

RAYSEARCH LABORATORIES AB (PUBL)

INTERIM REPORT JANUARY 1-SEPTEMBER 30, 2015

“Our success with RayStation® continues. Overall, our revenues increased 49.7 percent and we are presenting our best earnings ever for the first nine months” says Johan Löf, President and CEO of RaySearch.

NINE MONTHS (JANUARY-SEPTEMBER, 2015)

- Net sales for the period amounted to SEK 265.6 M [177.4], of which RayStation® accounted for SEK 190.9 M [104.2]
- Profit after tax totaled SEK 36.9 M [19.1] and earnings per share were SEK 1.08 [0.56]
- Operating profit amounted to SEK 51.0 M [26.6]
- Cash flow was a negative SEK 8.8 M [neg: 14.0]
- Order intake excluding service agreements amounted to SEK 267.3 M [144.4], of which RayStation® accounted for SEK 214.0 M [88.5]

THIRD QUARTER (JULY-SEPTEMBER, 2015)

- Net sales for the period amounted to SEK 100.6 M [71.6], of which RayStation® accounted for SEK 73.9 M [52.3]
- Profit after tax totaled SEK 14.5 M [13.2] and earnings per share were SEK 0.42 [0.39]
- Operating profit amounted to SEK 20.1 M [18.2]
- Cash flow was a negative SEK 6.5 M [neg: 2.7]
- Order intake excluding service agreements amounted to SEK 109.0 M [42.8], of which RayStation® accounted for SEK 89.6 M [29.4]
- RayStation® order backlog totaled SEK 58.2 M [44.8] at the end of the period

SIGNIFICANT EVENTS DURING THE THIRD QUARTER

- RaySearch secured a number of major orders from some of the world’s largest and most respected cancer clinics, including the University of Texas MD Anderson Cancer Center and the University of Florida Health Proton Therapy Institute in the US, as well as Gustave Roussy in France
- Long-term collaboration agreements were signed with Accuray regarding the RayCare® Oncology Information System, and treatment planning support for the TomoTherapy® and CyberKnife® systems in RaySearch’s treatment planning system, RayStation®

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

- Anders Liander, CTO, decided to leave the company in November to pursue his own interests

SUMMARY OF FINANCIAL RESULTS

AMOUNTS IN SEK 000S	JAN-SEP		JUL-SEP		OCT 2014-	FULL-YEAR
	2015	2014	2015	2014	SEP 2015	2014
Net sales	265,643	177,435	100,570	71,602	373,425	285,217
Operating profit	51,042	26,593	20,085	18,225	103,809	79,360
Operating margin, %	19.2	15.0	20.0	25.5	27.8	27.8
Profit for the period	36,898	19,136	14,480	13,201	77,594	59,832
Earnings per share, SEK	1.08	0.56	0.42	0.39	2.26	1.75
Share price at the end of the period, SEK	119.00	41.70	119.00	41.70	119.00	53.00

The information in this interim report constitutes information that RaySearch is required to disclose publicly in accordance with the Swedish Securities and Clearing Operations Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication on November 25, 2015 at 7:45 a.m.

CEO'S COMMENTS

SUCCESS WITH RAYSTATION® CONTINUES

Our success with RayStation® continues and the order intake for RayStation® increased more than 140 percent to SEK 214.0 M [88.5] during the first nine months. In the third quarter, we secured several key orders from some of the world's largest and most respected cancer clinics, including MD Anderson and the University of Florida Health Proton Therapy Institute in the US, and Gustave Roussy in France. We secured these orders in direct competition with the other players on the market, which I consider firm confirmation that our system offers major benefits. Our sales success is, among other things, based on RayStation's high calculation speed, automated workflow, advanced support for adaptive radiation therapy, unique multi-criteria optimization and user-friendly interface. More and more highly respected cancer clinics can now confirm that RayStation's advanced and unique functionality can help them improve their radiation therapy process and use existing radiation equipment more efficiently.

The great interest in RayStation® was also very evident at ASTRO's Annual Meeting in October, where our booth was one of the most well-attended, and the number of product demonstrations increased more than 40 percent compared with the preceding year's meeting. This was also the first time that we demonstrated our plan explorer, rayExplorer, one of the most important new features in the next version of RayStation®. The features of rayExplorer bring together automatic planning, high performance computing and management of different delivery techniques in a way that provides new opportunities to find the most effective treatment for each patient. Instead of manually producing one or a few treatment plans, rayExplorer can produce a very large number of alternative plans, among which the user can select the best plan using various selection criteria. The next version of RayStation® will for the first time also include treatment planning tools for radiation therapy using carbon ions, which is the most advanced form of radiation therapy.

In September, we expanded our partnership with Accuray to include treatment planning support in RayStation® for Accuray's TomoTherapy® and CyberKnife® systems. This integration will offer significant efficiency gains to clinics using a combination of Accuray's systems and conventional radiation therapy equipment. It will also entail major business opportunities for us since Accuray has an installed base of over 800 systems and RayStation® will become the only independent treatment planning system that can produce treatment plans for their machines. There is currently no other treatment planning system on the market that has such a comprehensive support for different types of radiation therapy machines as RayStation®, and these two additions expand the platform even further.

HIGH VOLUME GROWTH

We have high volume growth for RayStation®, which now accounts for more than 70 percent of our sales, and we continue to benefit from the strong USD. During the first nine months, revenues from RayStation® increased with approximately 83 percent to SEK 190.9 M [104.2] and sales via partners increased to SEK 74.7 M [73.2]. Overall, revenues increased 49.7 percent to SEK 265.6 M [177.4] and the operating profit to SEK 51.0 M [26.6]. These are our highest sales and earnings ever for the first nine months.

GREAT INTEREST IN RAYCARE®

During the autumn, we have also received further confirmation of the interest in RayCare®, our oncology information system. The development continues according to plan and we will expand our staffing considerably in 2016. A lot of work remains before the system is ready for launch, but we already receive tremendously positive feedback when we demonstrate our current version. A radiation therapy clinic essentially needs two software platforms for its business activities: an information system, and a treatment planning system. RayCare® and RayStation® will enable us to provide the entire infrastructure for a clinic's information management and treatment planning. The launch of RayCare® in 2017 will present us with new opportunities, both clinically and commercially, which has already been confirmed by our long-term collaboration agreement with Accuray regarding RayCare®.

SOLID BASE FOR CONTINUED FOCUS

Sales of RayStation® have truly accelerated, and the system is well established in all major markets globally. Our sales and earnings will continue to vary from quarter to quarter, since deliveries are subject to major fluctuations. However, I am very pleased to confirm that our sales have reached record levels, year-on-year, for eight consecutive quarters. We also note how this growth is continuing, which gives us a solid base for continued investments in RayStation® and RayCare®.

To date, more than 240 cancer clinics in some 20 countries have purchased RayStation®. Meanwhile, since there are more than 8,000 radiation-therapy clinics worldwide, our growth potential remains strong. We have entered a new and exciting phase of development with an ever-growing customer base and new strategic opportunities. This gives us an excellent platform for continued success.

Stockholm, November 25, 2015

Johan Löf

President and CEO of RaySearch Laboratories AB (publ)

SIGNIFICANT EVENTS

SIGNIFICANT EVENTS DURING THE PERIOD JANUARY 1-SEPTEMBER 30, 2014

Changes in executive management

In January 2015, it was announced that CFO, Anders Martin-Löf, had decided to leave the company in April to become CFO of another company. In March, Peter Thysell was appointed Interim CFO and he was subsequently appointed permanent CFO as of August. In June, Victoria Sörving was appointed new General Counsel, Kjell Eriksson new Chief Science Officer and Björn Hårdemark Deputy CEO. All will join executive management.

First proton therapy treatments with RayStation® in Europe

In February, it was announced that German-based Westdeutsches Protontherapiezentrum Essen (WPE) had become the first proton center in Europe to use RayStation® for clinical treatments.

First proton therapy treatments with RayStation® for Mevion S250

In May, the Ackerman Cancer Center in Jacksonville, US, announced it had started to use RayStation® for clinical proton therapy treatments together with Mevion S250 equipment.

Texas Center for Proton Therapy selects RayStation®

In May, it was announced that the Texas Center for Proton Therapy had chosen the RayStation® treatment planning system.

RayStation® qualified for the US Oncology Network

RayStation® has qualified as an approved treatment planning system for the US Oncology Network, a national collaboration organization in the US encompassing some 100 radiation therapy clinics.

Long-term collaboration agreement with Accuray

In July, it was announced that RaySearch and Accuray Inc. had signed a long-term collaboration agreement regarding the RayCare® Oncology Information System (OIS), which RaySearch is currently developing. Under the agreement, Accuray will be able to offer RayCare® several major radiation therapy markets with a fully integrated solution for its TomoTherapy® and CyberKnife®.

In September, it was announced that RaySearch and Accuray Inc. had increased their established partnership by signing a new long-term collaboration agreement, which will lead to the integration of treatment planning support for the TomoTherapy® and CyberKnife® systems in RaySearch's treatment planning system, RayStation®. This integration will offer significant efficiency gains to clinics using several different types of radiation therapy equipment. The launch of treatment planning support in RayStation® for the TomoTherapy® system is planned for 2016 and for the CyberKnife® system in 2017.

RayStation® selected in a number of large-scale procurements

In August, it was announced that RaySearch and RayStation®, in direct competition with the company's main competitors, had secured several major orders from some of the world's largest and most respected cancer clinics, including

- The University of Texas MD Anderson Cancer Center, which is the world's largest and most highly rated cancer clinic
- The University of Florida Health Proton Therapy Institute, which has selected RayStation® as its primary treatment planning system
- Gustave Roussy, which is one of the largest and leading cancer clinics in Europe, with a large network of satellite centers and business partners, both nationally in France, and internationally with some of Europe's foremost oncology clinics

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

Changes in executive management

In November, CTO Anders Liander decided to leave the company, at his own request, to pursue his own interests. An internal recruitment process is under way to replace him.

FINANCIAL INFORMATION

SALES AND EARNINGS FOR THE THIRD QUARTER OF 2015

Revenues and currency effects

In the third quarter of 2015, sales rose 40.5 percent year-on-year to SEK 100.6 M (71.6). Sales consist of license revenues from sales of RayStation®, sales of software modules via partners, and support revenues. In the third quarter of 2015, license revenues amounted to SEK 90.0 M (63.7). In the same period, support revenues increased to SEK 10.6 M (7.9). The sales increase was mainly due to sharply increased sales of RayStation®, but also to increased sales via partners.

Order intake excluding service agreements amounted to SEK 109.0 M (42.8). Of the order intake, RayStation® accounted for SEK 89.6 M (29.4). At September 30, the order backlog for RayStation® was SEK 58.2 M (44.8).

The company is dependent on exchange-rate trends in the USD and EUR against the SEK, since invoicing is mainly denominated in USD and EUR, while most of the costs are in SEK. At unchanged exchange rates, sales would have increased 18.6 percent year-on-year. In the third quarter of 2015, revenues in USD were recognized at an average exchange rate of SEK 8.48, compared with SEK 6.94 in the year-earlier period. In the third quarter of 2015, revenues were recognized in EUR at an average exchange rate of SEK 9.43, compared with SEK 9.21 in the year-earlier period. Accordingly, currency effects had a positive impact on sales.

Expenses and profit

Operating profit improved during the quarter to SEK 20.1 M (18.2), corresponding to an operating margin of 20.0 percent (25.5). Operating expenses, excluding exchange-rate gains and losses, increased SEK 22.9 M to SEK 76.7 M, compared with the year-earlier quarter.

The earnings improvement was largely a result of increased sales, while the lower operating margin was due to higher costs for marketing and additional personnel for sales and service due to the focus on sales of RayStation®. In addition, the head office in Stockholm has now relocated to new, purpose-built premises.

Other operating income and expenses refers to exchange-rate gains and losses, with the net of these amounting to income of SEK 1.9 M (2.9) in the third quarter of 2015. This was mainly due to the major portion of accounts receivable that are denominated in USD, which strengthened in the third quarter compared with the end of the second quarter.

At September 30, 2015, some 101 (81) employees were engaged in research and development. Research and development costs include payroll costs, consulting fees and costs for computer equipment and premises. Before capitalization and amortization of development expenditures, research and development costs totaled SEK 32.6 M (18.9).

In the third quarter of 2015, capitalized development expenditure amounted to SEK 17.4 M (10.8) and in the same period, amortization of capitalized development expenditure amounted to SEK 12.6 M (14.3). After adjustments for capitalization and amortization of development costs, research and development costs totaled SEK 27.8 M (22.4).

Profit after tax during the quarter totaled SEK 14.5 M (13.2).

Geographic distribution of license revenues

In the third quarter of 2015, license revenues were distributed as follows: North America, 63 percent (29); Asia, 19 percent (26); Europe and the rest of the world, 18 percent (45).

SALES AND EARNINGS FOR THE FIRST NINE MONTHS OF 2015

Revenues and currency effects

During the first nine months of 2015, sales rose 49.7 percent year-on-year to SEK 265.6 M [177.4]. License revenues for the nine-month period of 2015 amounted to SEK 233.3 M [154.1], and rose due to increased revenues from direct sales of RayStation®. Order intake excluding service agreements amounted to SEK 267.3 M [144.4]. Of the order intake, RayStation® accounted for SEK 214.0 M [88.5]. At September 30, the order backlog for RayStation® was SEK 58.2 M [44.8]. Support revenues for the nine-month period of 2015 increased to SEK 32.3 M [23.3].

During the first nine months of 2015, revenues in USD were recognized at an average exchange rate of SEK 8.41, compared with SEK 6.67 in the year-earlier period. During the nine-month period of 2015, revenues in EUR were recognized at an average exchange rate of SEK 9.37, compared with SEK 9.05 in the year-earlier period. Accordingly, currency effects had a positive impact on sales. At unchanged exchange rates, sales would have increased 26.0 percent year-on-year.

A sensitivity analysis of currency exposure indicates that the impact of a +/-10 percent change in the average USD exchange rate on operating profit for the first nine months of 2015 was +/- SEK 30.8 M, and that the corresponding effect of a +/-10 percent change in the average EUR exchange rate was about +/- SEK 6.0 M. The company pursues the financial policy established by the Board of Directors, whereby exchange-rate changes are not hedged.

Expenses and profit

During the first nine months of 2015, operating profit amounted to SEK 51.0 M [26.6], corresponding to an operating margin of 19.2 percent [15.0]. Operating expenses, excluding exchange-rate gains and losses, increased SEK 58.7 M to SEK 207.9 M, compared with the year-earlier period. The increase in operating expenses was mainly due to higher costs for marketing and additional personnel for sales and service resulting from the focus on direct sales of RayStation®. In addition, the head office in Stockholm has now relocated to new, purpose-built premises.

Other operating income and expenses refer to exchange-rate gains and losses, with the net of these amounting to income of SEK 5.8 M [income: 4.6] during the nine-month period of 2015. This was mainly due to the major portion of accounts receivable that are denominated in USD, which strengthened during the period.

Before capitalization and amortization of development expenditures, research and development costs totaled SEK 95.6 M [66.5].

During the first nine months of 2015, capitalized development costs totaled SEK 52.4 M [39.1]. Amortization of capitalized development costs during the nine-month period of 2015 amounted to SEK 37.9 M [43.4]. After adjustments for capitalization and amortization of development costs, research and development costs totaled SEK 81.1 M [70.8].

During the nine-month period of 2015, amortization of intangible fixed assets amounted to SEK 42.2 M [44.2], of which intangible fixed assets accounted for SEK 37.9 M [43.4] and tangible fixed assets for SEK 4.3 M [0.8]. Amortization and depreciation primarily pertained to capitalized development expenditure.

In the first nine months of 2015, profit after tax was SEK 36.9 M [19.1], corresponding to earnings per share before and after dilution of SEK 1.08 [0.56]

Geographic distribution of license revenues

In the first nine months of 2015, license revenues were distributed as follows: North America, 50 percent [30]; Asia, 17 percent [34]; Europe and the rest of the world, 33 percent [36].

SEASONAL VARIATIONS

Revenues from RaySearch are subject to seasonal variations that are typical of the industry, whereby the fourth quarter is strongest, while the second quarter is usually relatively weak.

LIQUIDITY AND FINANCING

In the first nine months of 2015, cash flow from operating activities rose to SEK 70.2 M (27.8), which was primarily attributable to improved earnings. Cash flow from investing activities was a negative SEK 76.3 M (neg: 41.8), of which investments in tangible fixed assets amounted to a negative SEK 23.9 M (neg: 2.6), primarily pertaining to the head office's new premises and a new exhibition booth. Additional investments of SEK 12.8 M in tangible fixed assets, pertaining to the new head office, were financed under a finance lease and thus had no impact on cash flow. Investments in intangible fixed assets amounted to a negative SEK 52.4 M (neg: 39.1), and comprised capitalized development costs.

Cash flow for the period amounted to a negative SEK 8.8 M (neg: 13.9) and at September 30, 2015, cash and cash equivalents amounted to SEK 47.6 M (24.8). At September 30, 2015, current receivables totaled SEK 188.3 M (109.7). The receivables mainly comprised accounts receivable, and the increase was largely attributable to sharply increased sales, an extension of the average payment period for accounts receivable, and a strengthening of the USD against the SEK.

In November 2014, the company's credit facility was expanded from SEK 30 M to SEK 50 M, whereby chattel mortgages were increased to SEK 50 M. The credit facility comprises an overdraft facility of SEK 25 M and a revolving loan of up to SEK 25 M, which expires on November 4, 2017. Within the terms of the revolving loan, an amount of SEK 25 M has been borrowed until February 2016.

Of the company's credit facility of SEK 25 M, SEK 3.8 M has been blocked as collateral for bank guarantees totaling EUR 0.4 M to MedAustron.

The provision pertaining to the settlement with Prowess was reclassified as a liability during 2014, as a result of the signed settlement agreement. The liability is in USD and has been discounted since it does not carry interest. During the year, currency and discounting effects had a negative impact of SEK 0.2 M on profit from financial items.

FINANCIAL INSTRUMENTS

RaySearch's financial assets and liabilities comprise accounts receivable, cash and cash equivalents, accrued income, accrued expenses, bank loans, accounts payable and a liability attributable to the settlement agreement signed with Prowess in April 2014. The liability pertaining to the settlement is discounted, while other financial assets and liabilities have short terms. Accordingly, the fair values of all financial instruments are deemed to correspond approximately to their carrying amounts. RaySearch has not applied net accounting to any financial assets or liabilities, and has no agreements that permit offsetting.

INVESTMENTS

In the nine-month period of 2015, investments in intangible fixed assets amounted to SEK 52.4 M (39.1) and comprised capitalized development costs for RayStation® and RayCare®. Investments in tangible fixed assets amounted to SEK 36.7 M (2.6), and primarily pertained to the new head office and a new exhibition booth.

EMPLOYEES

At the end of the third quarter, the Group had 171 (132) employees, of whom 142 were based in Sweden, and 29 in foreign subsidiaries. The average number of employees during the January-September period of 2015 was 164 (123).

PARENT COMPANY

Since the Parent Company's operations match the Group's operations in all material respects, the comments for the Group are also largely relevant for the Parent Company. Development expenditure and adjustments related to finance leases are capitalized in the Group but not in the Parent Company. The Parent Company's current receivables mainly comprise receivables from Group companies and accounts receivable.

In July, the wholly owned subsidiary RayIncentive AB was merged with the Parent Company.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

AMOUNTS IN SEK 000S	JAN-SEP		JUL-SEP		OCT 2014-	FULL-YEAR
	2015	2014	2015	2014	SEP 2015	2014
Net sales	265,643	177,435	100,570	71,602	373,425	285,217
Cost of goods sold ¹⁾	-12,446	-6,334	-5,740	-2,502	-17,739	-11,627
Gross profit	253,197	171,101	94,830	69,100	355,686	273,590
Other operating income	13,682	9,213	1,983	5,311	21,272	16,803
Selling expenses	-96,792	-56,155	-38,704	-23,328	-119,070	-78,433
Administrative expenses	-30,014	-22,218	-10,147	-8,028	-38,532	-30,736
Research and development expenditure	-81,105	-70,796	-27,877	-22,450	-105,378	-95,069
Other operating expenses	-7,926	-4,552	-	-2,380	-10,169	-6,795
Operating profit	51,042	26,593	20,085	18,225	103,809	79,360
Result from financial items	-1,680	-470	-585	-168	-1,869	-659
Profit before tax	49,362	26,123	19,500	18,057	101,940	78,701
Tax	-12,464	-6,987	-5,020	-4,856	-24,346	-18,869
Profit for the period²⁾	36,898	19,136	14,480	13,201	77,594	59,832
Other comprehensive income						
Items to be reclassified to profit or loss						
Translation difference of foreign operations for the period	-2,001	-2,510	-446	-1,426	-4,376	-4,885
Items not to be reclassified to profit or loss	-	-	-	-	-	-
Comprehensive income for the period²⁾	34,897	16,626	14,034	11,775	73,218	54,947
Earnings per share, before and after dilution (SEK)	1.08	0.56	0.42	0.39	2.26	1.75

¹⁾ Does not include amortization of capitalized development expenses, which are included in Research and development expenditure.

²⁾ 100% attributable to Parent Company shareholders.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN SUMMARY

AMOUNTS IN SEK 000S	SEP 30, 2015	SEP 30, 2014	DEC 31, 2014
ASSETS			
Intangible fixed assets	178,551	162,400	164,081
Tangible fixed assets	45,072	7,367	12,951
Total fixed assets	223,623	169,767	177,032
Current receivables	188,319	109,707	156,636
Cash and cash equivalents	47,577	24,778	56,085
Total current assets	235,896	134,485	212,721
TOTAL ASSETS	459,519	304,252	389,753
EQUITY AND LIABILITIES			
Equity	286,445	213,227	251,548
Deferred tax liabilities	43,908	35,728	40,724
Long-term liabilities	52,393	24,924	41,096
Accounts payable	17,732	5,023	9,034
Other current liabilities	59,041	25,350	47,351
TOTAL EQUITY AND LIABILITIES	459,519	304,252	389,753
Pledged assets	53,800	55,400	53,800
Contingent liabilities	-	-	-

CONSOLIDATED STATEMENT OF CASH FLOW IN SUMMARY

AMOUNTS IN SEK 000S	JAN-SEP		JUL-SEP		FULL-YEAR
	2015	2014	2015	2014	2014
Profit before tax	49,362	26,123	19,500	18,057	78,701
Adjusted for non-cash items ¹⁾	42,052	37,242	16,308	10,301	46,315
Taxes paid	-10,671	-13,961	-5,344	-5,750	-15,247
Cash flow from operating activities before changes in working capital	80,743	49,404	30,464	22,608	109,769
Cash flow from changes in working capital	-10,541	-21,609	-17,371	-13,847	-59,496
Cash flow from operating activities	70,202	27,795	13,093	8,761	50,273
Cash flow from investing activities	-76,291	-41,773	-18,579	-11,457	-57,844
Cash flow from financing activities	-2,712	-	-1,012	-	24,345
Cash flow for the period	-8,801	-13,978	-6,498	-2,696	16,774
Cash and cash equivalents at the beginning of the period	56,085	38,231	53,906	27,010	38,231
Exchange-rate difference in cash and cash equivalents	293	525	169	464	1,080
Cash and cash equivalents at the end of the period	47,577	24,778	47,577	24,778	56,085

¹⁾ These amounts include amortization of capitalized development expenses of SEK 37.9 M (39.1) and exchange-rate losses of SEK 0.8 M (loss: 7.4).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN SUMMARY

AMOUNTS IN SEK 000S	JAN-SEP		FULL-YEAR
	2015	2014	2014
Opening balance	251,548	196,601	196,601
Profit for the period	36,898	19,136	59,832
Translation difference for the period	-2,001	-2,510	-4,885
Closing balance	286,445	213,227	251,548

KEY FIGURES AND CONDENSED FINANCIAL DATA

AMOUNTS IN SEK 000S	JAN-SEP			FULL-YEAR
	2015	2014	2013	2014
Net sales	265,643	177,435	114,357	285,217
Operating profit	51,042	26,593	-26,127	79,360
Operating margin, %	19.2	15.0	-22.8	27.8
Profit margin, %	18.6	14.7	-22.7	27.6
Profit/loss for the period	36,898	19,136	-25,934	59,832
Earnings per share, SEK	1.08	0.56	-0.76	1.75
Return on capital employed, %	19.5	13.3	0.7	33.7
Return on equity, %	14.8	9.4	neg	26.7
Equity/assets ratio, %	62.3	70.1	71.7	64.5
Total number of shares	34,282,773	34,282,773	34,282,773	34,282,773
Adjusted equity per share at the end of the period, SEK	8.36	6.22	5.60	7.34
Share price at the end of the period, SEK	119.00	41.70	27.30	53.00

For definitions of key figures, see page 48 of the 2014 Annual Report.

PARENT COMPANY INCOME STATEMENT IN SUMMARY

AMOUNTS IN SEK 000S	JAN-SEP		JUL-SEP		FULL-YEAR
	2015	2014	2015	2014	2014
Net sales	224,620	151,759	85,714	61,655	250,363
Cost of goods sold ¹⁾	-7,909	-2,428	-3,825	-1,043	-7,223
Gross profit	216,711	149,331	81,889	60,612	243,140
Other operating income	13,682	9,213	1,983	5,311	16,803
Selling expenses	-64,565	-35,968	-27,782	-15,539	-50,669
Administrative expenses	-30,695	-22,204	-10,397	-8,025	-30,912
Research and development expenditure	-95,575	-66,518	-32,627	-18,995	-92,472
Other operating expenses	-7,926	-4,552	-	-2,380	-6,795
Operating profit	31,632	29,302	13,066	20,984	79,095
Result from financial items	-1,230	-490	-435	-172	1,565
Profit after financial items	30,402	28,812	12,631	20,812	80,660
Appropriations	-	-	-	-	-21,029
Profit before tax	30,402	28,812	12,631	20,812	59,631
Tax	-7,287	-7,280	-2,951	-5,375	-13,651
Profit for the period	23,115	21,532	9,680	15,437	45,980

¹⁾ Does not include amortization of capitalized development expenses, which are included in Research and development expenditure.

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN SEK 000S	JAN-SEP		JUL-SEP		FULL-YEAR
	2015	2014	2015	2014	2014
Profit for the period	23,115	21,532	9,680	15,437	45,980
Other comprehensive income	-	-	-	-	-
Comprehensive income for the period	23,115	21,532	9,680	15,437	45,980

PARENT COMPANY BALANCE SHEET IN SUMMARY

AMOUNTS IN SEK 000S	SEP 30, 2015	SEP 30, 2014	DEC 31, 2014
ASSETS			
Tangible fixed assets	27,900	5,772	6,975
Financial fixed assets	484	2,493	2,493
Total fixed assets	28,384	8,265	9,468
Current receivables	225,138	144,209	185,239
Cash and cash equivalents	32,456	7,962	47,935
Total current assets	257,594	152,171	233,174
TOTAL ASSETS	285,978	160,436	242,642
EQUITY AND LIABILITIES			
Equity	159,823	111,765	136,213
Untaxed reserves	21,029	-	21,029
Long-term liabilities	37,995	24,924	36,853
Accounts payable	19,974	5,770	9,823
Other current liabilities	47,157	17,977	38,724
TOTAL EQUITY AND LIABILITIES	285,978	160,436	242,642
Pledged assets	53,800	55,400	53,800
Contingent liabilities	-	-	-

OTHER INFORMATION

ACCOUNTING POLICIES IN ACCORDANCE WITH IFRS

This condensed interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and the applicable provisions of the Swedish Annual Accounts Act. The Parent Company's financial statements have been prepared pursuant to Chapter 9 of the Swedish Annual Accounts Act, Interim Financial Reporting. The same accounting policies and measurement bases applied in the most recent Annual Report have been used to prepare the Group and Parent Company accounts. New or revised IFRS standards in 2015 have not impacted RaySearch during the period.

RISKS AND UNCERTAINTIES IN THE GROUP AND THE PARENT COMPANY

Financial risk management

RaySearch's financial policy governing the management of financial risks has been established by the Board of Directors and represents a framework of guidelines and rules in the form of risk mandates and limits for financial activities.

RaySearch is primarily affected by exchange-rate risk. The predominant part of RaySearch's net sales is denominated in USD and EUR. In accordance with the established financial policy, no currency hedging has been employed. The financial policy is updated at least once annually.

Operational risks

As a result of its activities, RaySearch is exposed to various operational risks, including the following: dependence on key persons, competition, legal disputes and strategic partnerships. For a more detailed description of RaySearch's risks and risk management, refer to page 27 of the 2014 Annual Report. No significant changes have been made to the risk assessment compared with the 2014 Annual Report.

RELATED-PARTY TRANSACTIONS

No transactions between RaySearch and related parties materially affected the company's position and earnings during the period.

ESTIMATES

Preparation of the interim report requires that company management makes estimates that affect the carrying amounts of assets, liabilities, revenues and expenses. The actual outcome could deviate from these estimates. The critical sources of uncertainty in the estimates are the same as those in the most recent Annual Report.

Stockholm, November 25, 2015

Johan Löf
President and Board member

AUDITORS' REPORT ON THE REVIEW OF THE INTERIM REPORT

INTRODUCTION

We have reviewed the condensed interim report for RaySearch Laboratories AB (publ) as at September 30, 2015 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements 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 and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

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

Stockholm, November 25, 2015

Ernst & Young AB

Per Hedström
Authorized Public Accountant

FOR FURTHER INFORMATION, PLEASE CONTACT:

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FORTHCOMING FINANCIAL INFORMATION

Year-end report	February 18, 2016
Interim report for first quarter	May 12, 2016
Annual General Meeting	May 17, 2016

ABOUT RAYSEARCH

RaySearch Laboratories AB (publ) is a medical technology company that develops advanced software solutions for improved radiation therapy of cancer. RaySearch markets the RayStation® treatment planning system to clinics all over the world. In addition, RaySearch's products are distributed through licensing agreements with leading medical technology companies. RaySearch's software is used by over 2,600 clinics in more than 65 countries. RaySearch was founded in 2000 as a spin-off from Karolinska Institute in Stockholm and the company is listed in the Small Cap segment on Nasdaq Stockholm.

More information about RaySearch is available at www.raysearchlabs.com.