt as of January 1st, 2017	12 682	-457	-10 726	1 499
Cash flow	1 789			1 789
Exchange rate differencies	123			123
Net debt as of December 31st, 2017	**14 594**	**-457**	**-10 726**	**3 411**
Cash flow	-4 399	417	-9 133	-13 115
Exchange rate differencies	-862			-862
Other changes		40		40
Net debt as of December 31st, 2018	**9 334**	**0**	**-19 859**	**-10 526**

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Parent company	CASH AND CASH EQUIVALENTS	SHORT-TERM BORROWINGS	SHORT-TERM INVOICE DISCOUNTING SOLUTION	TOTAL
Net debt as of January 1st, 2017	466	-457		9
Cash flow	-78			-78
Exchange rate differencies	-1			-1
Net debt as of December 31st, 2017	**387**	**-457**	**0**	**-70**
Cash flow	95	417	0	512
Exchange rate differencies	-10			-10
Other changes		40		40
Net debt as of December 31st, 2018	**472**	**0**	**0**	**472**

7. INVENTORY

Inventories consists of:

Inventories consists of:	2018	2017
Spare parts	6 131	7 648
Finished goods	5 532	12 453
	11 663	**20 101**

No impairment losses were recognized in inventories.

8. PREPAID EXPENSES AND ACCRUED INCOME

Prepaid expenses relate to rent, leasing costs, insurance and other accrued costs that are allocated over time.

	GROUP		PARENT COMPANY	
	2018	2017	2018	2017
Prepaid expenses	1 793	2 205	888	707
Accrued income	19 398	17 639	0	0
	21 191	**19 844**	**888**	**707**

9. RELATED-PARTY TRANSACTIONS

During 2018, C-RAD has purchased printing material from Thurn Transmedia Com to an amount of 19 KSEK. The owner of Thurn Transmedia Com is related to the CEO of C-RAD, Tim Thurn. Other than the above, no transactions with related parties occurred since the beginning of financial year 2018.

10. GROUP

Parent company

The Parent Company is a limited liability company based in Uppsala, Uppsala County.

Purchasing and sales between Group companies

Below is the percentage of purchases and sales for the year regarding Group companies.

	2018	2017
Purchases	0%	0%
Sales	100%	100%

Operating assets/liabilities in respect of related party	2018	2017
C-RAD AB (Parent Company) has a claim on C-RAD Positioning AB	31 208	36 780
C-RAD AB (Parent Company) has a claim on C-RAD Imaging AB	11 917	13 688
C-RAD AB (Parent Company) has a claim on C-RAD Innovation AB	83	59
C-RAD AB (Parent Company) has a claim on C-RAD Incorporated	1 403	-2 225
C-RAD AB (Parent Company) has a claim on C-RAD GmbH	4 933	4 873
C-RAD AB (Parent Company) has a claim on Cyrpa International Sprl	3 838	6 103

Loans or commitments to, or for related parties and senior executives	2018	2017
Loans from shareholders total	0	0

Share options issued to directors

There are no share options issued to directors.

Senior executives have received 190.588 issued stock options and others received 406.030.

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11. SEGMENT REPORTING

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

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

Assets and liabilities are not analyzed on segment level by chief decision-makers; they are therefore excluded from this segment reporting.

Activities between segments: if personnel employed within the Imaging segment have conducted work for the Positioning segment, this is reported separately. Internal sales cover the direct costs of these cross-segment services. During 2018, transactions of 1 620 TSEK were made over the segments.

	SEGMENT REVENUE		SEGMENT OPERATING PROFIT/LOSS	
	2018	2017	2018	2017
Positioning external sales	189 510	132 525	4 480	-8 690
Imaging external sales	600	600	-3 672	-1 300
Imaging internal sales	1 620	0	0	0
Elimination internal sales	-1 620	0	0	0
Total	**190 110**	**133 125**	**808**	**-9 990**

	2018	2017
Prodfit (loss) from shares in associated companies	0	0
Financial income and expenses	-598	-917
Profit (loss) before tax	210	-10 907

Segment reporting is based on the same accounting policies as applied in the consolidated reporting in 2018. Sales by country is based on sales to customers in each country. One individual customer represented over 10 percent of net sales in 2018: Varian medical Systems Scandinavia AS. The sales to this customer primarily relate to Nya Karolinska Solna and Sahlgrenska University Hospital.

Revenue by geographical region	2018	2017
Sweden	31 039	7 663
Other Nordic countries	12 015	9 361
DACH (Germany, Austria, Switzerland)	25 078	19 546
RoE (Rest of Europe)	29 611	11 977
US	36 080	30 744
OEM*	0	9 188
France	11 481	13 689
Asia	44 806	30 957
	190 110	**133 125**

*included in the respective regions during 2018.

Revenue per product category	2018	2017
Positioning products	145 110	109 800
HIT Lasers	20 100	12 300
Life Cycle Business	8 100	5 800
Distribution	16 300	5 200
GEMini	500	0
	190 110	**133 100**

Contractual assets and contractual debts

The Group reports the following contractual assets and contractual debts. All contractual assets related to products are estimated to be short-term. There are no contractual debts.

	2018	2017
Short-term contractual assets related to products	120 202	97 511
Short-term contractual assets related to Life Cycle Business	11 900	7 200
Long-term contractual assets related to Life Cycle Business	61 937	35 102
Total contractual assets	**194 039**	**139 813**

12. OTHER REVENUE AND EXPENSES

	GROUP	
	2018	2017
Currency exchange gain/loss	-1 886	-360
Contributions received	735	456
Other revenue	1 281	-54
Other expenses	-1 087	0
Write-down of current assets	-340	-408
	-1 296	**-367**

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13. REMUNERATION TO AUDITORS

	GROUP		PARENT COMPANY	
Grant Thornton Sweden AB	2018	2017	2018	2017
Audit assignment	0	622	0	397
Audit outside audit assignment	0	30	0	30
Tax consultation	0	0	0	0
Other services	0	0	0	0
	0	**653**	**0**	**428**

Öhrlings PricewaterhouseCoopers AB	2018	2017	2018	2017
Audit assignment	746	345	616	345
Audit outside audit assignment	12	0	12	0
Tax consultation	38	25	38	25
Other services	136	48	136	48
	932	**418**	**802**	**418**

Audit assignments refer to auditing of the annual accounts, accounting records and administration by the Board and the CEO, as well as their 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 other such duties. Audit work in addition to audit assignments refers to certificates provided with issuances or similar. All provisions paid to Öhrlings PricewaterhouseCoopers refer to the audit company and not provisions refer to other network companies. No provision has been paid-out for evaluation service.

14. OPERATIONAL LEASING

Leasing costs related to operating leases for offices, cars, one server and two copiers during the year:

	GROUP		PARENT COMPANY	
	2018	2017	2018	2017
Leasing costs	2 441	2 209	1 736	1 710
Due within one year	2 139	1 948	1 744	1 423
Due later than 1 year but within 5 years	1 214	878	910	463
Due later than 5 years	0	0	0	0

15. AVERAGE NUMBER OF EMPLOYEES AND COST FOR EMPLOYEE AND BOARD BENEFITS

Average number of employees, broken down into women and men:

	GROUP		PARENT COMPANY	
	2018	**2017**	**2018**	**2017**
Women	7	7	2	2
Men	45	40	2	2
Total	**52**	**47**	**4**	**4**

Salaries and remuneration:	**2018**	**2017**	**2018**	**2017**
Board of Directors and Chief Executive Officer	3 486	2 801	3 486	2 801
Other employees	43 771	37 042	1 668	2 380
Total salaries and remuneration	**47 257**	**39 843**	**5 154**	**5 181**

Social security and pension costs:	**2018**	**2017**	**2018**	**2017**
Social security contributions according to law and agreements	7 578	7 004	2 139	2 017
Pension costs Board and CEO	198	191	198	191
Pension costs other employees	2 217	1 892	260	168
Total social security and pension costs:	**9 993**	**9 086**	**2 597**	**2 376**
Total payroll	**57 249**	**48 929**	**7 751**	**7 557**

Directors' fees as well as personnel costs are included in "Personnel costs" in the income statement.

	2018		2017	
Directors and senior executives	**Number on balance sheet day**	**Men**	**Number on balance sheet day**	**Men**
Directors	6	67 %	6	67 %
CEO and other senior executives	4	75 %	4	75%

Remuneration to senior executives

The Annual General Meeting decides on remuneration to the Board of Directors. The Annual General Meeting April 31, 2018 resolved that the Chairman of the Board shall be paid SEK 400,000 in remuneration and the other Directors shall be paid SEK 200,000 each.

Remuneration to the CEO and other senior executives employed by the company comprises a basic salary and other benefits. Other senior executives refers to the person who together with the CEO constitutes Group management.

Upon termination by the company, there is a notice period of 4 months for the CEO. Other senior executives have a notice period under the Employment Protection Act, though at least three months. There are no severance pay agreements for the CEO or other senior executives.

REMUNERATION AND OTHER BENEFITS DURING THE YEAR – BOARD OF DIRECTORS

DIRECTOR'S FEES

Chairman of the Board	**2018**	**2017**
Lars Nyberg	400	334

Director	**2018**	**2017**
Peter Hamberg	200	167
Kicki Wallje-Lund	200	167
Peter Eidensjö	200	134
Åsa Hedin	200	134
David Sjöström	200	134
Börje Bengtsson	0	25
Brian Holch Kristensen	0	25
Bengt Rolén	0	25
Total remuneration - Board of Directors	**1 400**	**1 147**

Åsa Hedin, David Sjöström and Peter Eidensjö were elected as new members of the board at the Annual General Meeting 2017. Börje Bengtsson, Bengt Rolén and Brian Holch Christensen left the board at the same time.

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Remuneration and other benefits during the year - CEO and other senior executives

Variable remuneration for Tim Thurn is based on sales, orders and EBITDA.

2018	Base salary	Variable remuneration	Pension and health insurance	Benefits	Other remuneration	Total
Tim Thurn CEO	1 449	589	198	1	47	2 285
Other senior executives (average 3)	2 569	187	541	95	116	3 507
Total	**4 019**	**776**	**739**	**96**	**163**	**5 792**

2017	Base salary	Variable remuneration	Pension and health insurance	Benefits	Other remuneration	Total
Tim Thurn CEO	1 331	282	191	39	40	1 883
Other senior executives (average 4)	2 657	221	484	93	175	3 630
Total	**3 988**	**503**	**675**	**132**	**215**	**5 514**

Benefits are primarily related to car benefit.

16. INCENTIVE PROGRAMS

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:

Incentive programs	2016/2019	2017/2020	2018/2021
Number of subscribed warrants (one warrant equals one share)	264 000	232 618	100 000
Start date	2016-04-30	2017-05-16	2018-06-15
Earliest date for exercise	2019-02-01	2020-02-01	2021-02-01
Last date for exercise	2019-05-01	2020-04-30	2021-04-30
Exercise price (SEK/share)	11,80	21,21	40,54
Average warrant price (SEK/warrant)	1,10	3,40	4,66
Total paid-in capital as per balance sheet day (SEK)	290 400	790 901	466 000
Additional capital increase on exercise (SEK)	3 115 200	4 933 828	4 054 000
Total capital increase upon full exercise (SEK)	**3 405 600**	**5 724 729**	**4 520 000**

The company's cost upon exercise is expected to be transaction fees to issue institute and potential legal cost for issuing exercise documentation. The Annual General Meeting 2018 approved an incentive program for employees and senior executives consisting of 100 000 warrants with a run tiem of three years. Subscription and any transfer of the warrants shall be made at a price corresponding to market value of the warrants according to Black-Scholes formula. Volatilitet of 30 percent and a risk-free rate of 0.40 percent were used in the initial calculation. The exercise price is based on the volume-weighted average share price during ten days following the AGM, plus 20 percent. The incentive program was fully subscribed, and 72.000 of the warrants were subscribed for by Group management, senior executives and other managers.

17. FINANCIAL INCOME AND FINANCIAL EXPENSES

	GROUP		PARENT COMPANY	
	2018	2017	2018	2017
Change in securities holdings	365	0	365	0
Interest income on cash and cash equivalents	4	0	0	0
Positive currency exchange difference	0	0	0	0
	369	**0**	**365**	**0**

	2018	2017	2018	2017
Interest expense on other liabilities	6	3	1	1
Borrowing costs	911	890	84	353
Other financial cost	51	24	85	1
Negative currency exchange difference			0	31
Impairment intercompany receivables	0	0	7 627	2 937
	968	**917**	**7 796**	**3 323**

18. TAX EXPENSE

	GROUP 2018	GROUP 2017	PARENT COMPANY 2018	PARENT COMPANY 2017
Profit (loss) before tax	210	-10 907	-5 609	-2 542
Tax rate	22%	22%	22%	22%
Expected tax income/expense	-46	2 400	1 234	559

Tax effect on non-deductible expenses and tax-exempt revenue	**2018**	**2017**	**2018**	**2017**
Profit (loss) from shares in associated companies	0	0	0	0
Other tax-exempt revenue	70	0	0	0
Other non-deductible expenses	-53	-138	-1 606	-7
Deferred tax asset not recorded	-29	2 263	-372	553
Tax revenue based on previously not accounted deferred tax	21 010	0	2 589	0
Tax recognized in income statement	**20 981**	**0**	**2 217**	**0**

Tax revenue consists of the following components:	**2018**	**2017**	**2018**	**2017**
Tax revenue carryforwards utilized	20 981	0	2 217	0

As the tax rate will decrease during 2019 and 2020, a lower tax rate than the tax rate for 2019 (22 percent) has been utilized in the Parent Company. Tax revenue for the Group is based on the accrued taxable loss for the Swedish entities.

19. DEFERRED TAX

Accrued taxable loss for the Group amounted to 227 MSEK in the beginning of the year. As the group reports a profit for the first time in 2018, with expectations of profit also in the comping years, a deferred tax asset was booked on the accrued taxable loss for the Swedish entities. The tax revenue on deferred tax amounted to 21 MSEK during 2018 and the total value of the deferred tax asset was 28.1 MSEK by the end of December, 2018. As the Swedish corporate tax rate will decrease to 20.40 percent in 2020, the lower tax rate was used for the calculation of deferred tax asset. Other accrued loss refer to the subsidiaries in France, Germany, Belgium and the US. The accrued loss in the foreign subsidiaries amounted to 74.1 MSEK on the balance sheet day. Remaining unused taxable loss as of December 31, 2018 amounts to 212 MSEK. There is currently no time limit regarding utilization of these losses against future taxable profits. Deferred taxes arising from temporary differences and unused tax losses are as follows:

	2018	**2017**
Tax loss carryforwards	28 075	7 094

Recognized as:	**2018**	**2017**
Deferred tax asset	28 075	7 094

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20. PROPERTY, PLANT AND EQUIPMENT

GROUP	EQUIPMENT
Ackumulerade anskaffningsvärden	
Opening balance 2017-01-01	9 330
Reclassifications	-336
Purchases	89
Disposals	0
Closing balance 2017-12-31	**9 084**
Reclassifications	101
Purchases	277
Disposals	-190
Write-downs	-62
Closing balance 2018-12-31	**9 210**
Accumulated depreciation/amortization	
Opening balance 2017-01-01	5 993
Reclassifications	-320
Depreciation/amortization	1 269
Disposals	-190
Closing balance 2017-12-31	**6 942**
Reclassifications	102
Depreciation/amortization	1 144
Write-downs	-62
Disposals	-191
Closing balance 2018-12-31	**7 935**
Carrying amount	
Per 2017-01-01	3 337
Per 2017-12-31	2 141
Per 2018-12-31	1 274
Depreciation/amortization percent	20–35%

PARENT COMPANY	EQUIPMENT
Accumulated cost	
Opening balance 2017-01-01	376
Purchases	57
Closing balance 2017-12-31	**434**
Purchases	0
Closing balance 2018-12-31	**434**
Accumulated depreciation/amortization	
Opening balance 2017-01-01	338
Depreciation/amortization	26
Closing balance 2017-12-31	**365**
Depreciation/amortization	34
Closing balance 2018-12-31	**399**
Carrying amount	
Per 2017-01-01	38
Per 2017-12-31	69
Per 2018-12-31	35
Depreciation/amortization time	
IT equipment	3–5 år
Furniture and other equipment	5–10 år

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21. INTANGIBLE ASSETS

GROUP	CAPITALIZED DEVELOPMENT EXPENDITURE	PATENTS, LICENSES AND SIMILAR RIGHTS	TOTAL
Accumulated cost			
Opening balance 2017-01-01	74 164	11 858	86 022
Purchases	4 350	0	4 350
Reclassifications	356	0	356
Closing balance 2017-12-31	**78 870**	**11 858**	**90 728**
Purchases	3 444	270	3 714
Reclassifications	536		536
Closing balance 2018-12-31	**82 850**	**12 128**	**94 978**
Accumulated depreciation/amortization			
Opening balance 2017-01-01	52 216	6 824	59 040
Reclassifications	127	19	146
Depreciation/amortization	2 201	1 034	3 235
Closing balance 2017-12-31	**54 544**	**7 876**	**62 421**
Reclassifications	241		241
Depreciation/amortization	3 881	1 034	4 915
Write-downs	514		514
Closing balance 2018-12-31	**59 180**	**8 910**	**68 091**
Carrying amount			
Per 2017-01-01			26 982
Per 2017-12-31			28 307
Per 2018-12-31			26 887

Capitalized costs include both internally generated and externally acquired assets. Depreciation commences when development is completed. Depreciation periods vary between 5-10 years depending on the estimated useful lives of the projects.

Capitalized costs	2018	2017
Work performed in-house	3 219	3 948
Externally aquired	225	402
	3 444	**4 350**

Impairment test
Impairment testing of intangible assets was carried out on the balance sheet date in compliance with IAS 38. This year's test showed no impairment.

The useful value of each asset was calculated by estimating future cash flows and includes assumptions such as growth and margin development. These estimates are based on the financial budget for the coming financial year as well as expected future developments for up to five years. For future periods after five years, extrapolation of expected cash flow was conservatively assumed at minus 5%. A discount factor of 12.5 to 13.2% was used.

	CATALYST/ SENTINEL	GEMINI	PATENTS, LICENSES AND DISTRIBUTION RIGHTS	TOTAL
Per 2018-12-31				
Discount factor	12,45%	13,15%	12,45%	
Impairment	0	0	0	0
Per 2017-12-31				
Discount factor	12,45%	13,15%	12,45%	
Impairment	0	0	0	0

Sensitivity analysis
Management's assessment is that there is no need for impairment as per Dec 31, 2018, but will, in accordance with IAS 38, carefully monitor any negative changes that may suggest impairment.

	Impairment
Current discount factor	0
Discount factor increased by 1 %	0
Discount factor increased by 2 %	0

	Impairment
Currently expected revenue	0
Future revenue estimate decreased by 5%	0
Future revenue estimate decreased by 10%	0

	Impairment
Currently expected margin	0
Future profit margin estimate decreased by 5%	0
Future profit margin estimate decreased by 10%	0

Depreciation/amortization time	
Capitalized development expenditures	5 years
Patent	10 years

22. FINANCIAL ASSETS

PARENT COMPANY

Share in group companies	2018	2017
Opening cost	148 944	147 166
Shareholder contribution C-RAD Innovation AB	100	200
Shareholder contribution C-RAD Imaging AB	3 800	1 100
Shareholder contribution C-RAD Positioning AB	0	0
Shareholder contribution C-RAD GmbH AB	0	0
Shareholder contribution Cyrpa International Sprl	0	479
Closing balance	**152 844**	**148 944**
Opening impairment	-40 816	-39 037
Impairment for the year	-3 900	-1 779
Closing accumulated impairment	**-44 716**	**-40 816**
Carrying amount at year-end	**108 128**	**108 128**

SPECIFICATION OF PARENT COMPANY'S HOLDINGS OF SHARES AND PARTICIPATIONS IN GROUP COMPANIES:

Subsidiary/corp. ID. no./domicile	Number of shares	Percentage	Carrying amount
C-RAD Positioning AB/556643-6035/Uppsala	110 000	100	99 310
C-RAD Imaging AB/556643-6043/Uppsala	116 000	100	6 100
C-RAD Innovation AB/556602-5382/Uppsala	100 000	100	866
C-RAD Incorporated/Florida/USA	1 000	100	64
C-RAD GmbH/Berlin/Tyskland	1 000	100	250
Cyrpa Int. /Brussels/Belgium	200	100	1 538

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	PARENT COMPANY	
Receivables, Group companies	**2018**	**2017**
Opening balance, carrying amount	59 279	62 040
Payment of loan to subsidiary	-2 171	-1 603
Impairment	-3 726	-1 159
Closing balance, carrying amount	**53 382**	**59 279**

23. SHARE CAPITAL

The share capital consists only of fully paid ordinary shares with a nominal value of SEK 0.15. The number of shares is 862,887 A-shares with 10 votes per share and 29,894,149 B shares with one vote per share. The total number of shares is 30,757,036 and the number of votes is 38,528,019.

Shares (Thousands)	2018	2017
Opening balance	4 614	4 430
New share issue	0	184
Closing balance	**4 614**	**4 614**

The share	2018	2017
Number of shares per Dec. 31	30 757	30 757
Average number of shares	30 757	29 592
Number of outstanding warrants	597	500
Number of outstanding warrants with dilution effect	185	213
Number of outstanding shares incl. warrants with dilution effect	30 942	29 805
Earnings per average number of shares	0,69	-0,37
Earnings per share, diluted	0,68	-0,37
Equity per share	3,04	2,32
Equity per share, diluted	3,02	2,29
Share price, balance sheet date	25,80 kr	28,30 kr
Dividend per share	0	0

Number of outstanding warrants at year end is 596.618, belong to employees in line with warrant program of 2016, 2017 and 2018. On the balance sheet day, the share price was higher than the exercise price for 496.618 of the warrants , why there is a dillution on the earnings per share and equity per share.

Other capital items

Group – Additional paid-in capital Mainly share premium from previous share issues including deduction of directly related share issue costs.
Parent Company – Share premium reserve: share premium from previous share issues including deduction of directly related share issue costs.

	GROUP		PARENT COMPANY	
	2018	**2017**	**2018**	**2017**
Opening balance	264 737	255 230	259 453	246 946
Rights issue	0	11 535	0	11 535
Issued warrants	456	972	456	972
Other	0	0	0	0
Closing balance	**268 194**	**264 737**	**259 909**	**259 453**

Group/Parent Company Retained earnings: Accumulated result from previous years.
Group/Parent Company Result from the current year.

24. NON-CURRENT LIABILITIES

	GROUP		PARENT COMPANY	
Interest-bearing liabilities	**2018**	**2017**	**2018**	**2017**
Convertible bonds	0	0	0	0
Other non-current liabilities	0	0	0	961
Total interest-bearing liabilities	**0**	**0**	**0**	**961**

25. PLEDGED ASSETS

	GROUP	
For own provisions and liabilities	**31-12-2018**	**31-12-2017**
Mortgages on business assets NUTEK	1 470	1 470
Mortgages on business assets Nordea and Erik Penser	12 150	12 150
Shares in teh subsidiary C-RAD Positioning AB (carrying amount in the Parent Company)	99 310	99 310
Total pledged assets	**112 930**	**112 930**

The Parent Company has a collateral towards the subsidiary C-RAD Positioning AB of SEK 2 million. C-RAD Positioning AB has issued a bank guarantee of SEK 0.5 million where one of the company's suppliers is the beneficiary. Shares in C-RAD Positioning AB are pledged as a security for the invoice discounting solution with Erik Penser Bank AB.

26. ADJUSTMENT FOR NON-CASH ITEMS, ETC.

	GROUP		PARENT COMPANY	
	2018	2017	2018	2017
Depreciation/amortization	6 573	5 288	882	847
Provisions	329	751	0	0
Other adjustments	778	123	-2 192	1 884
Provisions on accounts receivables	-17	501	0	0
Write-down of current assets	340	0	0	0
Impairment of shares in or claims on subsidiaries	0	0	7 431	2 937
	8 003	**6 663**	**6 121**	**5 668**

27. CASH AND CASH EQUIVALENTS

GROUP

	31-12-2018		31-12-2017	
	Fair value	Carrying amount	Fair value	Carrying amount
Cash and cash equivalents in SEK	1 589	1 589	1 247	1 247
Cash and cash equivalents in EUR	6 147	6 147	10 942	10 942
Cash and cash equivalents in USD	1 595	1 595	2 406	2 406
Cash and cash equivalents in GBP	3	3		
Total cash and cash equivalents	**9 333**	**9 333**	**14 594**	**14 594**

PARENT COMPANY

	Fair value	Carrying amount	Fair value	Carrying amount
Cash and cash equivalents in SEK	366	366	368	368
Cash and cash equivalents in EUR	100	100	18	18
Cash and cash equivalents in USD	6	6	1	1
Total cash and cash equivalents	**472**	**472**	**387**	**387**

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28. ACCOUNTS RECEIVABLES

	GROUP	
	31-12-2018	31-12-2017
Accounts receivable gross	44 329	23 681
Provision for bad debts	0	-206
Accounts receivable	**44 329**	**23 475**

All amounts are current. The carrying amount net of provision is considered to be a reasonable approximation of fair value. All the Group's accounts receivable and other receivables have been reviewed for indications of impairment.

Change in provision for doubtful receivables	31-12-2018	31-12-2017
Carrying amount, January 1	0	0
Provision for doubtful receivables	0	0
Carrying amount, December 31	**0**	**0**

29. PROVISIONS

The Group has obligations relating to products for which the Group owns the product rights. This applies only to Catalyst, Sentinel and HIT products. Generally, a one-year warranty is included where C-RAD manages the warranty process. Direct costs to C-RAD include management, travel and service. For hardware problems, costs arise for C-RAD's subcontractors. Estimated cost during the warranty period is based on actual cost for the previous year, as a percentage of invoiced sales from the Catalyst, Sentinel and HIT systems within the warranty period.

In 2018, 1 459 KSEK of the previous provision was used and a new provision of 1 788 KSEK was booked. No other significant liabilities are expected to be generated through these provisions.

Opening provision 2017-01-01	1 225
Used provisions	-824
New provision	1 575
Closing balance 2017-12-31	**1 976**

Used provisions	-1 459
New provision	1 788
Closing balance 2018-12-31	**2 305**

No further payments are expected as at the date of these financial statements.

30. ACCRUED EXPENSES AND DEFERRED INCOME

	GROUP		PARENT COMPANY	
	2018	2017	2018	2017
Accrued personnel-related expenses	5 296	4 392	965	1 217
Deferred income	10 716	12 468	0	0
Other accrued expenses	2 452	1 576	271	409
Closing balance	**18 464**	**18 437**	**1 236**	**1 626**

31. CONTINGENT LIABILITIES AND ASSETS

Contingent liability of 2,000,000 in the Parent Company refer to guarantee commitment for one of the subsidiaries.

32. INFORMATION ON TRANSITION TO IFRS 16

IFRS 16 Leases replaces IAS 17 Leasing agreements. The standard is effective as of January 1st, 2019. The new standard changes how C-RAD as a lessee accounts for leasing contracts as IFRS 16 implies a unified model on how the leasing contracts are accounted for in the balance sheet, where a lease asset (the right to us an asset) and a financial debt is reported. In the income statement, the linear operational leasing expense is replaced by a depreciation of the leased assets, and an interest expense for the financial debt.

C-RAD is applying the simplified transition method for the transition to IFRS 16. The lease asset is therefor valuated, per leasing object, as if C-RAD had implemented IFRS 16 from the implementation date with the discount rate utilized at the first implementation. C-RAD is applying the practical solutions to not include leasing assets with a remaining lease period shorter than 12 months from the implementation date, and to not include assets with a low value, and to use the same discount rate for a group of assets with similar attributes. The main effect on C-RADs financial statements refer to the accounting of rental contracts for offices. The implementation of IFRS will not have a significant effect on the income statement, but the presentation of the income statement will change as items previously accounted for in Other external expenses will be replaced by depreciation on the assets and interest expense on the leasing debt.

The new standard present new estimates and assumptions that have an effect on the valuation of the leasing debt. C-RAD is valuating the leasing debt by the implementation date and may need to re-evaluate the debt, for example in the case that the probability of usage of an option is changing.

The tables shows the transition effect of IFRS 16, with the closing balance according to IAS 17 as of December 31st, 2018, and the opening balance according to IFRS 16 as of January 1, 2019.

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ASSETS	CLOSING BALANCE 2018-12-31	TRANSITION TO IFRS 16	OPENING BALANCE 2019-01-01
Intangible assets			
Capitalized development expenditure	22 718		22 718
Distribution rights	3 531		3 531
Patents, licenses and similar rights	638		638
	26 887		**26 887**
Property, plant and equipment			
Equipment	1 274		1 274
Right-to-use assets	0	3 355	3 355
Financial assets			
Non-current receivables	102		102
Deferred tax assets	28 075		28 075
Total financial assets	**28 177**	**0**	**28 177**
Total non-current assets	**56 338**	**3 355**	**59 693**

CURRENT ASSETS

Inventories	11 663		11 663
Accounts receivable	44 329		44 329
Other receivables	3 760		3 760
Prepaid expenses and accrued income	21 191		21 191
Cash and bank balances	9 333		9 333
Total current assets	**90 276**	**0**	**90 276**
Total assets	**146 614**	**3 355**	**149 969**

EQUITY AND LIABILITIES	CLOSING BALANCE 2018-12-31	TRANSITION TO IFRS 16	OPENING BALANCE 2019-01-01
Equity			
Share capital	4 614		4 614
Additional paid-in capital	268 194		268 194
Reserves	-391		-391
Profit (loss) for the year	-178 774		-178 774
Total equity	**93 641**	**0**	**93 641**
Current liabilities			
Accounts payable	9 321		9 321
Warranty provisions	2 305		2 305
Other current liabilities	22 882		22 882
Accrued expenses and deferred income	18 464		18 464
Leasing debt	0	3 355	3 355
Total current liabilities	**52 973**	**3 355**	**56 328**
Total equity and liabilities	**146 614**	**3 355**	**149 969**

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33. INFORMATION ON TRANSITION TO IFRS 15 AND 9 - C-RAD GROUP

On January 1, 2018, IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with customers, were taken into effect. The effect on C-RADs financial reporting for 2018 is described below.

IFRS 9 implies a changed view on how financial assets are classified and measured, it introduces a impairment model based on estimated credit losses instead of actual losses and changes the principles for reporting on hedging. C-RAD has implemented IFRS 9 forward-looking as of January 1, 2018. The company does not have any derivatives and all financing is done at market rate.

IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 Revenue, IAS 11 Construction Contracts, and several revenuerelated 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 therefor not been presented. The effect would have amounted to 0.4 MSEK for 2017. For 2018, the Company has recognized revenue of 1.5 MSEK less than what would have been the case with teh previous accounting standards, related to pre-paid extended warranty which is now allocated over the contractual period.

34. PROPOSED APPROPRIATION OF PROFITS

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

Retained loss	-95 379 532
Share premium reserve	259 909 231
Loss for the year	-3 391 103
Total retained earnings	161 138 596

The Board and the President propose that the retained earnings of SEK 161.138.596 be carried forward.

35. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Management has discussed the development, selection and disclosure of the Group's critical accounting policies and estimates as well as the application of these policies and estimates. The estimates and judgments that involve significant risk for material adjustments to the carrying amounts during the upcoming financial year are discussed below:

A) Impairment testing of capitalized development costs. When assessing the value of cash generating units for assessment of impairment of capitalized development costs, several assumptions about future conditions have been made. Future conditions have been assessed in part based on the Group's business plans.

B) Income taxes. The Group has tax loss carryforwards that may be offset against taxable profits in the future. Following a profit for the Group in 2018, a deferred tax asset was booked basedn on the taxable loss in the Swedish entities. Deferred tax assets will be followed closely also going forward.

C) Investments in associates and loans issued to associates. Management included certain expectations about future developments of the subsidiaries operations and integration with C-RAD activities in its assessment of whether there is a need for impairment of assets related to the acquisition. If these expectations are not met, impairment losses may need to be recognized in subsequent periods. Management determined to make a write-down of shares in subsidiaries of 6.2 MSEK and on receivables in subsidiaries of 1.4 MSEK in the financial statements for 2018.

D) Provision. A provision requires management to make a reliable estimate of the amount. A warranty usually runs 12 months after completion of installation. When the warranty provision is calculated based on the past year's warranty costs, there is a risk that future warranty costs will be different, which also affects the financial statements.

FIVE-YEAR SUMMARY

Key figures, amounts in MSEK	2018	2017	2016	2015	2014
Order intake	246,8	192,5	113,5	88,1	68,4
Revenue	190,1	133,1	82,7	66,2	53,2
Operating profit/loss	0,8	-10,0	-30,4	-20,4	-13,9
Profit/loss before tax	0,2	-10,9	-31,2	-21,2	-14,2
Profit/loss after tax tax	21,2	-10,9	-31,2	-21,2	-14,2
Total assets	146,6	118,1	102,1	73,6	71,6
Order backlog	194,0	139,8	83,5	60,2	36,4
Equity ratio %	64	60	69	54	54
Average number of employees	52	48	40	34	26

Definitions	
Equity ratio, %	Equity including non-controlling interests as a percentage of total assets.
Average number of employees	Average number of permanent full-time employees during the period.
Order backlog	Received but not yet delivered orders, valued at exchange rate average.

SIGNATURES OF THE BOARD

The Board of Directors hereby provides assurance that the annual report was prepared in accordance with generally accepted accounting policies in Sweden and that the consolidated financial statements were prepared in accordance with the international accounting standards referred to in the European Parliament and Council regulation (EC) no. 1606/2002 dated July 19, 2002 on the application of international accounting standards.

The annual report and consolidated financial statements give a fair view of the Parent Company's and the Group's financial position and results. If there are any discrepancies between the report in English and Swedish, the Swedish version shall prevail.

The administration report pertaining to the Parent Company and the Group gives a fair review of the development of the Parent Company's and the Group's operations, financial position and results, and describes significant risks and uncertainties facing the Parent Company and the companies included in the Group.

The Annual Report and consolidated financial statements were, as noted above, adopted by the Board of Directors on April 10, 2019.

The consolidated statement of comprehensive income and the consolidated statement of financial position and the Parent Company's income statement and balance sheet are subject to approval at the Annual General Meeting on May 8, 2019.

Lars Nyberg,
Chairman of the Board

Tim Thurn,
Chief Executive Officer

Kicki Wallje-Lund,
Director

Peter Hamberg,
Director

David Sjöström,
Director

Åsa Hedin,
Director

Peter Eidensjö,
Director

Our Audit Report was submitted on April 10, 2019. Öhrlings PricewaterhouseCoopers AB.

Michael Bengtsson,
Authorized Auditor

AUDITOR'S REPORT
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AUDITOR'S REPORT

To the general meeting of the shareholders of C-RAD AB (publ), corporate identity number 556663-9174

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of C-RAD AB (publ) for 2018, except for the corporate governance statement on pages 27-28. The annual accounts and consolidated accounts of the company are included on pages 20-77 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2018 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2018 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 27-28. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's and the group's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

C-RAD AB (publ) sells, develops and manufactures products and systems for higher precision, increased efficiency and better safety for radiation treatment of cancer patients. The operations are carried out through subsidiaries in Sweden, the US, Germany and Belgium. We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where the Managing Director and Board of Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of the Board of Directors' and Managing Directors' override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement.

Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgement, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Capitalised development expenditure The amount of capitalised development expenditure on 31 December 2018 was SEK 22.7 M. Important estimates and judgements are presented in Note 5.8, 21 and 35 of the annual report. Important estimates and judgements include meeting the requirements for capitalisation. For the assessment of impairment requirements, the Group needed to consider a number of factors, the most significant of which was the assessment of future cash flows. Due to the degree of assessment, we believe that capitalised development expenditure is a key audit matter.	We studied the company's specification of Capitalised development expenditure and, for example, conducted sample testing of projects and tested the correctness of capitalising expenditure. To determine whether capitalised expenditure was directly attributable to the projects, we tested random samples of underlying expenses against supporting documentation. We found no deviations in this examination. We also studied management's testing of whether any impairment requirement exists for capitalised development expenditure. We evaluated the company's process for preparing forecast cash flows and the mathematical correctness of the models used. We also assessed significant assumptions applied to impairment testing. Finally, we assessed whether the disclosures provided in the notes of the annual report were consistent with the tests performed. We found that the company's methods and assumptions had been applied consistently.
Deferred tax assets The amount of deferred tax assets on 31 December 2018 was SEK 28.1 M. Important estimates and judgements are presented in Note 19 and 35 of the annual report. Important estimates and judgements include the assessment of the amount of future profit against which to offset deficits.	We studied the company's calculation of the amounts of the deferred tax assets. We reconciled the accumulated deficit against tax declarations and tax calculations. We studied the budgets and the forecasts that formed the basis of the assumption that profit will be generated in the future. We also assessed management's ability to prepare forecasts by comparing past forecasts against outcomes. We found the company's assumptions to be reasonable.

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Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-19. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the

information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Furthermore, we are obliged to provide the Board of Directors with a statement confirming that we have complied with relevant professional requirement regarding independence, and present all relations and other circumstances that might impact our independence and, if necessary, attributable counter-measures.

Of the areas communicated by the Board, we establish which have been the most significant for the audit of the annual accounts, including the risks assessed to be the most significant as regards material misstatements which, therefore, comprise the key audit matters. Unless laws and other regulations prevent us from disclosure of the matter, these disclosures will be included in our auditors' report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of C-RAD AB (publ) for the year 2018 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organisation and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or

- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgement and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgement with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for ensuring that the corporate governance statement on pages 27-28 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement.

This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with Chapter 6, Section 6 the second paragraph points 2-6 of the Annual Accounts Act and Chapter 7, Section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of C-RAD AB (publ) by the general meeting of the shareholders on 31 May 2018 and has been the company's auditor since 28 April 2017.

Stockholm, 10 April 2019

Öhrlings PricewaterhouseCoopers AB
Michael Bengtsson
Authorised Public Accountant

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