

## Key events in the period January-September 2015

- Net sales:
  - July-Sept 15.4 (10.5) MSEK, +47%
  - Jan-Sept 45.7 (34.6) MSEK, +32%
- Order intake:
  - July-Sept 23 (17.7) MSEK, +30%
  - Jan-Sept 61.5 (43.8) MSEK, +40%
- Operating loss:
  - July-Sept -7.0 (-2.9) MSEK
  - Jan-Sept -14.3 (-8.9) MSEK
- Net results per share
  - July-Sept -0.33 (-0.15)
  - Jan-Sept -0.71 (-0.13)
- Comparative numbers have been restated, we make reference to page 20

### In Q3:

- C-RAD signed contract with Skandion Clinic
- C-RAD announces connectivity between its Catalyst surface tracking technology and Varian's TrueBeam® platform
- C-RAD acquires all outstanding shares in Cyrpa International
- Order secured from hospital in Norway for three C-RAD systems
- Order secured from Italy for eight C-RAD systems

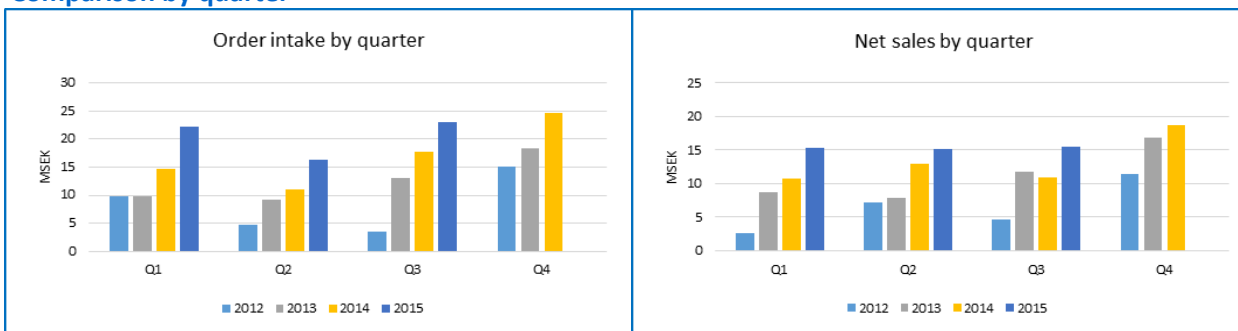
### In Q1-Q2:

- Large order secured for in total seven C-RAD systems from Germany and Estonia
- C-RAD grows sales organization in the United States
- C-RAD secures important first order from Japan, the world's second-largest market for advanced radiotherapy technology
- Employee Warrant Program oversubscribed
- Orders secured for three C-RAD systems from Italy and three from Bayreuth in Germany
- C-RAD validates its respiratory gating interface for IBA proton and particle therapy

## Key events after the reporting period

- C-RAD signs sales and distribution agreement with GE Healthcare
- C-RAD signs agreement with Yale-New Haven Hospital
- Elekta showcases C-RAD products in Japanese showroom
- C-RAD hosts user meeting at ASTRO in cooperation with UTHSC San Antonio

## Comparison by quarter



## Summary, consolidated financial results

Amounts in KSEK	Jan-Sept		12m
	2015	2014	Rolling
Net sales	45 712	34 619	64 285
Operating loss	-14 290	-8 911	-19 232
Net results after tax	-15 036	-2 350	-19 832
Cash	4 634	4 568	4 634
Share price 1)	15.6	15.0	15.6
Order intake	61 544	43 809	86 105
Order backlog	52 893	29 357	59 900

1) in SEK, end of period

## Comments from Tim Thurn, CEO:



We are excited to see the continuation of a very positive growth trend at C-RAD and very good exposure for the product portfolio in our core markets, including through partner channels. Order intake for the first three quarters for our largest business segment – positioning products, including Catalyst and Sentinel products – increased by 62% to 45.7 MSEK; for service products it precisely doubled to 6.8 MSEK, reflecting a strong interest in value-added products.

The overall increase in orders at the Group level was 42%, for a total of 61.3 MSEK. Third-quarter revenues were up 47% on Q3 2014, at 15.4 MSEK. The momentum we gained during the third quarter is expected to accelerate in the fourth quarter, also reflecting the expanded reach of our sales force.

For Skandionkliniken in Sweden - the first proton therapy facility in Scandinavia, we participated in a complex public tender that had been contested, but ultimately resolved in C-RAD's favor, yielding two orders to an order of four systems with options for two more. The first system was installed in October – our first ever in the rapidly developing proton and particle therapy market. The remaining systems are also expected to be commissioned in Q4 2015.

The third quarter kicked off with completion of the acquisition of Cyrpa, the Franco-Belgian group with innovative laser solutions for patient positioning and virtual simulation within radiation therapy. Cyrpa was consolidated from an accounting perspective during the third quarter. As a first step the joint sales force was restructured to further leverage respective market strengths. While responsibility for the two product lines remains separate, the merged sales force is deployed in an efficient way that will yield new synergies in reaching customers.

GE Healthcare entered into a sales and distribution agreement for C-RAD's Sentinel 4DCT™ systems and Cyrpa High Impact Technology (HIT) laser systems. GE will offer these solutions through its price book from Q4 2015 on, making them available to the GE salesforce and their customers worldwide. The C-RAD team will train the GE Healthcare sales force in the US, providing the necessary advanced technical knowledge.

A procurement agreement with Yale-New Haven Hospital in Connecticut, USA, resulted in a multi-site purchase order to supply surface tracking technology. Four systems have been ordered; two systems are already up and running and the others are scheduled for installation in Q4 2015. For C-RAD it is a good opportunity to use Yale-New Haven Hospital as a reference site for clinical demonstrations of Sentinel 4DCT and Catalyst HD.

An order was received from the Campania region in southern Italy for four Catalyst™ systems as well as four Sentinel™ 4DCT systems, to be installed in three cancer treatment clinics. Delivery is scheduled for Q4 2015.

C-RAD conducted its first user meeting in conjunction with the American Society for Radiation Oncology (ASTRO) meeting in October in San Antonio, Texas, USA, with over 30 participants from around the world, mainly the US. The meeting was conducted in cooperation with the University of Texas Health Science Center San Antonio, which contributed its clinical and scientific input on breast cancer treatment and stereotactic treatments, and also hosted a site visit where Catalyst HD was installed and clinically operational. At the ASTRO trade event, our increased exposure in the market led to a very high interest in the C-RAD booth and portfolio, achieving 50% more customer leads than the previous year.

For Gemini, our focus on recent developments was to improve robustness of the system, which has proved to be successful, accompanied by even further improvements in image quality. This takes us into a new phase, in which we are evaluating the physical parameters against existing standards and competitive products. On the commercial side discussion with potential customers are ongoing.

We have entered Q4 with a strong showing, where we expect to see our investment in an expanded sales force to continue to bear fruit, which should reach its full yield in 2016.

## Key events during Q3 2015

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### **C-RAD signed contract with Skandion Clinic**

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

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

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

### **C-RAD acquires all outstanding shares in Cyrpa International**

C-RAD has acquired the remaining 71% of the shares in the Franco-Belgian Cyrpa group. Cyrpa develops innovative laser solutions for patient positioning and virtual simulation within radiation therapy. C-RAD and Cyrpa launched their first joint product for 4D Imaging and Virtual Simulation in 2014. When the purchase price allocation as requested by IFRS 3, was performed we saw the need to restate comparative numbers in line with requirements of IAS 1. This restatement goes back to the initial purchase of 29% share in Cyrpa. Further information on page 20.

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

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

### **Order for eight C-RAD systems from Italy**

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

## Key events during Q2 2015

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

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

### **C-RAD grows sales organization in the United States**

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

### **C-RAD completes private placement of 25 MSEK**

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

### **Employee Warrant Program oversubscribed**

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

### **Order secured from Italy for three C-RAD systems**

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

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

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

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

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

### **AGM elects Kicki Wallje-Lund to the Board of Directors**

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

## Key events during Q1 2015

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

C-RAD secured an order for two Catalyst™ systems as well as a Sentinel™ system from Städtisches Klinikum Dresden-Friedrichstadt, which operates in the eastern part of Germany, and was awarded with an order of two Catalyst™ systems as well as two Sentinel™ systems from Tartu University Hospital in Estonia. The delivery and installation in Germany is expected to occur in Q2 2015. The order includes a service contract for eight years. Catalyst™ systems in Estonia will be installed together with Varian TrueBeam linear accelerators.

### **C-RAD further strengthening its global sales organization**

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

### **C-RAD signs sales and service agreement for Switzerland**

C-RAD has signed a distribution agreement with MedTech Consulting Cossmann GmbH to market the C-RAD product portfolio to Swiss customers. The new partner will also provide service and clinical training.

## Key events after the reporting period

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### **C-RAD signs sales and distribution agreement with GE Healthcare**

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

### **C-RAD signs agreement with Yale-New Haven Hospital**

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

### **Elekta showcases C-RAD products in Japanese showroom**

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

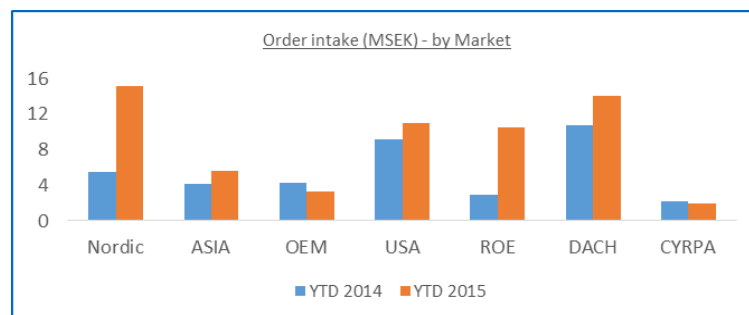
### **C-RAD hosts user meeting at ASTRO in cooperation with UTHSC San Antonio**

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

## Financial development - Group

### Order intake

Order intake during the first 9 months 2015 amounted to 61.5 MSEK compared to 43.8 MSEK in the previous year. It should be noted that in the first nine months 2014, orders of 4.8 MSEK related to production for the German company IBA Dosimetry were booked. In the graph below which compares order intake by market, the IBA Dosimetry order is excluded. The order intake increase is primarily driven by positioning products, Catalyst and Sentinel which increased by 62%, from 28.2 MSEK during first 9 months 2014 up to 45.7 MSEK in 2015, while order intake for service contracts doubled, from 3.4 MSEK during first 9 months 2014 up to 6.8 MSEK in 2015.

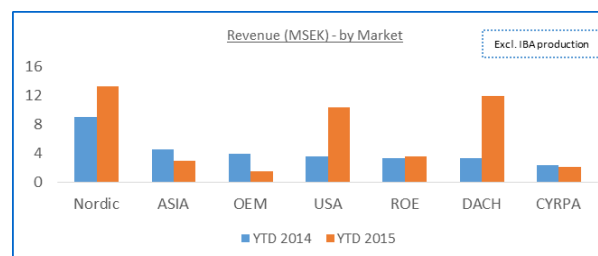


Order intake in the Q3 2015 amounted to 23 MSEK compared to 17.7 MSEK in the previous year. The increase was driven by Catalyst and Sentinel orders, primarily in rest of Europe (ROE).

### Revenues

Revenues for 2015 amounted to 45.7 MSEK compared to 34.6 MSEK 2014. The increase of 32% is mainly driven by Positioning products (Catalyst, Sentinel and our own sales of HIT lasers). IBA production was stopped during Q4 2014 and therefore no revenues were received in 2015.

Revenues (KSEK)	YTD 15		YTD 14	
Positioning	39,5	25,8		
CYRPA production	2,0	2,3		
IBA production	0,0	4,7		
Distribution	4,1	1,8		
	<b>45,7</b>	<b>34,6</b>		



Revenues in the third quarter amounted to 15.4 MSEK, compared to 10.5 MSEK in the previous year. The increase is primarily driven by Catalyst and Sentinel products in the Nordic region and the US. Our distribution products in the Nordic area did also increase considerably during the quarter.

## Financial development - Group

### Gross profit

The gross profit margin amounted to 53% in the first nine months 2015 compared to 62% in 2014. Fluctuations in gross profit can be expected in shorter periods due to the limited volume of systems. The gross profit in Q3 2015 was 43%, compared to 58% reported in 2014. The inventory figure reported for June 30, 2015 was 1.5 MSEK too high. This was corrected during Q3 2015, which explains the reported decline in the margin during the quarter. Actually, the gross profit margin amounted to 52% in the Q3, compared to the reported 43%. Reported gross profit margin reported in the Q2 2015 report was 59%, although, following the correction, the margin is 49%.

### Operational expenses

Operational expenses for 2015 amounted to 18.8 MSEK compared to 14.1 MSEK in the previous year. The increase was mainly driven by legal costs, audit and accounting costs and costs related to expansion of sales and service operations, mainly travelling expenses. Over the past 12 months C-RAD has strengthened its salesforce by adding salespeople in France, the US and China. Our service team has also been expanded in Germany and the US and in the second quarter 2015 we added a marketing manager to our team in Uppsala. Changes in currency exchange rates, mainly for USD, also affected the comparison, as USD/SEK rate has risen by approximately 30% during the period. From July 2015, CYRPA is included in the Group with operational expenses of 343 KSEK.

### Personnel expenses

Personnel expenses during the first nine months 2015 amounted to 22.4 MSEK, compared to 17.8 MSEK in the first nine months 2014. During Q3 the amount was 8.3 MSEK, compared to 5.3 MSEK in Q3 2014. The increase is mainly related to the expansion of sales and service operations and the strengthening of the USD. The average number of employees increased from 26 in Q3 2015 to 36 in the corresponding period in 2015. From July 2015, CYRPA is included in the Group with three employees, which is also a factor influencing the high personnel expenses.

### Net results before tax

Net results before tax during the first nine months 2015 was -15 MSEK compared to -9.4 MSEK in 2014. Net results before tax for Q3 2015 were -7.3 MSEK compared to -2.8 MSEK in the previous year. The 1.5 M stock correction has an impact here. Adjusted for the correction, the actual result for the period was -6 MSEK.

As part of our growth and expansion strategy, we have added a marketing manager and four new salespersons to the Group, thus strengthening our direct sales resources in our key markets, the US, France and China. For a new salesperson, it can be estimated that 18-24 months are required until first order has been generated, delivered to customer and payment received. This has a direct impact on our profit and loss statement as we incur only costs, mainly personnel and travel costs, until revenues are generated. In addition, the order conversion time is increasing, partially because we are receiving more orders for service contracts and also because we are involved in projects at an earlier stage thus generating orders earlier than before. As a result, we see our order stock continuing to grow.



## Financial development - Group

### Capitalized development costs

Capitalized development costs amounted to 20.7 (11.2) MSEK. Capitalizations during 2015 are mainly related to the Gemini development and projects relating to new interfaces with CT and Linac products.

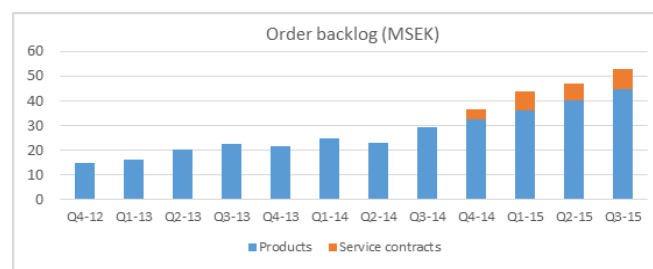
Capitalized development expenditure			
Project	Capitalized during period	Carrying amount	Comment
Catalyst/Sentinel	1 852 572	5 101 581	Products launched, further development, interfaces etc.
Gemini	1 083 224	6 966 199	Ongoing development
HIT-lasers	0	8 606 095	From CYRPA aquisition
<b>Total</b>	<b>2 935 796</b>	<b>20 673 875</b>	

### Seasonality

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

### Order backlog

The order backlog represents orders that have been received but not delivered and invoiced. The backlog amounted to 52.9 MSEK at the end of September 2015, compared to 29.4 MSEK at the end of September 2014. From the total order backlog, 43.6 MSEK involves products and 8.4 MSEK service contracts. The order backlog increased by 1.7 MSEK through the aquisition of Cyrpa in July 2015. During Q3 2015, we wrote off one order in the DACH region amounting to approximately 2 MSEK. This rarely happens, and in this case the order terms did allow an order cancellation. In the graph below the development of the order backlog is presented. Service contracts are separately presented from Q4 2014 onwards.



## Financial development - Group

### Order conversion rate

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

### Personnel

At the end of September 2015, the number of employees in the Group amounted to 39 (28) persons.

### Exchange rate

The financial statements are presented in SEK, the functional currency of C-RAD. Changes in foreign currencies have an impact on the results. Sales and orders are largely generated in foreign currency, mainly EUR and USD and, in addition, foreign subsidiaries and associates are included in the consolidation. The average EUR rate in the first nine months 2015 was 9.4 (9), while the average USD rate in the same period was 8.4 (6.7).

### Bank overdraft

The bank overdraft was not exercised as per the closing day. The total amount available is 5 MSEK.

### Deferred tax asset

The deferred tax asset is reviewed at every quarter. Deferred tax asset is based on the fundamental that operations will generate taxable income. In the last reports C-RAD has reported taxable loss, we can though see strong and rapidly growing order intake. It is our estimation that taxable profit will be generated in coming years and thus that the deferred tax asset of 7.1 MSEK, shall be kept unchanged. The remaining unused taxable losses amounts to 113 MSEK and there are currently no time constraints regarding utilization of the losses against future taxable profits.

### New share issue

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

### Cash flow and financing

Cash flow during the first nine months of 2015 was negative in the amount of 3.1 MSEK. Negative cash flow from operations amounted to 15.3 MSEK, while an increase in working capital had a negative impact of 3.6 MSEK on cash flow. The working capital increase is primarily related to an increase in inventory as a result of growing operations. During Q2 2015, C-RAD repaid a loan of 5 MSEK. Capitalized development costs are now included in investment activities, but not as adjustment for non-cash items. The comparative figures have been adjusted accordingly, 819 KSEK for Q3 2014 and 2.9 MSEK for 9m 2014, improving cash flow from operating activities and increasing cash to investments.

## Financial development - Group

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The Bank overdraft is currently not being utilized. Proceeds from the share issue in Q2 2015 covered the negative cash flow from operations and working capital needs, as well as repayment of a short-term loan. Our cash balance is below expectations, mainly since more cash is required for working capital and also due to the fact that conversion time for orders is increasing. The time for the conversion of an order is the time from the generation of the order until its delivery, at which point revenues are generated. This increase has an impact on revenue generation as we experience delays in revenue generation. As planned, we have also heavily increased our personnel; mainly our direct sales force, which requires financial resources until additional orders and revenues are generated. In order to support the ongoing growth of our operations we expect that additional financing will be needed during 2016. The board is aware of the situation and is currently analyzing different financing alternatives.

### **Significant risks and uncertainties**

Reference is made to the Annual Report for 2014 regarding significant risks and uncertainties and how these are managed. The capitalized development costs of the Gemini project increased to a carrying amount of 7 MSEK. Until the project is launched and starts to generate revenues, a certain degree of uncertainty prevails. If the project does not develop in line with expectations, the company will be forced to write down all or part of the capitalized development costs.

### **Parent Company**

No operations are carried in the Parent Company except Group Management and administration.

## Segment reporting

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

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

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

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

<i>Amounts in KSEK</i>	Segment revenues		Segment operating results	
	9m 2015	9m 2014	9m 2015	9m 2014
Positioning external customers .....	45 135	29 888	-13 311	-8 993
Imaging external sales .....	577	4 731	-980	82
Imaging internal sales .....	0	591	0	0
Elimination internal sales .....	0	-591	0	0
Total .....	<u>45 712</u>	<u>34 618</u>	<u>(14 290)</u>	<u>(8 911)</u>
Share in results of associated companies .....			43	-470
Financial items .....			-790	-64
Profit/loss before tax .....			<u>(15 037)</u>	<u>(9 444)</u>

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

<i>Amounts in KSEK</i>	Revenue by geographical market	
	9m 2015	9m 2014
Nordic .....	13 383	8 983
DACH .....	12 009	8 232
RoE .....	7 225	9 390
America .....	10 092	3 514
Asia .....	3 004	4 500
	<u>45 712</u>	<u>34 619</u>

## Condensed consolidated statement of comprehensive income

(Amounts in SEK)	2015 July-Sep	2014 July-Sep	2015 Jan-Sep	2014 Jan-Sep	2014 Jan-Dec
<b>Operating income</b>					
Net sales .....	15 358 361	10 486 972	45 712 174	34 619 351	53 191 613
Work performed by the company for its own use and capitalized .....	614 852	818 547	2 935 796	2 972 775	3 460 326
Other operating income .....	2 446 722	1 629 446	5 356 600	2 167 204	4 031 971
<b>Total operating income</b>	<u>18 419 935</u>	<u>12 934 965</u>	<u>54 004 570</u>	<u>39 759 329</u>	<u>60 683 910</u>
<b>Operating expenses</b>					
Raw material and consumables .....	-8 800 868	-4 453 815	-21 588 472	-13 009 056	-21 289 961
Other external costs .....	-6 634 630	-4 894 917	-18 819 576	-14 066 120	-22 361 312
Personnel costs .....	-8 298 504	-5 261 136	-22 401 035	-17 819 083	-25 009 391
Depreciations .....	-1 652 399	-1 211 697	-3 589 052	-3 776 039	-5 876 128
Other operating expenses .....	0	0	-1 896 649	0	0
<b>Total operating expenses</b>	<u>-25 386 401</u>	<u>-15 821 564</u>	<u>-68 294 784</u>	<u>-48 670 298</u>	<u>-74 536 792</u>
<b>Operating profits/loss</b>	<u>-6 966 466</u>	<u>-2 886 599</u>	<u>-14 290 214</u>	<u>-8 910 969</u>	<u>-13 852 882</u>
Result from participation in associated companies .....	0	126 665	43 289	-469 866	-260 889
Financial income .....	118	38	7 059	137 691	153 375
Financial costs .....	-354 992	-50 252	-795 698	-201 532	-279 767
<b>Profit (loss) before tax</b>	<u>-7 321 341</u>	<u>-2 810 148</u>	<u>-15 035 563</u>	<u>-9 444 676</u>	<u>-14 240 163</u>
Income tax .....	0	0	0	7 094 209	7 094 209
<b>Net results for the period</b>	<u>-7 321 341</u>	<u>-2 810 148</u>	<u>-15 035 563</u>	<u>-2 350 467</u>	<u>-7 145 954</u>
Translation difference from foreign operations .....	23 383	-158 038	44 707	-225 448	-623 366
<b>Comprehensive results for the period (1)</b>	<u>-7 297 958</u>	<u>-2 968 186</u>	<u>-14 990 856</u>	<u>-2 575 914</u>	<u>-7 769 320</u>
Results per share before dilution .....	-0.33	-0.15	-0.71	-0.13	-0.38
Results per share after dilution .....	-0.31	-0.14	-0.67	-0.12	-0.36

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

## Condensed consolidated statement of financial position

(Amounts in SEK)

Assets	30-09-2015	30-09-2014	31-12-2014
<b>Assets</b>			
<b>Intangible assets</b>			
Capitalized development expenditure .....	20 673 875	11 187 242	10 901 443
Distribution rights .....	6 285 462	7 132 939	6 921 070
Patents, licenses and similar rights .....	948 330	1 773 342	1 342 029
	<u>27 907 668</u>	<u>20 093 523</u>	<u>19 164 542</u>
<b>Tangible assets</b>			
Equipment .....	4 875 484	2 947 720	4 057 105
<b>Financial assets</b>			
Shares of associates .....	0	0	0
Long-term receivables .....	154 144	5 282 928	5 282 928
<b>Total financial assets</b>	<u>154 144</u>	<u>5 282 928</u>	<u>5 282 927</u>
<b>Other non-current assets</b>			
Deferred tax asset .....	7 094 209	7 094 209	7 094 209
	<u>40 031 505</u>	<u>35 418 380</u>	<u>35 598 783</u>
<b>Current assets</b>			
Inventory .....	10 652 726	8 819 818	8 032 454
Trade receivables .....	11 365 845	13 645 284	15 241 464
Other receivables .....	1 732 143	1 454 081	4 690 063
Prepayments and accrued income .....	595 635	983 078	417 372
Cash and bank .....	4 633 801	4 567 576	7 623 092
<b>Total current assets</b>	<u>28 980 151</u>	<u>29 469 838</u>	<u>36 004 444</u>
	<u>69 011 656</u>	<u>64 888 217</u>	<u>71 603 228</u>
<b>Total assets</b>			

## Condensed consolidated statement of financial position

(Amounts in SEK)

Equity and liabilities	30-09-2015	30-09-2014	31-12-2014
<b>Equity</b>			
Share capital .....	3 303 799	3 041 639	3 041 299
Additional paid in capital .....	115 230 156	175 159 366	171 332 029
Retained earnings .....	-57 315 980	-129 572 843	-128 037 092
Profit (loss) for the year .....	-15 035 563	-3 940 119	-7 852 186
<b>Total equity</b>	<u>46 182 412</u>	<u>44 688 043</u>	<u>38 484 050</u>
<b>Long term liabilities</b>			
Convertible bonds .....	11 788 707	11 627 075	11 667 483
Other long-term liabilities .....	1 345 514	0	5 000 000
	<u>13 134 221</u>	<u>11 627 075</u>	<u>16 667 483</u>
<b>Current liabilities</b>			
Accounts payable .....	4 747 252	3 651 770	6 635 323
Warranty provisions .....	900 000	680 000	900 000
Other current liabilities .....	895 325	1 354 530	4 111 543
Accrued expenses and deferred income .....	3 152 447	2 886 799	4 804 830
<b>Total current liabilities</b>	<u>9 695 024</u>	<u>8 573 099</u>	<u>16 451 696</u>
<b>Total liabilities</b>	22 829 245	20 200 174	33 119 179
<b>Total equity and liabilities</b>	<u>69 011 656</u>	<u>64 888 217</u>	<u>71 603 228</u>
Pledges	13 620 000	7 670 000	13 620 000
Contingent liability	-	-	-

## Condensed consolidated statement of cash flow

(Amounts in SEK)

### Statement of cash flow

	2015	2014	2015	2014	2014
	July-Sep	July-Sep	Jan-Sep	Jan-Sep	Jan-Dec
<b>Operating activities</b>					
Profit (loss) before financial items .....	(6 966 466)	(2 886 599)	(14 290 214)	(8 910 969)	(13 852 883)
Adjustment for non-cash items, etc .....	87 187	1 161 484	(224 695)	3 712 198	3 354 321
Interests received .....	118	0	7 059	0	0
Interests paid .....	(354 992)	(6 399)	(795 698)	(201 532)	(279 767)
<b>Cash flow from operating activities before working capital changes</b>	<b>(7 234 154)</b>	<b>(1 731 515)</b>	<b>(15 303 547)</b>	<b>(5 400 303)</b>	<b>(10 778 328)</b>
Working Capital Changes .....	2 132 590	(3 207 499)	(4 125 436)	(7 930 139)	(2 373 180)
<b>Cash flow from operating activities</b>	<b>(5 101 564)</b>	<b>(4 939 013)</b>	<b>(19 428 984)</b>	<b>(13 330 441)</b>	<b>(13 151 508)</b>
<b>Cash flow from investing activities</b> .....	<b>(1 248 554)</b>	<b>(1 219 808)</b>	<b>(4 594 465)</b>	<b>(3 374 036)</b>	<b>(5 531 162)</b>
<b>Cash flow from financing activities</b> .....	<b>0</b>	<b>0</b>	<b>20 938 588</b>	<b>10 834 688</b>	<b>15 834 687</b>
Net increase (decrease) in cash and cash equivalents .....	(6 350 119)	(6 158 821)	(3 084 861)	(5 869 790)	(2 847 983)
Cash and cash equivalents at beginning of period .....	10 969 069	10 710 725	7 623 093	10 261 549	10 261 549
Exchange rate differences .....	14 853	15 672	95 571	175 817	209 527
Cash and cash equivalents at end of period .....	<u>4 633 801</u>	<u>4 567 576</u>	<u>4 633 801</u>	<u>4 567 576</u>	<u>7 623 093</u>



## Condensed consolidated statement of changes in equity

(Amounts in SEK)

Statement of changes in equity	2015	2014	2014
	Jan-Sep	Jan-Sep	Jan-Dec
At beginning of period .....	40 037 758	38 027 838	38 027 838
Adjustment of opening balance .....	(1 553 709)	(706 232)	(706 232)
Restated opening balance .....	<b>38 484 049</b>	<b>37 321 606</b>	<b>37 321 606</b>
Share increase .....	25 182 500	11 375 000	11 375 000
Issue expenses .....	(16 150)	(540 313)	(540 313)
Equity part of convertible loan .....	121 224	121 224	(161 632)
Translation and other differences .....	(2 553 649)	(1 239 008)	(2 364 658)
<b>Changes in the period .....</b>	<b>22 733 925</b>	<b>9 716 904</b>	<b>8 308 397</b>
Loss for the period .....	<u>(15 035 563)</u>	<u>(2 350 467)</u>	<u>(7 145 955)</u>
<b>Closing balance at end of period .....</b>	<b>46 182 412</b>	<b>44 688 043</b>	<b>38 484 049</b>

# Parent company Financial Statements

(Amounts in SEK)					
Income statement	2015	2014	Statement of Financial Position	2015	2014
	Jan-Sep	Jan-Sep		30 Sep	31 Dec
Total income .....	12 927 329	9 440 667	<b>Assets</b>		
Personnel costs .....	-5 465 692	-4 472 800	Intangible assets .....	6 285 462	6 921 070
Other costs .....	-7 405 368	-5 579 601	Tangible assets .....	66 157	82 420
<b>Total operating expenses</b>	<b>-12 871 060</b>	<b>-10 052 401</b>	Shares in Group companies .....	79 412 355	68 874 000
Result from financial items .....	-1 282 366	-23 823	Long term receivables .....	0	318 673
Result before tax .....	-1 226 098	-635 558	Investments in associates .....	0	192 841
Tax .....	0	0	Receivables in Group companies .....	51 488 288	37 479 921
<b>Net results</b> .....	<b>-1 226 098</b>	<b>-635 558</b>	Other receivables .....	1 424 458	5 757 681
			Cash and bank .....	1 439 450	3 012 761
			<b>Total assets</b>	<b>140 116 170</b>	<b>122 639 367</b>
<b>Statement of comprehensive results</b>			<b>Equity and liabilities</b>		
Net results	-1 226 098	-635 558	Share capital .....	3 303 799	3 041 639
Translation difference from foreign operations	23 383	-225 448	Other equity .....	121 219 426	97 262 724
Total comprehensive results	-1 202 715	-861 006	Total equity .....	124 523 225	100 304 363
			Convertible bonds .....	11 718 442	11 718 442
<b>Statement of cash flow</b>	<b>2015</b>	<b>2014</b>	Long term liabilities .....	1 345 514	5 000 000
	<b>Jan-Sep</b>	<b>Jan-Sep</b>	Other liabilities .....	2 528 991	5 616 562
<b>Operating activities</b>			Total liabilities .....	15 592 947	22 335 004
Profit (loss) before tax .....	-1 226 098	-635 558	<b>Total equity and liabilities</b>	<b>140 116 170</b>	<b>122 639 367</b>
Adjustment for non-cash items .....	970 544	864 310			
<b>Cash flow from operating activities before working capital changes</b>	<b>-255 553</b>	<b>228 752</b>	<b>Statement of changes in equity</b>	<b>2015</b>	<b>2014</b>
Working capital changes .....	-21 762 716	-5 326 786		<b>Jan-Sep</b>	<b>Jan-Dec</b>
<b>Cash flow from operating activities</b>	<b>-22 018 269</b>	<b>-5 098 034</b>	<b>At beginning of period</b> .....	100 304 363	88 697 805
<b>Cash flow from investment activities</b>	<b>0</b>	<b>-4 699 752</b>	Share increase .....	25 444 960	10 834 688
<b>Cash flow from financing activities</b>	<b>20 444 960</b>	<b>10 834 688</b>	Other .....	0	0
Net change in cash and cash equivalents .....	-1 573 309	1 036 901	Net results for the period .....	(1 226 098)	771 870
Cash and cash equivalents at beginning of period .....	3 012 761	2 218 448	<b>Closing balance at end of period</b> .....	<b>124 523 225</b>	<b>100 304 363</b>
Cash and cash equivalents at end of period .....	1 439 450	3 255 349			

## Notes

### Accounting principles

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

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

### Exchange rates

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

### Related party transactions

No related party transactions occurred during the period.

### Capitalized development costs

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

### Deferred tax

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

### Acquisition

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

One important aspect of the takeover is that the sellers fully wrote off their loans to Cyrpa. Cyrpa's debts are therefore only to the company itself and its accounts payable. Cyrpa reported 91% revenue growth during the first nine months of 2015 compared with same period in the previous year, while net results improved from a loss of 262 KEUR in 2014 to profit of 87 KEUR during the first nine months of 2015.

Cyrpa is included in the consolidation from July 15, 2015 and contributed to the consolidated results in the amount of 1.6 MSEK in revenues and losses before tax of 34 KSEK. If Cyrpa would have been included in the consolidation from January 1, 2015, the consolidation would have reported revenues of 48.9 MSEK. If Cyrpa would have been included in the consolidation from July 1 2015 it would not have had any substantial impact on reported revenues. Direct expenses related to the acquisition amounted to 0.3 MSEK.

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

## Notes

### Preliminary purchase price allocation

(Amounts in KSEK)

#### Purchase price

Cash (initial 29% investment) .....	550
Conditional consideration, fair value .....	1 346
<b>Total purchase price</b>	<b>1 895</b>

#### Fair value of identified acquired assets and assumed liabilities

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

#### Net identifiable assets and liabilities

2 773

Negative goodwill .....	-878
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#### Total transferred net assets

1 895

#### Correction of comparative numbers

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

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

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

The call option is recognised as a financial asset and measured at fair value. It is C-RADs estimation that the initial fair value is a fair representation of the fair value for subsequent balance sheet dates.

Below are the restatement adjustments outlined for the comparative balances in this report.

## Notes

### Corrected condensed consolidated statement of comprehensive income

(Amounts in SEK)

	July-Sep 2014			Jan-Sept 2014			Jan-Dec 2014		
	Reported	Adjustments	Restated	Reported	Adjustments	Restated	Reported	Adjustments	Restated
<b>Operating income</b>									
Net sales .....	10 486 972		10 486 972	34 619 351		34 619 351	53 191 613		53 191 613
Work performed by the company for its own use and capitalized ....	818 547		818 547	2 972 775		2 972 775	3 460 326		3 460 326
Other operating income .....	1 629 446		1 629 446	2 167 204		2 167 204	4 031 971		4 031 971
<b>Total operating income</b>	<u>12 934 965</u>		<u>12 934 965</u>	<u>39 759 329</u>		<u>39 759 330</u>	<u>60 683 909</u>		<u>60 683 910</u>
<b>Operating expenses</b>									
Raw material and consumables .....	-4 453 815		-4 453 815	-13 009 056		-13 009 056	-21 289 961		-21 289 961
Other external costs .....	-4 894 917		-4 894 917	-14 066 120		-14 066 120	-22 361 312		-22 361 312
Personnel costs .....	-5 261 136		-5 261 136	-17 819 083		-17 819 083	-25 009 391		-25 009 391
Depreciations .....	-999 828	-211 869	-1 211 697	-3 140 431	-635 608	-3 776 039	-5 028 650	-847 478	-5 876 128
Other operating expenses .....	0		0	0		0	0		0
<b>Total operating expenses</b>	<u>-15 609 696</u>		<u>-15 821 565</u>	<u>-48 034 690</u>		<u>-48 670 298</u>	<u>-73 689 314</u>		<u>-74 536 792</u>
<b>Operating profits/loss</b>	<u>-2 674 731</u>		<u>-2 886 600</u>	<u>-8 275 361</u>		<u>-8 910 968</u>	<u>-13 005 405</u>		<u>-13 852 882</u>
Result from participation in associated companies .....	126 665		126 665	-469 866		-469 866	-260 889		-260 889
Financial income .....	38		38	137 691		137 691	153 375		153 375
Financial costs .....	-50 252		-50 252	-201 532		-201 532	-279 767		-279 767
<b>Profit (loss) before tax</b>	<u>-2 598 280</u>		<u>-2 810 149</u>	<u>-8 809 068</u>		<u>-9 444 675</u>	<u>-13 392 686</u>		<u>-14 240 163</u>
Income tax .....	0		0	7 094 209		7 094 209	7 094 209		7 094 209
<b>Net results for the period</b>	<u>-2 598 280</u>		<u>-2 810 149</u>	<u>-1 714 859</u>		<u>-2 350 466</u>	<u>-6 298 477</u>		<u>-7 145 954</u>
Translation difference from foreign operations .....	-158 038		-158 038	-225 448		-225 448	-623 366		-623 366
<b>Comprehensive results for the period (1)</b>	<u><u>-2 756 318</u></u>		<u><u>-2 968 187</u></u>	<u><u>-1 940 306</u></u>		<u><u>-2 575 914</u></u>	<u><u>-6 921 843</u></u>		<u><u>-7 769 320</u></u>
Results per share before dilution .....	-0.13		-0.15	-0.09		-0.13	-0.31		-0.38
Results per share after dilution .....	-0.12		-0.14	-0.08		-0.12	-0.29		-0.36

## Notes

### Corrected condensed consolidated statement of financial position

(Amounts in SEK)

#### Assets

	30-09-2014			31-12-2014		
	Reported	Adjustments	Restated	Reported	Adjustments	Restated
<b>Assets</b>						
<b>Intangible assets</b>						
Capitalized development expenditure .....	11 187 242		11 187 242	10 901 443		10 901 443
Distribution rights .....	0	7 132 939	7 132 939	0	6 921 070	6 921 070
Patents, licenses and similar rights .....	1 773 342		1 773 342	1 342 029		1 342 029
	12 960 584		20 093 523	12 243 472		19 164 542
<b>Tangible assets</b>						
Equipment .....	2 947 720		2 947 720	4 057 105		4 057 105
<b>Financial assets</b>						
Shares of associates .....	8 244 092	-8 244 092	0	8 299 824	-8 299 824	0
Long-term receivables .....	4 964 255	318 673	5 282 928	4 964 255	318 673	5 282 928
<b>Total financial assets</b>	13 208 347		5 282 927	13 264 078		5 282 927
<b>Other non-current assets</b>						
Deferred tax asset .....	7 094 209		7 094 209	7 094 209		7 094 209
<b>Total non-current assets</b>	36 210 860		35 418 379	36 658 864		35 598 783
<b>Current assets</b>						
Inventory .....	8 819 818		8 819 818	8 032 454		8 032 454
Trade receivables .....	13 645 284		13 645 284	15 241 464		15 241 464
Other receivables .....	1 454 081		1 454 081	4 690 063		4 690 063
Prepayments and accrued income .....	983 078		983 078	417 372		417 372
Cash and bank .....	4 567 576		4 567 576	7 623 092		7 623 092
<b>Total current assets</b>	29 469 838		29 469 836	36 004 444		36 004 444
<b>Total assets</b>	65 680 697		64 888 216	72 663 309		71 603 228

## Notes

### Corrected condensed consolidated statement of financial position

(Amounts in SEK)

#### Equity and liabilities

	30-09-2014			31-12-2014		
	Reported	Adjustments	Restated	Reported	Adjustments	Restated
<b>Equity</b>						
Share capital .....	3 041 639		3 041 639	3 041 299		3 041 299
Additional paid in capital .....	175 159 366		175 159 366	171 332 029		171 332 029
Retained earnings .....	-129 572 843		-129 572 843	-128 037 092		-128 037 092
Profit (loss) for the year .....	-2 598 279	-1 341 840	-3 940 119	-6 298 477	-1 553 709	-7 852 186
<b>Total equity</b>	<u>46 029 883</u>		<u>44 688 043</u>	<u>40 037 759</u>		<u>38 484 050</u>
<b>Long term liabilities</b>						
Convertible bonds .....	11 627 075		11 627 075	11 667 483		11 667 483
Other long-term liabilities .....	0		0	5 000 000		5 000 000
	<u>11 627 075</u>		<u>11 627 075</u>	<u>16 667 483</u>		<u>16 667 483</u>
<b>Current liabilities</b>						
Accounts payable .....	3 651 770		3 651 770	6 635 323		6 635 323
Warranty provisions .....	680 000		680 000	900 000		900 000
Other current liabilities .....	805 170	549 360	1 354 530	3 617 915	493 628	4 111 543
Accrued expenses and deferred income .....	2 886 799		2 886 799	4 804 830		4 804 830
<b>Total current liabilities</b>	<u>8 023 739</u>		<u>8 573 099</u>	<u>15 958 068</u>		<u>16 451 696</u>
<b>Total liabilities</b>	<u>19 650 814</u>		<u>20 200 174</u>	<u>32 625 551</u>		<u>33 119 179</u>
<b>Total equity and liabilities</b>	<u>65 680 697</u>		<u>64 888 216</u>	<u>72 663 309</u>		<u>71 603 228</u>

## Ratios

	2015 30-sep	2014 30-sep	2014 31-dec
Number of shares .....	22 025 323	20 275 323	20 275 323
Average number of shares .....	22 025 323	20 143 101	20 177 246
Average number of diluted shares .....	23 535 069	21 368 517	21 402 662
Number of options outstanding .....	1 509 746	1 225 416	1 225 416
Solvency .....	67%	67%	54%
Result per share before dilution .....	(0.71)	(0.13)	(0.38)
Result per shares after dilution .....	(0.67)	(0.12)	(0.36)
Equity per share before dilution .....	2.10	2.22	1.91
Equity per share after dilution .....	1.96	2.09	1.80
Operating margin .....	Neg.	Neg.	Neg.

## Other information

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This interim report provides a true and fair view of the Group's operations, financial position and earnings. If there are any deviations between the reports in English and Swedish, the Swedish version is valid. This interim report has been reviewed by the company auditors.

Uppsala, November 6, 2015

Börje Bengtsson  
Chairman of the Board

Tim Thurn  
CEO

Bengt Rolén  
Board member

Frank Lohr  
Board member

Peter Hamberg  
Board member

Brian Holch Kristensen  
Board member

Kicki Wallje-Lund  
Board member

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

Year end report

February 5, 2016

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

The information in this interim report is such that C-RAD is required to disclose it publicly in accordance with the Swedish Securities and Clearing Operations Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication on November 6, 2015 at 3:30 pm.



## Auditors report

### Report on Review of Interim Financial Information in accordance with IAS 34 and the Swedish Annual Accounts Act (translated)

#### Introduction

We have reviewed this interim report for the C-RAD AB (org.nr. 556663-9174) as of 30 September 15 and for the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

#### Scope of Review

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

#### Conclusion

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

Stockholm, 6 November 2015

Grant Thornton Sweden AB

Mia Rutenius  
Authorised Public Accountant  
Auditor in charge