C-RAD AB – Interim report January-September 2018

C-RAD REPORTS ALL-TIME HIGH IN QUARTERLY ORDER INTAKE

THIRD QUARTER 2018

- Order intake: 64.2 (55.5) MSEK, 16%.
- Revenues: 46.7 (33.2) MSEK, 41%.
- Operating profit: 0.4 (-1.4) MSEK.
- Net results after tax: 0.3 (-1.7) MSEK
- Result per share: 0.01 (-0.05) SEK.
- Sahlgrenska University Hospital selects C-RAD’s innovative SIGRT solution. Order value: 8.5 MSEK.
- MedAustron, the first Ion-therapy treatment site in Austria, selected C-RAD Catalyst PT. Order value: 4.9 MSEK.

Comments from Tim Thurn, CEO:

SUBSTANTIAL PROGRESS ON ALL KEY FINANCIAL MEASURES

In the third quarter we are showing substantial progress on all key financial measures: Order intake, revenue and profit.

With order growth in the third quarter of 16 percent to 64,2 MSEK compared to same period in 2017 and 14 percent compared to the second quarter 2018 we conclude a strong summer quarter. In all our segments we saw an improvement, our largest segment – sales of our Catalyst HD and Sentinel 4DCT systems – grew with 20 percent whereas service sales and HIT laser systems grew with 76 percent and 139 percent respectively.

Revenue totaled 46,7 MSEK, an increase of 41 percent compared to the third quarter previous year. With a more favorable product mix, comprising a lower share of sales of distribution products with significantly lower profit margins and a higher share of C-RAD’s Catalyst and Sentinel products, gross profit improved from 53 percent in Q2 to 61 percent in the third quarter and is therewith exceeding the rolling 12 months average. Operating profit improved from -1,4 MSEK in 2017 to 0,4 MSEK in 2018. Operating cash flow during Q3 was 8,4 MSEK. We can conclude that the results are proving the constantly increasing interest for our products.

Looking into the development across all segments by geography during the first three quarters: Orders in the region APAC and EMEA showed a strong growth with approximately 112 percent to 41,6 MSEK and 27 percent to 108.1 MSEK respectively. The third quarter in the US has usually been weak, though we are not satisfied with the result. Measures to improve the performance in North America have been taken and we expect visible results during the coming months. We do have an excellent product that meets the customer requirements and the market has the potential. The Chinese and Japanese markets are the main driver for the encouraging development in APAC. After a period of investments to build up reference sites, identify key opinion leader and creating
awareness in the market, we now see the results. In a symposium at the Japanese radiation therapy conference more than 300 interested customer joined a presentation by Dr. Richard Crownover from MD Anderson about their clinical experience with C-RAD.

A sign of further acceptance of our products is the order that we have received from Sahlgrenska University Hospital, Gothenburg Sweden, where the customer saw the advantages of surface tracking and specifically of the C-RAD solution and decided to upgrade the department with Catalyst HD. Sahlgrenska had already two linear accelerators equipped with Catalyst Systems from before. Another exciting project that was awarded to C-RAD is a system for the MedAustron particle treatment center. This project is of strategic importance for us as the market of particle therapy is rapidly growing and we foresee further opportunities in this segment in the future, but also as part of the project C-RAD lift its current solution on to a new level of performance and integration that will ultimately be accessible to other customers.

The third quarter shows an encouraging result overall; however, we also identify areas that require improvement. The biggest asset is the interest in our products on the market. This is the basis for our growth strategy in combination with an excellent team and fantastic products, 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](http://www.c-rad.com)

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This information is information that C-RAD AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication at 08:00 CEST on October 26, 2018.