

# C-RAD AB - INTERIM REPORT

## JANUARY-JUNE 2019

Press release August 30, 2019

### RECORD HIGH ORDER BACK LOG

#### SECOND QUARTER 2019

- Order intake: 64.1 (56.4) MSEK.
- Order backlog: 214,5 (156,5) MSEK.
- Revenues: 51.5 (51.9) MSEK.
- EBITDA: 1.9 (3.1) MSEK.
- Operating profit: -0.6 (2.0) MSEK.
- Net results after tax: -0.9 (1.6) MSEK.
- Result per share: -0.03 (0.05) SEK.

#### SIGNIFICANT EVENTS DURING THE QUARTER

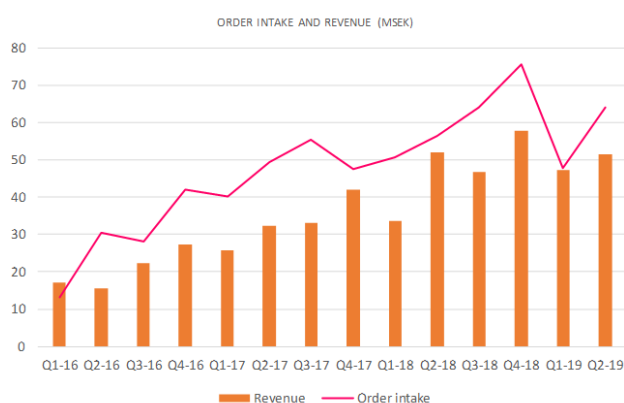
- C-RAD and OPASCA announce strategic partnership.
- Peter Eidsenjö leaves C-RAD's board of directors.

#### SIGNIFICANT EVENTS AFTER THE QUARTER END

- C-RAD and Elekta sign agreement to distribute C-RAD's cutting-edge SIGRT solutions in North America and Mexico.
- MVZ Prof. Dr. Uhlenbrock and Partner decides for C-RAD's innovative SIGRT solution. Order value 9 MSEK.
- C-RAD and Mevion Release Integration for Improved Treatment Quality in Proton Therapy.
- Stockholm patent and Market court resolution confirms C-RAD's claim for Beamocular patent.

#### INTERIM PERIOD JAN-JUN 2019

- Order intake: 111.9 (107.0) MSEK.
- Revenues: 98.8 (85.7) MSEK.
- EBITDA: 5.5 (-0.5) MSEK.
- Operating profit: 0.7 (-2.7) MSEK.
- Net results after tax: 0 (-3.3) MSEK.
- Result per share: 0.00 (-0.11) SEK.



### SUMMARY FINANCIAL RESULT

MSEK	Q2, APR-JUN			INTERIM PERIOD JAN-JUN			FULL YEAR
	2019	2018	Change	2019	2018	Change	2018
Order intake	64,1	56,4	14%	111,9	107,0	5%	246,8
Revenues	51,5	51,9	-1%	98,8	85,7	15%	190,1
Gross profit	29,3	27,3	7%	57,4	47,0	22%	110,1
Gross profit margin (%)	57%	53%		58%	55%		58%
EBITDA	1,9	3,1		5,5	-0,5		7,4
Operating profit	-0,6	2,0		0,7	-2,7		0,8
Net results after tax	-0,9	1,6		0,0	-3,3		21,2
Cash	27,5	6,3	336%				9,3
Share price balance sheet day, SEK	36,60	31,20	17%				25,80
Order backlog	214,5	156,5	37%				194,0
out of which Products	119,0	105,0	13%				120,2
out of which Service contracts	95,5	51,5	85%				73,8

# COMMENTS FROM THE CEO

**The order backlog amounted to a record of 214,5 (156,5) MSEK as prove the demand for C-RAD's products is growing.**

Total order intake for the second quarter amounted to 64,1 MSEK, compared to 56,4 MSEK in the same period last year - an increase of 14%. The business in the Americas continues to grow, with 48 percent, and APAC with 35 percent. Going forward, we see that the radiotherapy market in the APAC region – especially China - is growing considerably. With a well-established organization and a cooperation with the majority of the National Cancer Center, C-RAD is in a leading position. In our largest region EMEA we had a decline in order intake of 4 percent in Q2 compared to Q2 last year, primarily caused by lower sales in central Europe.

We are having a well performing services business and the sales of service contracts came in very strong and increased with more than 200 percent to 17 MSEK. This is providing stable future income streams based on continuous payments and creates long-term customer relations over the lifetime of the product.

Order intake of our positioning products decreased by 10 percent from 44,6 MSEK to 40 MSEK. Following order intake and a somewhat longer order conversion period (7 months vs 5 during the same quarter last year) revenue during the second quarter stayed about on the same level (51,5 MSEK) as during the same period last year (51,9 MSEK).

**”Looking at the first half of the fiscal year 2019 order intake grew with 5 percent from 107 MSEK to 111,9 MSEK; revenue increased with about 15 percent from 85,7 MSEK to 98,8 MSEK in 2019.”**

Looking at the first half of the fiscal year 2019 order intake grew with 5 percent from 107 MSEK to 111,9 MSEK; revenue increased with about 15 percent from 85,7 MSEK to 98,8 MSEK in 2019.

The overall result is behind our expectations and partly related to the fluctuations between the quarters that we have seen in the past and will see in the future. The underlying market continues to grow significantly –



our assessment remains unchanged that surface tracking is evidently on its way to become standard of care. This together with C-RAD's leading technology is forming the base for our growth expectation going forward. At the same time there are strategical changes occurring in the market. These changes are consequences both from acquisitions done and newly formed partnerships between different market players, and have created a wait-and-see-momentum for some customers. We clearly see this as a temporary effect, the underlying market has not changed, long-term the growth rate will remain the same and C-RAD continue to be well-positioned in this growing market.

In July C-RAD announced that we are extending our strategic partnership with Elekta, a sales and distribution agreement was signed. The agreement enables Elekta to offer C-RAD's high end surface tracking solution for stereotactic treatments and for motion management to start with in North America and Mexico and eventually in other markets. We are expecting to see the first results from this strategic cooperation in the beginning of next year. It is a very positive signal, that Elekta has selected C-RAD as their strategic partner for this cooperation to meet the growing demand for SIGRT.

**“EBITDA in the second quarter was 1,9 MSEK and therewith we are delivering a positive EBITDA for the fifth quarter in a row. For the first half year EBITDA improved from -0,5 MSEK in 2018 to 5,5 MSEK in 2019.”**

EBITDA in the second quarter was 1,9 MSEK and therewith we are delivering a positive EBITDA for the fifth quarter in a row. For the first half year EBITDA improved from -0,5 MSEK in 2018 to 5,5 MSEK in 2019.

During the quarter we have strengthened our organization within the important sales regions and also a COO, in order to be even better suited for a growing organization and a growing demand for our products and solutions.

Also, in July C-RAD received a large order worth about 9 MSEK from our prestigious customer, MVZ Prof. Dr.

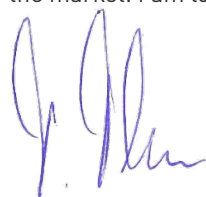
Uhlenbrock and Partner, as is a. leading medical centers offering radiology, nuclear medicine, and radiation therapy in the Ruhr area in Germany.

We get more frequent feedback from our customer that patients are actively asking their treatment center if they are equipped with surface tracking. This is a very positive signal and shows that the advantages of this technology are not only of clinical nature but translate also into competitive advantages for the health care provide and contribute to attract patients to our customer.

During this year C-RAD developed its surface tracking solution specifically for the proton market. Proton therapy are the spearhead of precision radiation therapy. Accurate patient setup and positioning throughout the entire treatment are crucial for the clinical success. Together with Mevion – a Boston based vendor of compact proton therapy systems – and the proton therapy center in Maastricht C-RAD developed a fully integrated solution of its Catalyst PT to enhance user comfort and patient safety.

**“For the last 3 years, C-RAD has been growing faster than the market.”**

For the last 3 years, C-RAD has been growing faster than the market. Now we see that the growth is temporarily slowing down. Going forward, with our newly formed strategic partnership, we expect to outgrow the market again. Overall, we are well positioned and stand firm to take advantage of the exciting and growing opportunities in the market. I am looking forward to the rest of the year.



**Tim Thurn, CEO**

# FINANCIAL DEVELOPMENT, GROUP

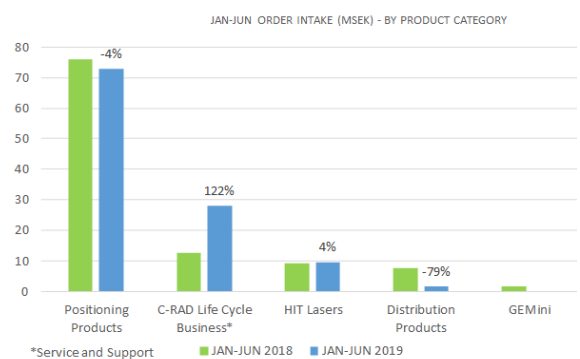
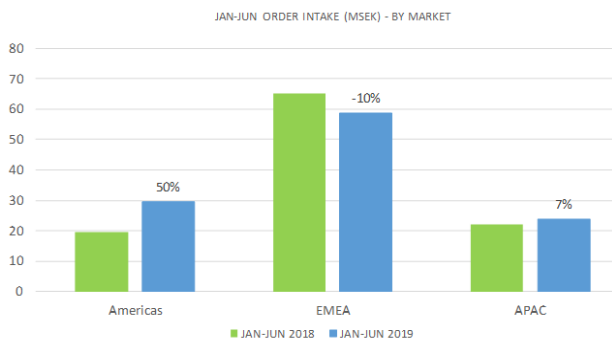
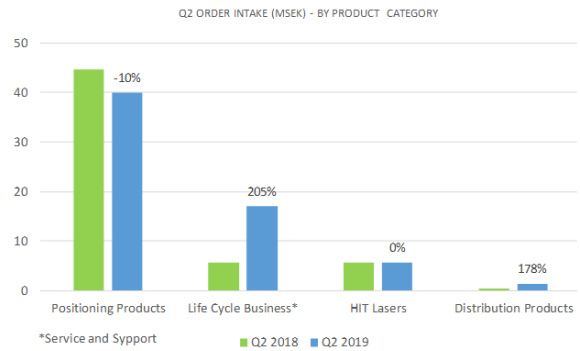
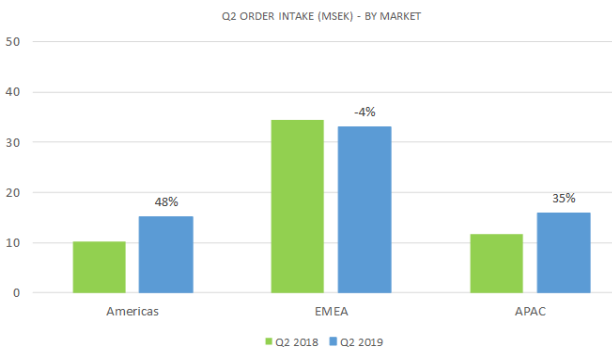
## ORDER INTAKE

Order intake during the second quarter increased by 14 percent to 64.1 (56.4) MSEK. This increase is primarily attributable to sales in the US as well as in China and Japan in the APAC-region. Sales of service contracts (Life Cycle Business) increased by 205 percent compared to the same period 2018, largely attributable to the US. Sales of positioning products decreased by 10 percent in the quarter. The strategical changes occurring in the market related to acquisitions done and newly formed partnerships between different market players have created a wait-and-see-momentum for some customers which we clearly see as a temporary effect. The long-term interest and demand in the marketplace continue to grow, but order intake volume may fluctuate between the quarters.

The order backlog amounted to record high 214.5 (156.5) MSEK on the balance sheet day, indicating the future revenue. The increased sale of service contracts results in an order backlog for Life Cycle Business of 95.5 (51.5) MSEK. Revenue from service contracts guarantees a stable revenue over a longer period of time.

Order intake during January – June increased by 5 percent and amounted to 111.9 MSEK compared to 107 MSEK during 2018. Our US activities have had a strong start of the year with an increase of 50 percent while order intake in APAC was relatively unchanged compared to last year and order intake in the EMEA-region decreased by 10 percent.

After the end of the reporting period, the company received an order of approximately 9 MSEK for C-RADs surface tracking solution based on Catalyst HD™ and Sentinel 4DCT™. The buyer was MVZ Uhlenbrock & Partner GmbH in Dortmund, Germany - a privately-owned health care provider with sites at multiple locations in the Ruhr area, covering medical services from radiology, radiation therapy and nuclear medicine.



## STRATEGICAL PARTNERSHIPS

C-RAD provides a unique cutting-edge technology within cancer care. We have our competence in specific areas and to broaden our value proposition to the customers and increase the potential of sales on existing and new markets, strategic agreements with both larger players and smaller, more niched companies, have been established. The company has recently entered into cooperation with both OEMs on the sales side and started development cooperation with suppliers for new products.

In July, a sales and distribution agreement was signed with Elekta. C-RAD and Elekta have worked together for several years to provide SIGRT technology to new and existing customers worldwide. Whereas in the past the cooperation was on project by project basis, this agreement focuses on a strategic cooperation to provide a comprehensive solution based on C-RAD's SIGRT solution and Elekta linacs. The sales and distribution agreement is scheduled to start in North America and Mexico and eventually expand to other markets.

In April, a cooperation agreement was put in place between C-RAD and OPASCA, to bring radiotherapy departments to the next level of safety and accuracy with a solution combining C-RAD and OPASCA products. According to the agreement, OPASCA will manufacture for C-RAD its Patient Validation module that is now sold by C-RAD in selected markets under the name cPatient™. These markets include USA, China, Nordics and DACH region of Europe, as well as in some other European countries and Australia.

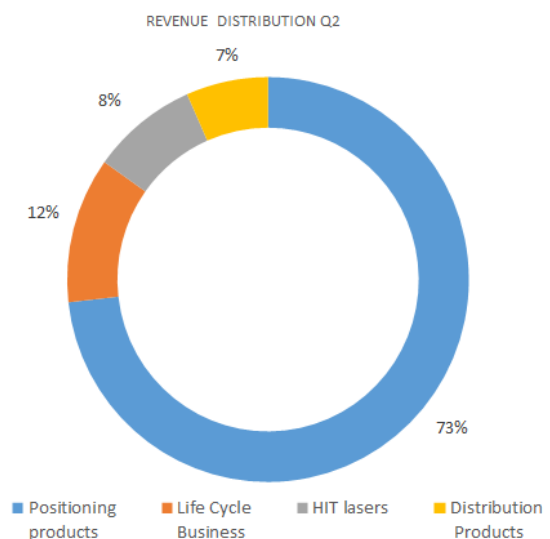
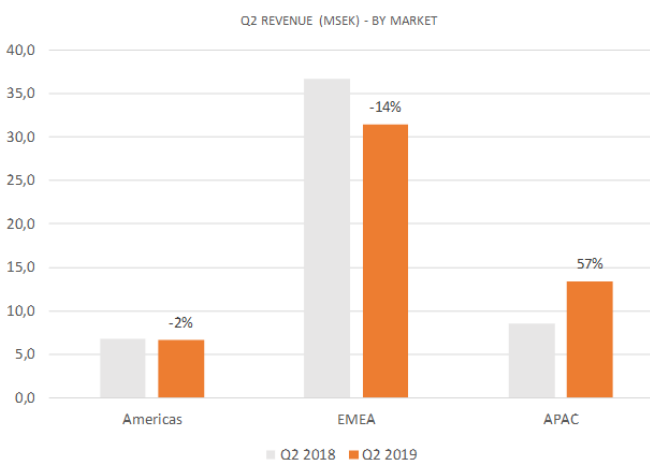
In August, C-RAD and Mevion Medical Systems released an integration between the C-RAD Catalyst PT™ and the MEVION S250i Proton Therapy System ®. The union of both products supports a seamless workflow with uninterrupted patient surface tracking monitoring from setup through treatment. The release is a result of the cooperation agreement entered into by the parties in 2018. The Catalyst PT system is now available to current and future Mevion customers.

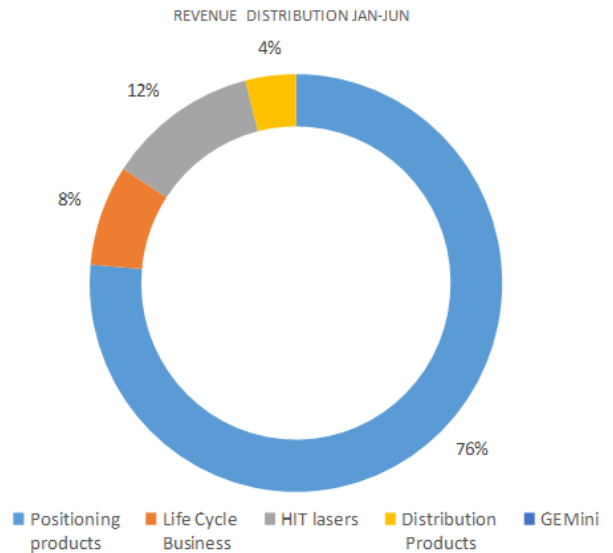
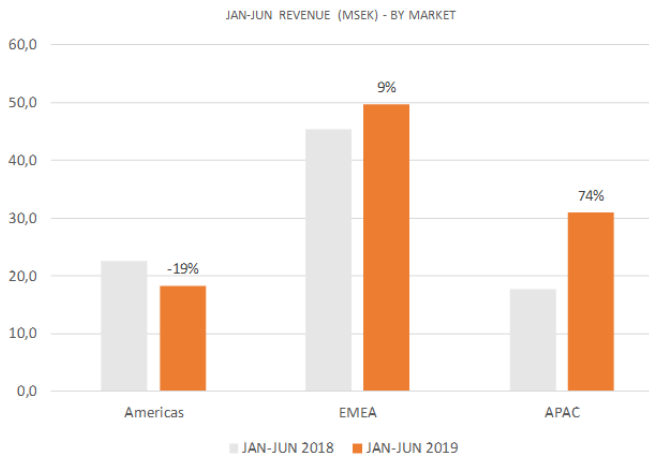
C-RAD and the German company IBA Dosimetry GmbH have mutually agreed to terminate the distribution agreement between the parties by end of September. With the constantly increasing interest in our positioning products and the new products that C-RAD is launching to the market, the company has decided to focus its resources on the core business and to serve more customers through its direct sales organization. The discontinuation of the distribution of the dosimetry products will have a neglectable impact on revenue and operating profit going forward.

## REVENUES

Revenues amounted to 51.5 (51.9) MSEK in the quarter. Revenues from APAC increased by 57 percent while revenues from EMEA-region decreased by 14 percent. It should be noted that most of the deliveries related to NKS were made during the second quarter 2018, which meant that revenues for EMEA-region was higher than usual during the quarter 2018.

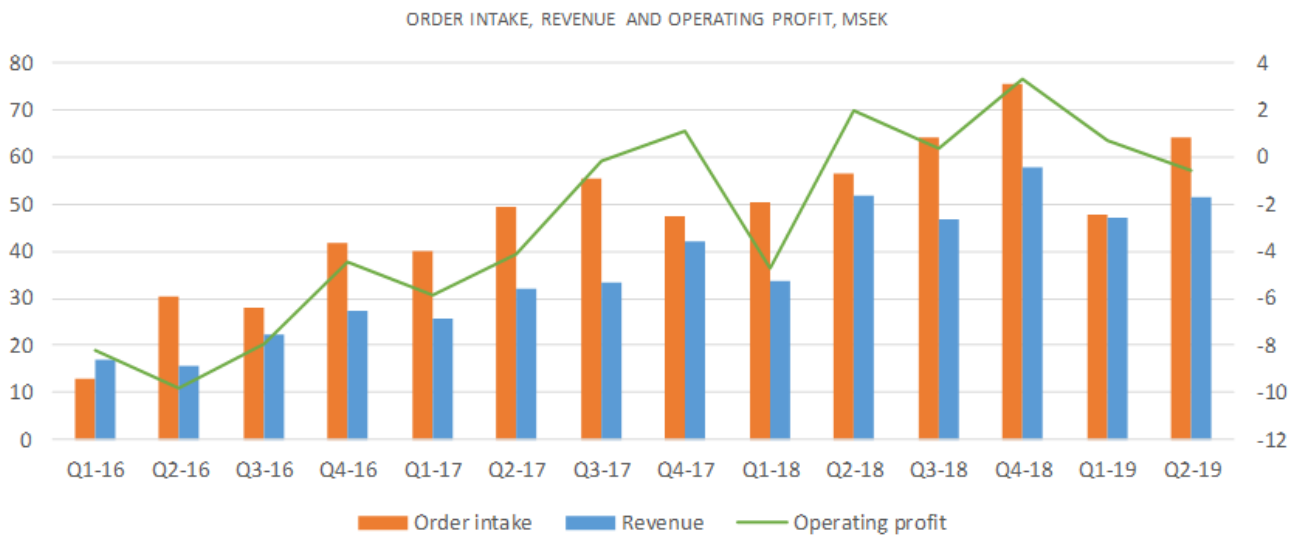
Revenues during the period January – June increased by 15 percent and amounted to 98.8 (85.7) MSEK.





## 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. As the larger part of C-RAD's cost base is fixed, fluctuations in revenue have a direct impact on the quarterly operating profit. Volatility in order intake between quarters and markets is to be expected in our business.

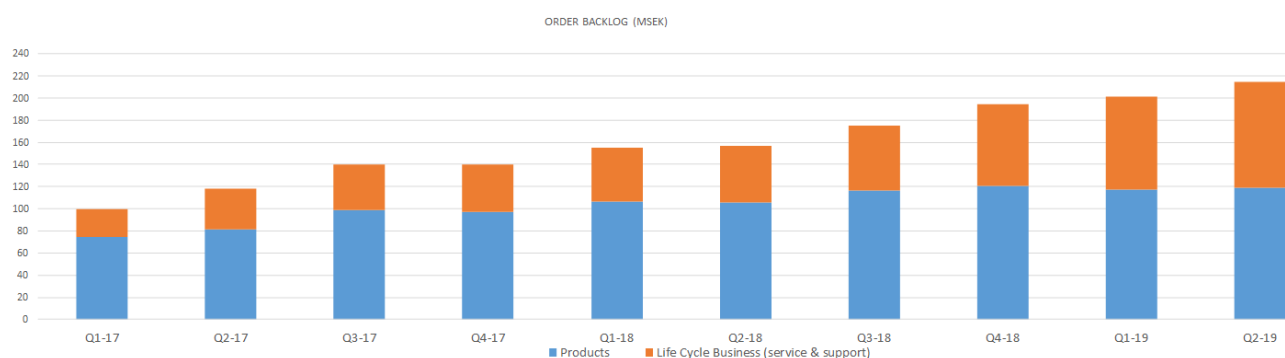


## ORDER BACKLOG AND ORDER CONVERSION RATE

The order backlog represents orders that have been received but not delivered and invoiced. The backlog amounted to record high 214.5 MSEK at the end of the second quarter of 2019 compared to 156.5 MSEK in the same period of 2018, an increase of 37 percent. From the total order backlog, 119 (105) MSEK relates to products and 95.5 (51.5) MSEK refer to Life Cycle Business (service contracts).

The weighted average delivery time for products recognized as revenue in the second quarter was just above 7 months (five months in the same quarter 2018). This is the time from receiving an order until the order is delivered and revenue recognized, based on deliveries of C-RADs own products. This is slightly higher than the normal six months but we do not see any structural change. The somewhat higher average delivery time is affecting the revenue for the quarter, which mean that revenue can fluctuate between different quarters.

14.6 MSEK of the order backlog for Life Cycle Business will be recognized as revenue within 12 months, as service contracts are recognized as revenue over the contract period. This can be compared to revenues of 12.1 MSEK for the last 12 months. The service contract can be up to eight years while the average duration is around five years.



## GROSS PROFIT

Gross profit margin was 57 percent during the second quarter 2019, compared to 53 percent during the same period 2018. Fluctuations in gross profit can be expected in shorter periods as it is dependent on the product mix and market as well as the exchange rate fluctuations.

Gross profit margin for the period January–June amounted to 58 percent compared to 55 percent during 2018.

## OPERATIONAL EXPENSES

Operational expenses for the second quarter amounted to 14.7 (11.0) MSEK. The increase is mainly related to the ongoing disputes concerning trade secrets and better right to patents. The District Court judged that C-RAD should reimburse the defendant 1.7 MSEK for legal fees, which has been taken as a cost in the second quarter. As C-RAD has appealed the case, the amount is currently locked with the Enforcement Authority. In July, the Market and Patent Court confirmed C-RADs entitlement to the patent in the dispute concerning better right to patent. As the opponent party has filed for bankruptcy during the process it is not clear to what degree C-RAD may receive reimbursement for its legal cost for the case and all own legal fees have been recognized as cost in the income statement. The company's own legal cost for the cases amounted to 1.1 MSEK in the quarter and 1.3 MSEK during the first half of the year.

Other increase is mainly related to consultancy fees in development projects that is being activated, and increased expense for travelling and marketing.

The implementation of IFRS 16, Leasing, by January 1st, means that approximately 0.6 MSEK related to office and car lease contracts were accounted for as amortization instead of as previously Operational expenses in the quarter.

For the full period January – June, operational expenses amounted to 25.0 (20.7) MSEK.

## PERSONNEL EXPENSES

Personnel expenses for the second quarter 2019 amounted to 15.6 (14.5) MSEK. The increase compared to last year is mainly related to recruitment costs incurred during the quarter as we are strengthening the sales organization in important regions and have recruited a COO. Personnel expenses for January to June amounted to 30.4 (28.8).

The average number of employees was unchanged during the second quarter of 2018 compared to the corresponding period in 2019. At the end of June 2019, the number of employees in the Group amounted to 54 (54).

## CAPITALIZED DEVELOPMENT COSTS

Capitalizations during the second quarter of 2019 of 1.6 (0.8) MSEK are related to continued development of the Positioning products. Amortization of capitalized development expenditures amounted to 1.3 (0.6) MSEK during the quarter. For the full first half of the year, 2.2 (1.7) MSEK have been capitalized and 2.6 (1.1) MSEK has been amortized.

Total capitalized development costs amounted to 22.5 (24.3) MSEK at the end of June.

## GEMini

The cooperation project with the Chinese company Beijing HGPT Technology & Trade Co., Ltd related to the GEMini Portal imaging and dosimetry detector is proceeding. The results from the joint testing is not yet completed.

## NET FINANCIAL INCOME

Net financial income for the quarter amounted to -0.5 (-0.4) MSEK and -0.7 (-0.6) MSEK for the full period January-June.

## NET RESULT AFTER TAX

Net results after tax in the quarter amounted to -0.9 (1.6) MSEK, corresponding to -0.03 (0.05) SEK per share. For January-June, net result after tax amounted to 0.0 (-3.3), corresponding to 0.00 (-0.11) SEK per share.

## FINANCING AND CASH FLOW

Cash flow during April - June amounted to 0.7 (0.6) MSEK. Operating cash flow was -3.7 (-3.7) MSEK. Cash flow from financing activities amounted to 7.9 MSEK. Utilization of credit facilities increased by 8.3 MSEK up to 13.1 MSEK during the quarter.

By June 30, C-RADs total available funds amounted to 36.4 (18.6) MSEK, out of which cash balance amounted to 27.5 (6.3) MSEK and unutilized credit facilities amounted to 8.9 (12.3) MSEK. Utilized credit facilities as of balance sheet day amounted to 13.1 (19.7) MSEK.

## DISPUTES

The Stockholm Patent and Market court confirms C-RAD's entitlement to the patent application "Ionizing radiation detecting device" in its verdict published on July 26th. C-RAD filed a patent entitlement lawsuit in May 2017 against the company Beamocular AB. Beamocular has appealed the verdict.

C-RAD Imaging AB, a subsidiary of the C-RAD group, has had a dispute since December 2017 with a former employee, who has also been CEO of the same subsidiary. The dispute is about the question if C-RAD trade secrets have been revealed in connection with the employment of the employee being ended. The verdict from Uppsala District Court in June ruled in favor of the defendant and informed C-RAD to reimburse the other party for legal fees incurred, amounting to 1.7 MSEK. C-RAD has appealed the verdict.

## SIGNIFICANT RISKS AND UNCERTAINTIES

Reference is made to the Annual Report for 2018 page 49-53, regarding significant risks and uncertainties, and how these are managed.



## SHARES

As of June 30, 2019, the total number of shares in C-RAD were 31 021 036, out of which 862 887 A-shares and 30 158 149 B-shares. Total number of voting rights amounted to 38 787 019, out of which for A-shares 8 628 870 voting rights and for B-shares 30 158 149 voting rights.

The Company's registered share capital was 4.7 MSEK. During the quarter, a new issue of 264 000 shares related to the incentive program 2016-2019 was carried out. The strike price was 11.80 SEK per share and the average price of the warrants was 1.12 per warrant, corresponding to an increase of the share capital of 127,000 SEK and an increase of the additional paid-in capital of 3,285,200 SEK.

## ONGOING 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:

	Number of subscribed warrants	Start date	Earliest date for exercise	Latest date for exercise	Exercise price (kr/aktie)	Average warrant price (SEK/warrant)	Total capital increase as per balance sheet day (SEK)	Total capital increase upon exercise 100% (SEK)
Incentive program 2017/2020	232 618	2017-05-16	2020-02-01	2020-04-30	21,21	3,4	790 901	5 724 729
Incentive program 2018/2021	96 000	2018-06-15	2021-02-01	2021-04-30	40,54	4,8	459 800	4 351 640
Incentive program 2019/2022	53 581	2019-05-23	2022-02-01	2022-04-30	47,64	4,2	225 040	2 777 639

The board has extended the subscription period for incentive program 2019/2022 and the remaining 46 419 are expected to be subscribed for, as the interest from the employees has been high.

## OTHER SIGNIFICANT EVENTS DURING THE QUARTER

C-RADs Annual General Meeting on May 8, 2019, decided amongst other things to re-elect the directors Lars Nyberg, Peter Hamberg, Kicki Wallje-Lund, Åsa Hedin, Peter Eidensjö, and David Sjöström. Lars Nyberg was re-elected as Chairman of the Board.

The AGM also decided to issue maximum 100,000 warrants to be offered to the employees in the group.

The AGM gave the board a mandate until the next AGM to, at one or more occasions, decide on a new share issue of B-shares, convertibles and/or warrants with right to subscribe to B-shares, leading to a maximum increase of B-shares of 2,500,000, with or without preferential right for existing shareholders within the limits of the Articles of Association, to be paid in cash, by postage or by set-off.

Peter Eidensjö has announced that he resigns from the Company's board of directors, effective June 19, 2019.

## OTHER SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no other significant events after the reporting period.

## PARENT COMPANY

No operations are carried in the Parent Company except for Group Management and administration. For the period January to June, revenues for the Parent Company amounted to 8.2 (10.8) MSEK and the operating loss was -2.0 (-0,7) MSEK. During the second quarter, a shareholder's contribution of 3.7 MSEK was made to Cyrpa International Sprl, which was also written-off to the amount of 1.4 MSEK during the quarter. This has no effect on the consolidated figures for the group.

## UPCOMING EVENTS

October 25, 2019      Interim report for July-September, 2019.  
January 31, 2020      Year-End Report 2019. Webcast.

## PRESENTATION OF INTERIM REPORT

CEO Tim Thurn and CFO Therése Björklund will present the interim report by Webcast on Friday August 30 at 11:00 CEST. After the presentation, there will be room for questions and answers. The presentation will be held in English. To participate in the presentation live, please register your cooperation at: <https://attendee.gotowebinar.com/register/5659643046196070669>.

## CERTIFICATION BY THE BOARD

The board of directors and the Chief Financial Officer of C-RAD AB confirms that this interim report provides a true and fair view of the Group's operations, financial position and earnings, and provides an overview of the significant risks and uncertainties that the company and the group companies are facing.

If there are any deviations between the reports in English and Swedish, the Swedish version is valid.

This interim report has not been reviewed by the company auditors.

Uppsala, August 30, 2019

Lars Nyberg  
Chairman of the Board

Kicki Wallje-Lund  
Director

Åsa Hedin  
Director

Peter Hamberg  
Director

Tim Thurn  
CEO

David Sjöström  
Director

## C-RAD AB (PUBL)

C-RAD AB (publ)  
Bredgränd 18, SE-753 20 Uppsala  
Telefon +46 (0)18 - 66 69 30  
[www.c-rad.com](http://www.c-rad.com)  
Org. nr. 556663-9174

For more information:  
Tim Thurn, CEO, Phone: +46 (0)18 66 69 30

C-RAD AB is listed on Nasdaq Stockholm Small Cap since December 2014. The information in this interim report is such that C-RAD is required to disclose pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act.

The information was submitted for publication, through the agency of the contact person set out above, on August 30, 2019 at 8:30 am.

<b>Consolidated Income Statement in brief</b>	<b>Q2</b>	<b>Q2</b>	<b>Jan-Jun</b>	<b>Jan-Jun</b>	<b>Full Year</b>
<b>Mkr</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
Revenues	51,5	51,9	98,8	85,7	190,1
Raw material and consumables	-22,2	-24,6	-41,4	-38,7	-80,0
<b>Gross profit</b>	<b>29,3</b>	<b>27,3</b>	<b>57,4</b>	<b>47,1</b>	<b>110,1</b>
Gross profit margin	57%	53%	58%	55%	58%
Other external expenses	-14,7	-11,0	-25,0	-20,7	-45,6
Personnel expenses	-15,6	-14,5	-30,4	-28,8	-59,3
Capitalized development costs	1,6	0,8	2,2	1,7	3,4
Depreciation	-2,4	-1,1	-4,7	-2,2	-6,6
Other operating income/expenses	1,2	0,4	1,2	0,2	-1,3
Total operating expenses	-29,8	-25,4	-56,5	-49,8	-109,3
<b>Operating income</b>	<b>-0,6</b>	<b>2,0</b>	<b>0,8</b>	<b>-2,7</b>	<b>0,8</b>
Financial income	0,0	0,0	0,0	0,0	0,4
Financial costs	-0,5	-0,4	-0,7	-0,6	-1,0
<b>Income before tax</b>	<b>-1,1</b>	<b>1,6</b>	<b>0,1</b>	<b>-3,3</b>	<b>0,2</b>
Tax	0,2	0,0	0,0	0,0	21,0
<b>Net income</b>	<b>-0,9</b>	<b>1,6</b>	<b>0,1</b>	<b>-3,3</b>	<b>21,2</b>
(Attributable to Parent company's shareholders)					
Results per share before dilution	-0,03	0,05	0,00	-0,11	0,69
Results per share after dilution	-0,03	0,05	0,00	-0,11	0,68

<b>Consolidated Statement of Comprehensive Income</b>	<b>Q2</b>	<b>Q2</b>	<b>Jan-Jun</b>	<b>Jan-Jun</b>	<b>Full Year</b>
<b>MSEK</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
<b>Net income</b>	<b>-0,9</b>	<b>1,6</b>	<b>0,0</b>	<b>-3,3</b>	<b>21,2</b>
<b>Other comprehensive income</b>					
<b>Income/expenses recognized in equity</b>					
Exchange differences on translating foreign operations	-0,6	-0,3	0,0	-0,4	0,5
<b>Other comprehensive income of the period (after tax)</b>	<b>-1,4</b>	<b>1,2</b>	<b>0,0</b>	<b>-3,8</b>	<b>21,7</b>
<b>Total comprehensive income for the period</b>	<b>-1,4</b>	<b>1,2</b>	<b>0,0</b>	<b>-3,8</b>	<b>21,7</b>
(Attributable to Parent company's shareholders)					

Segment Reporting	Q2	Q2	Jan-Jun	Jan-Jun	Full Year
MSEK	2019	2018	2019	2018	2018
<b>Revenues by segment</b>					
Positioning	51,5	32,0	98,8	85,1	189,5
Imaging	0,0	0,2	0,0	0,6	0,6
<b>Total revenues</b>	<b>51,5</b>	<b>32,2</b>	<b>98,8</b>	<b>85,7</b>	<b>190,1</b>
<b>Income by segment</b>					
Positioning	3,2	-4,1	5,7	-1,4	4,1
Imaging	-3,8	0,0	-5,0	-1,3	-3,3
<b>Operating income</b>	<b>-0,6</b>	<b>-4,1</b>	<b>0,7</b>	<b>-2,7</b>	<b>0,8</b>

Segment reporting is based on the same accounting principles as applied in the consolidated financial statement for 2018.

	Q2	Q2	Jan-Jun	Jan-Jun	Full Year
<u>Revenue per geographical market</u>	2019	2018	2019	2018	2018
Americas	11,7	6,7	18,3	22,5	36,1
EMEA	26,4	36,6	49,6	45,4	109,2
APAC	13,4	8,6	30,9	17,8	44,8
<b>Total</b>	<b>51,5</b>	<b>51,9</b>	<b>98,8</b>	<b>85,7</b>	<b>190,1</b>

	Q2	Q2	Jan-Jun	Jan-Jun	Full Year
<u>Revenue per product category</u>	2019	2018	2019	2018	2018
Positioning products	37,7	33,8	75,5	61,3	145,1
HIT Laser	6,0	3,8	11,7	8,0	20,1
Life Cycle Business	4,4	1,9	7,7	3,6	8,1
Distribution	3,4	11,9	3,9	12,3	16,3
GEMini	0,0	0,5	0,0	0,5	0,5
<b>Summa</b>	<b>51,5</b>	<b>51,9</b>	<b>98,8</b>	<b>85,7</b>	<b>190,1</b>

<b>Consolidated Balance Sheet in brief MSEK</b>	<b>30-06-2019</b>	<b>30-06-2018</b>	<b>31-12-2018</b>
Intangible assets	26,5	28,7	26,9
Tangible assets	2,6	1,6	1,3
Right-of-use assets	12,5	0,0	0,0
Long-term receivables	0,1	0,1	0,1
Deferred tax receivables	28,1	7,1	28,1
<b>Total non-current assets</b>	<b>69,8</b>	<b>37,5</b>	<b>56,4</b>
Inventory	9,2	11,3	11,7
Current receivables	71,6	68,9	69,2
Cash and liquid assets	27,5	6,3	9,3
<b>Total current assets</b>	<b>108,4</b>	<b>86,5</b>	<b>90,2</b>
<b>Total assets</b>	<b>178,2</b>	<b>124,0</b>	<b>146,6</b>
Equity	96,7	68,4	93,6
Lease liabilities	12,7	0,0	0,0
Other non-current liabilities	20,0	0,0	0,0
<b>Total non-current liabilities</b>	<b>32,7</b>	<b>0,0</b>	<b>0,0</b>
Current liabilities	48,8	55,6	53,0
<b>Total equity and liabilities</b>	<b>178,2</b>	<b>124,0</b>	<b>146,6</b>

<b>Consolidated Cash Flow Statement in brief MSEK</b>	<b>Q2 2019</b>	<b>Q2 2018</b>	<b>Jan-Jun 2019</b>	<b>Jan-Jun 2018</b>	<b>Full Year 2018</b>
Operating income	(0,6)	2,0	0,7	(2,7)	0,8
Adjustment for non-cash items	2,5	1,2	5,0	2,1	8,0
Interests paid	(0,4)	(0,4)	(0,7)	(0,6)	(0,9)
<b>Cash flow from operating activities before working capital changes</b>	<b>1,5</b>	<b>2,8</b>	<b>5,0</b>	<b>(1,2)</b>	<b>7,9</b>
Changes in working capital	(5,3)	(6,5)	2,3	(14,6)	(17,5)
<b>Cash flow from operating activities</b>	<b>(3,7)</b>	<b>(3,7)</b>	<b>7,4</b>	<b>(15,8)</b>	<b>(9,6)</b>
Investments	(3,4)	(0,8)	(4,3)	(1,7)	(4,0)
<b>Cash flow from investing activities</b>	<b>(3,4)</b>	<b>(0,8)</b>	<b>(4,3)</b>	<b>(1,7)</b>	<b>(4,0)</b>
New share issue	0,0	0,0	3,1	0,0	0,0
Premiums received for warrants	0,2	0,3	0,2	0,3	0,5
New borrowings/amortization of loan	8,3	4,9	13,1	9,0	8,7
Amortization of lease liabilities	(0,6)	0,0	(1,1)	0,0	0,0
<b>Cash flow from financing activities</b>	<b>7,9</b>	<b>5,2</b>	<b>15,3</b>	<b>9,3</b>	<b>9,2</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>0,7</b>	<b>0,6</b>	<b>18,3</b>	<b>(8,2)</b>	<b>(4,4)</b>
Cash and liquid assets at beginning of period	26,8	5,5	9,3	14,6	14,6
Exchange rate differences	0,0	0,1	(0,1)	(0,1)	(0,9)
<b>Cash and liquid assets at end of period</b>	<b>27,5</b>	<b>6,3</b>	<b>27,5</b>	<b>6,3</b>	<b>9,3</b>



Change in Group Equity MSEK	Q2 2019	Q2 2018	Jan-Jun 2019	Jan-Jun 2018	Full Year 2018
<b>Opening balance</b>	94,9	66,3	93,6	71,4	71,4
Warrants program	0,2	0,3	0,2	0,3	0,5
New share issue	3,1	0,0	3,1	0,0	0,0
Cost of Share Issue	0,0	0,0	0,0	0,0	(5,4)
Equity part of convertible loan	0,0	0,0	0,0	0,0	0,1
<b>Changes in the period</b>	3,3	0,9	3,3	0,8	(4,8)
Total comprehensive income for the period	(1,4)	1,2	(0,0)	(3,8)	21,7
<b>Closing balance at end of period</b>	<b>96,7</b>	<b>68,4</b>	<b>96,8</b>	<b>68,4</b>	<b>93,6</b>

Parent Company Income Statement in brief	Jan-Jun	Jan-Jun	Full Year
MSEK	2019	2018	2018
Revenues	8,2	10,8	19,0
Operating expenses	-8,9	-10,3	-17,1
<b>Operating income</b>	<b>-0,6</b>	<b>0,5</b>	<b>1,8</b>
Financial items	-1,4	-1,3	-7,4
<b>Income before tax</b>	<b>-2,0</b>	<b>-0,7</b>	<b>-5,5</b>
Tax	0,0	0,0	2,2
<b>Net income</b>	<b>-2,0</b>	<b>-0,7</b>	<b>-3,4</b>

Parent Company Balance Sheet in brief	30-06-2019	30-06-2018	31-12-2018
MSEK			
Intangible assets	3,1	4,0	3,5
Right of use assets	12,0		0
Financial assets	164,1	168,6	161,5
Deferred tax asset	2,2	0,0	2,2
<b>Total non-current assets</b>	<b>181,5</b>	<b>172,6</b>	<b>167,3</b>
Current receivables	1,6	1,3	1,2
Cash and liquid assets	0,2	0,2	0,5
<b>Total assets</b>	<b>183,3</b>	<b>174,1</b>	<b>168,9</b>
<b>Equity and liabilities</b>			
Total equity	167,0	168,2	165,8
Lease liabilities	12,2	0,0	0,0
Total current liabilities	4,1	5,8	3,2
<b>Total equity and liabilities</b>	<b>183,3</b>	<b>174,1</b>	<b>168,9</b>

Group Review per quarter

Income Statement (MSEK)	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	FY 2018	FY 2017
Revenues	51,5	47,3	57,7	46,7	51,9	33,8	42,0	33,2	32,2	25,8	190,1	133,1
Cost of Sale	-22,2	-19,2	-23,1	-18,2	-24,6	-14,1	-16,8	-13,7	-13,6	-10,4	-80,0	-54,5
Gross Profit	29,3	28,1	34,6	28,5	27,3	19,7	25,2	19,5	18,6	15,4	110,1	78,6
Gross profit margin	57%	59%	60%	61%	53%	58%	60%	59%	58%	60%	58%	59%
Other external expenses	-14,7	-10,3	-12,5	-12,4	-11,0	-9,7	-10,8	-8,0	-8,9	-8,8	-45,6	-36,5
Personnel expenses	-15,6	-14,8	-16,3	-14,2	-14,5	-14,3	-13,9	-12,4	-13,2	-12,2	-59,3	-51,7
Capitalized development costs	1,6	0,6	0,8	0,9	0,8	0,9	1,3	1,1	0,9	1,1	3,4	4,4
Depreciation	-2,4	-2,3	-2,6	-1,8	-1,1	-1,1	-0,9	-1,1	-1,4	-1,6	-6,6	-5,0
Other operating income/expenses	1,2	0,0	-0,8	-0,7	0,4	-0,2	0,1	-0,4	-0,1	0,5	-1,3	0,1
Operating expenses	-29,8	-26,8	-31,3	-28,2	-25,4	-24,4	-24,1	-20,8	-22,7	-21,0	-109,4	-88,7
<b>Operating income</b>	<b>-0,6</b>	<b>1,3</b>	<b>3,3</b>	<b>0,3</b>	<b>1,9</b>	<b>-4,7</b>	<b>1,1</b>	<b>-1,4</b>	<b>-4,1</b>	<b>-5,6</b>	<b>0,7</b>	<b>-10,0</b>
Financial items, net	-0,5	-0,2	0,0	0,0	-0,4	-0,2	-0,3	-0,3	-0,2	-0,2	-0,6	-0,9
<b>Income before tax</b>	<b>-1,1</b>	<b>1,1</b>	<b>3,3</b>	<b>0,3</b>	<b>1,5</b>	<b>-4,9</b>	<b>0,8</b>	<b>-1,7</b>	<b>-4,3</b>	<b>-5,8</b>	<b>0,1</b>	<b>-10,9</b>
Tax	0,2	-0,2	21,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	21,0	0,0
<b>Net income</b>	<b>-0,9</b>	<b>0,9</b>	<b>24,3</b>	<b>0,3</b>	<b>1,5</b>	<b>-4,9</b>	<b>0,8</b>	<b>-1,7</b>	<b>-4,3</b>	<b>-5,8</b>	<b>21,1</b>	<b>-10,9</b>
<b>Balance Sheet (MSEK)</b>	<b>Q2 2019</b>	<b>Q1 2019</b>	<b>Q4 2018</b>	<b>Q3 2018</b>	<b>Q2 2018</b>	<b>Q1 2018</b>	<b>Q4 2017</b>	<b>Q3 2017</b>	<b>Q2 2017</b>	<b>Q1 2017</b>	<b>FY 2018</b>	<b>FY 2017</b>
Non-current assets	69,8	58,7	56,3	36,6	37,5	37,8	37,6	37,3	37,3	37,5	56,3	37,6
Current assets	108,4	99,2	90,3	80,7	86,5	73,5	80,4	72,7	69,9	62,3	90,3	80,4
Total assets	178,2	157,9	146,6	117,3	124,0	111,3	118,1	110,0	107,2	99,8	146,6	118,1
Equity	96,7	94,9	93,6	69,2	68,4	66,3	71,4	58,3	61,3	64,8	93,6	71,4
Non-current liabilities	32,7	23,1	0,0	0,0	0,0	0,0	0,3	0,3	12,3	12,4	0,0	0,3
Current liabilities	48,8	39,8	53,0	48,1	55,6	45,0	46,4	51,4	33,6	22,6	53,0	46,4
Total equity and liabilities	178,2	157,9	146,6	117,3	124,0	111,3	118,1	110,0	107,2	99,8	146,6	118,1
<b>Cash Flow Statement (MSEK)</b>	<b>Q2 2019</b>	<b>Q1 2019</b>	<b>Q4 2018</b>	<b>Q3 2018</b>	<b>Q2 2018</b>	<b>Q1 2018</b>	<b>Q4 2017</b>	<b>Q3 2017</b>	<b>Q2 2017</b>	<b>Q1 2017</b>	<b>FY 2018</b>	<b>FY 2017</b>
Operating cashflow	-3,7	11,0	-2,6	8,4	-3,7	-12,1	-0,7	10,0	-9,8	-3,5	-9,7	-4,0
Cashflow from investing activities	-3,4	-1,0	-1,4	-0,9	-0,8	-0,9	-1,4	-1,5	-1,2	-1,6	-4,0	-5,5
Cashflow from financing activities	7,9	7,4	5,4	-5,5	5,2	4,1	-1,5	0,6	5,1	7,6	9,2	11,3
Totals	0,7	17,4	1,4	2,0	0,6	-8,9	-3,6	9,1	-5,9	2,5	-4,5	1,8
<b>Key Ratios</b>	<b>Q2 2019</b>	<b>Q1 2019</b>	<b>Q4 2018</b>	<b>Q3 2018</b>	<b>Q2 2018</b>	<b>Q1 2018</b>	<b>Q4 2017</b>	<b>Q3 2017</b>	<b>Q2 2017</b>	<b>Q1 2017</b>	<b>FY 2018</b>	<b>FY 2017</b>
Total order intake (MSEK)	64,1	47,8	75,6	64,2	56,4	50,6	47,5	55,5	49,3	40,2	246,8	192,5
Quarterly change (%)	34%	-37%	18%	14%	11%	7%	-14%	13%	23%	-4%	n/a	n/a
Change compared to same period last year (%)	14%	-6%	59%	16%	14%	26%	13%	97%	62%	208%	28%	70%
Total Revenues (MSEK)	51,5	47,3	57,7	46,7	51,9	33,8	42,0	33,2	32,2	25,8	190,1	133,2
Quarterly change (%)	9%	-18%	24%	-10%	54%	-20%	27%	3%	25%	-5%	n/a	n/a
Change compared to same period last year (%)	-1%	40%	37%	41%	61%	31%	54%	48%	106%	49%	43%	61%
Gross Margin (percent of Revenues)	57%	59%	60%	61%	53%	58%	60%	59%	58%	60%	58%	59%
EBIT-margin (percent of Revenues)	-1%	3%	6%	1%	4%	-14%	3%	-4%	-13%	-22%	0%	-8%
Profit margin (percent of Revenues)	-2%	2%	42%	1%	3%	-14%	2%	-5%	-13%	-22%	11%	-8%
Earnings per share before dilution (SEK)	-0,03	0,02	0,79	0,01	0,05	-0,16	0,03	-0,05	-0,14	-0,20	0,69	0,00
Equity per share before dilution (SEK)	3,12	3,08	3,04	2,25	2,30	2,23	2,40	1,98	2,08	2,20	3,04	3,27
Equity per share after dilution (SEK)	3,11	3,06	3,02	2,21	2,16	2,10	2,27	1,87	1,97	2,07	3,02	3,09
Last paid share price (SEK)	36,60	34,70	25,80	27,50	31,20	30,40	28,30	33,90	22,60	14,80	25,80	28,30
Equity/asset ratio (percent)	54%	60%	64%	59%	55%	60%	60%	53%	57%	65%	64%	60%
Cash Balance (MSEK)	27,5	26,8	9,3	8,0	6,3	5,5	14,6	17,9	9,1	2,4	9,3	14,6
Number of employees at end of period	54	54	52	56	54	50	49	47	46	46	52	49
Average number of outstanding shares (millions)	30,9	30,8	30,8	30,8	30,8	30,8	29,8	29,5	29,5	29,5	30,8	29,6
Average number of diluted shares (millions)	31,0	31,0	31,0	31,3	31,3	31,3	31,2	31,2	31,1	31,3	31,0	31,3
Number of outstanding shares at end of period (millions)	31,0	30,8	30,8	30,8	30,8	30,8	30,8	29,5	29,5	29,5	30,8	30,8
Number of outstanding warrants at end of period (millions)	0,4	0,5	0,5	0,5	0,5	0,5	0,5	1,7	1,8	1,8	0,5	1,7

# 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. The Group is applying IFRS 16 Leasing as of January 1, 2019, which is described here below. The applied accounting principles are in all other aspects consistent with what is stated in note 1 in the Financial Statements for 2018.

## New standards as of January 1st, 2019

The Group is applying IFRS 16 Leasing as of January 1st, 2019.

IFRS 16 Leasing replaces IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease and related rules. Under the new standard, the lessee is required to recognise all contracts that meet the definition of a lease (except leases of 12 months or less and leases of low-value assets) as a right-of-use asset and liability in the statement of financial position. Leases that currently comprise operating leases will subsequently be recognised in the balance sheet, which entails that the current operating expense, corresponding to the leasing charges for the period, will be replaced by amortisation and interest expense in the income statement. C-RAD is applying the simplified transition method and will not recalculate the comparable figures. The main effect on C-RADs financial statements refer to the accounting of rental contracts and leasing contracts for cars. The effect on the starting balance as per January 1st, 2019, was that a right-of-use asset and corresponding liability of approximately 3,4 Mkr was booked. EBITDA for 2019 is expected to be approximately 2 MSEK better than what would have been the case with the previous standard. Other effects will be that the cash flow from leasing contracts will be moved from cash flow from operating activities to cash flow from financing activities (depreciation and interest paid).

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

## Exchange rates

The financial statements are presented in SEK, the functional currency of C-RAD. 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. Orders, order back-log and income statement are translated at the period-average exchange rate while balance sheet items are translated at the closing rate. The average EUR rate during the second quarter of 2019 was 10.5 (10.1), while the average USD rate in the period was 9.3 (8.4). Closing rate for EUR was 10.6 (10.4) och USD 9.3 (9.0).

## Related party transactions

There were no transactions with related parties during the second quarter 2019.

## Capitalized development costs

Development expenses that fulfil the recognition criteria in IAS38 are capitalized. Impairment test are performed quarterly. 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.

## Contingent liabilities

Contingent liability of SEK 2 000 000 in the Parent company refer to guarantee commitment for subsidiary.

## Pledges

The pledges refer to a chattle mortgage for the Company's credit line with Nordea and Erik Penser Bank AB (security of 12.150.000 SEK) and a bank guarantee of 500 000 with one of the Company's suppliers as beneficiary.

## DEFINITIONS

C-RAD AB is applying certain financial measurements in the interim report that is not defined in IFRS. It is C-RAD's opinion that these measurements give valuable information to investors and company management as they give a view of the Company's performance. These measurement shall not be considered a replacement for any financial measurement as defined by IFRS. The interim report for January - March 2019 has been extended with one new financial measurement, EBITDA, which is calculated as per below.

EBITDA: operating profit before depreciation and amortization.

Comparison against IFRS

## EBITDA - Rörelseresultat före avskrivningar och nedskrivningar på materiella och immateriella anläggningstillgångar

MSEK	Q2 2019	Q2 2018	Jan-Jun 2019	Jan-Jun 2018	Full Year 2018
operating profit	-0,6	2,0	0,7	-2,7	0,8
Depreciation and amortization	2,4	1,1	4,7	2,2	6,6
<b>EBITDA</b>	<b>1,9</b>	<b>3,1</b>	<b>5,5</b>	<b>-0,5</b>	<b>7,4</b>