

C-RAD AB – Interim report January-March 2019

REVENUE INCREASE OF 40 PERCENT

JANUARY - MARCH 2019

- Revenues: 47.3 (33.8) MSEK
- Order intake: 47.8 (50.6) MSEK
- EBITDA: 3.6 (-3.6) MSEK
- Operating profit: 1.2 (-4.7) MSEK
- Net results after tax: 0.8 (-4.9) MSEK
- Result per share: 0.02 (-0.16) SEK.
- Strategic development and sales cooperation with Xecan.
- Order from Community Health Network (US), value 11 MSEK.
- Therése Björklund appointed interim CFO following Cecilia Danckwardt Lillieström

Presentation of the interim report

CEO Tim Thurn and CFO Therése Björklund will present the interim report by Webcast on Wednesday May 8 at 13:00 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/8181103581944104451>.

Comments from Tim Thurn, CEO:

Strong revenue growth of 40 percent led to EBITDA growth of 7.2 MSEK

We have been off to a strong start in 2019, both in terms of growth and profitability. The first quarter showed a solid revenue growth of 40 percent compared to the first quarter of 2018 and an impressive development of EBITDA from -3.6 MSEK to +3.6 MSEK in 2019. Order intake for C-RAD's core product segments and for life cycle business grew by 14 percent. An important explanation to the strong development is that we now can leverage from the investments made during the last years and the positive development of the underlying market.

Total order intake for this first quarter amounted to 47,8 MSEK, versus 50,6 MSEK in the first quarter last year. This is driven by significantly less orders in the segment of distribution products. This is driven by significantly less orders in the segment of distribution products where we had an exceptional high order intake of 7.3 MSEK in 2018 versus 0.2 MSEK during 2019. This is the volatility that we are exposed to. However, more important is to highlight that our core product segments continued to grow also in the first quarter: The largest segment, sales of our positioning products increased with 5% over last year's first quarter, the sales of service contracts as part of our life cycle business grew with impressive 55 percent and the sales of our positioning laser products with 11 percent. Our US operation has been off to a strong start, whereas the order intake increased with 54 percent from 9.3 MSEK to 14.3 MSEK in 2019.



Revenue increased from 33,8 MSEK in 2018 to 47,3 MSEK – primarily driven by many orders being delivered to customers in the EMEA region and in China. US was lacking, due to weaker order intake in the previous year. However, with the positive development that we have seen in the US over the past quarters, this will be reflected in the revenue during the next quarters. Also, our gross margin improved by 1 percent to 59 percent.

A large order of about 11 MSEK from Community Health Center has been booked in the first quarter. Community Cancer Centers are collaborating with the MD Anderson Cancer Network®, a program of MD Anderson Cancer Center. This order is the evidence how important our long-term relationships with our customers are and also how successful our close cooperation with MD Anderson is. MD Anderson one of the top-ranked cancer center in the world.

C-RAD announced two strategic partnerships in the beginning of this year. Both partnerships are part of our growth strategy to invest and expand in new applications as to provide customers with a comprehensive solution for patient safety and workflow management, beyond our core products in the field of patient positioning. We have chosen two prestigious partners in their respective fields. OPASCA will deliver a sophisticated device for patient identity validation prior to treatment that C-RAD is marketing under the name cPatient. XECAN will provide C-RAD with the technology that will be used for tracking resources in the clinical environment. Working with external partner is an effective way to grow our business and it gives us a short time to market for new products. Both products will be fully integrated in C-RAD's c4D software platform.

The solution has been presented at the largest European radiation therapy conference (ESTRO) that was held last week in Milano, Italy. Customers were truly excited about the concept. The resource tracking solution that has been presented as cAccessory is still under development and is expected to be released to the market in the second half of this year. The patient validation solution is already commercially available. C-RAD started deliveries during the last month. C-RAD will market this as an upgrade opportunity to existing customers but also as a module to new customers.

Despite the volatility in order intake that we saw during the first quarter, our earlier assessment that the underlying market continues to grow significantly, remains unchanged. We continue to see the strong growing need for surface tracking and the increasingly high interest from both our existing customers and from new customers, in C-RAD as a strategic partner to provide this cutting-edge technology. Hence, it is my absolute opinion that we have solid opportunities to further strengthening our position in the market during the remainder of the year, says Tim Thurn, CEO of C-RAD.

About C-RAD

C-RAD develops innovative solutions for use in advanced radiation therapy. The C-RAD group offers products and solutions for patient positioning, tumor localization and radiation treatment systems. All product development is conducted in three fully owned subsidiaries: C-RAD Positioning AB, C-RAD Imaging AB and C-RAD Innovation AB, all of which are located in Uppsala, Sweden. C-RAD has established three companies for direct sales: C-RAD Inc. in the US, C-RAD GmbH in Germany and C-RAD WOFE in China. Cyrpa International SPRL, a Franco-Belgian laser company, is a wholly owned subsidiary whose operations are integrated. C-RAD AB is listed on NASDAQ Stockholm.

For more information on C-RAD, please visit www.c-rad.com



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