

# ANNUAL REPORT 2020



# Content

<b>03</b>	<b>Mission statement</b>
<b>04</b>	<b>About C-RAD</b>
<b>06</b>	<b>CEO comment</b>
<b>09</b>	<b>The C-RAD group</b>
<b>12</b>	<b>Products</b>
<b>16</b>	<b>Board of Directors</b>
<b>18</b>	<b>Senior executives</b>
<b>20</b>	<b>The C-RAD share</b>
<b>22</b>	<b>Administration Report</b>
<b>30</b>	<b>Financial Reports</b>
<b>42</b>	<b>Notes</b>
<b>76</b>	<b>Signatures of the Board</b>
<b>77</b>	<b>Auditor's Report</b>

## Investor contact

CEO Tim Thurn

[tim.thurn@c-rad.com](mailto:tim.thurn@c-rad.com)

CFO Henrik Bergentoft

[henrik.bergentoft@c-rad.com](mailto:henrik.bergentoft@c-rad.com)

## Financial calendar

Interim Report January–March: May 7, 2021

Annual General Meeting: May 7, 2021

Interim Report January –June: July 29, 2021

Interim Report January–September: October 28, 2021

Year-end Report 2021: January 27, 2022

## More about the company

[www.c-rad.com](http://www.c-rad.com)

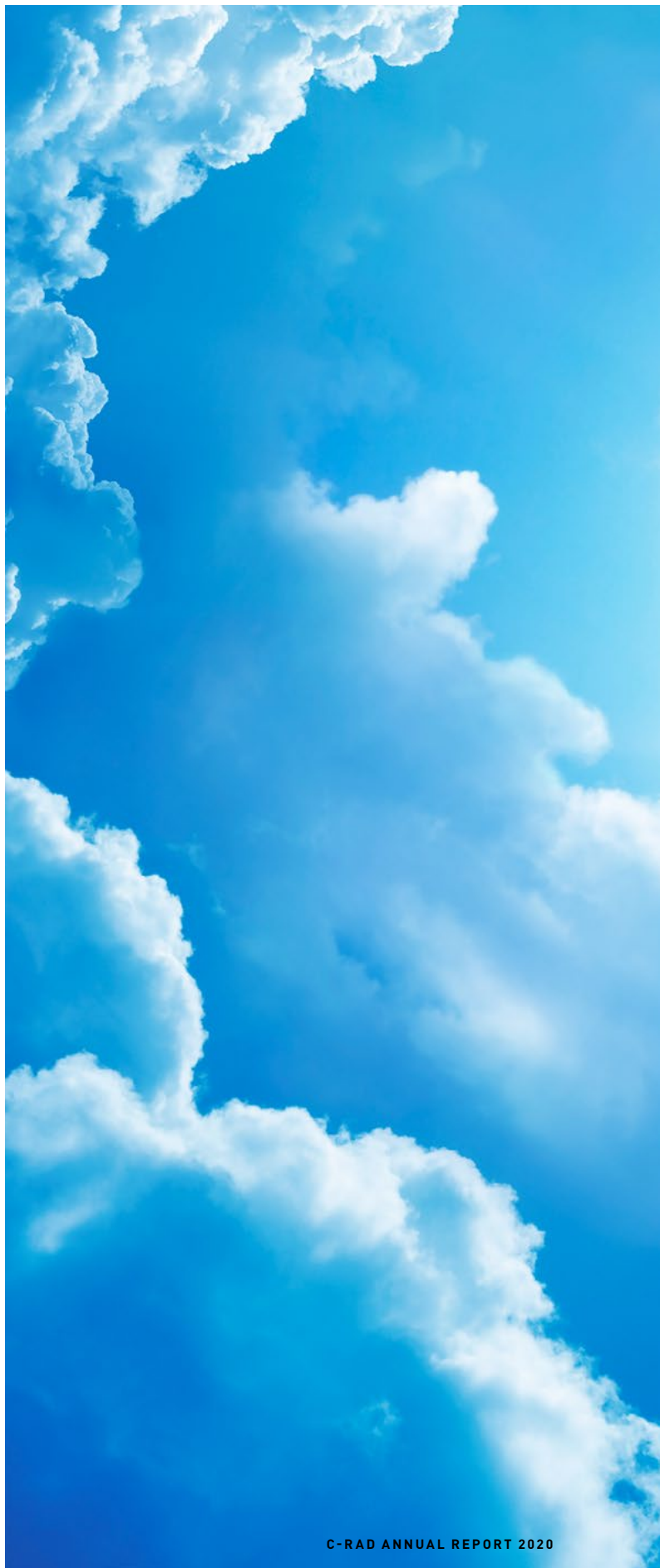
Information for investors

<https://c-rad.se/investors>


More information about our products

<https://c-rad.se/products/>

<https://c-rad.se/education/>







---

” C-RAD’s cutting edge solutions ensure exceptionally high precision, safety and efficiency in advanced radiation therapy, helping to cure more cancer patients and improve their quality of life.

*C-RAD’s mission statement*

---

# C-RAD in the fight against cancer

**C-RAD's groundbreaking solutions ensure exceptionally high precision, safety and efficiency in advanced radiation therapy, which helps cure more cancer patients and improves their quality of life.**

## **A company based on research and development**

The C-RAD group is based on research and development, which originates from Karolinska Institutet and the Karolinska Hospital in Solna, as well as the Royal Institute of Technology in Stockholm. The company was founded in 2004. The founders are researchers from Karolinska Institutet and the Royal Institute of Technology in Stockholm and Karolinska Hospital in Solna, as well as people with long industrial experience of radiation therapy. The C-RAD group consists of the parent company C-RAD AB (publ) and Swedish and foreign subsidiaries. The first product was launched in 2006 when C-RAD introduced the Sentinel™ system, based on laser scanning technology and the c4D software platform. The first deliveries took place in 2007 and since then the technology has been under constant development. With the Catalyst™ system, C-RAD 2011 launched a new generation of surface scanning systems. In December 2013, Catalyst HD™ was released and in April 2015, C-RAD launched a special version of Catalyst™, for proton and particle processing. In 2020, Catalyst+™ was launched, the next and improved generation of the surface scanning system. In 2015, the acquisition of the French-Belgian Cyrpa Group was completed, which means that their innovative laser technology for patient positioning and virtual simulation has since been included in C-RAD's product portfolio.

In 2011, C-RAD began work on developing an international sales force for important markets, and today it has well-established sales and support teams in the USA, Germany, China and France with an additional presence through distributors in other important markets.

C-RAD AB has been listed on Nasdaq Stockholm Small Cap since 16 December 2014.

---

**” In new advanced radiation therapy techniques, the radiation dose must be delivered to the tumor with extremely high precision and microsecond timing.**

---

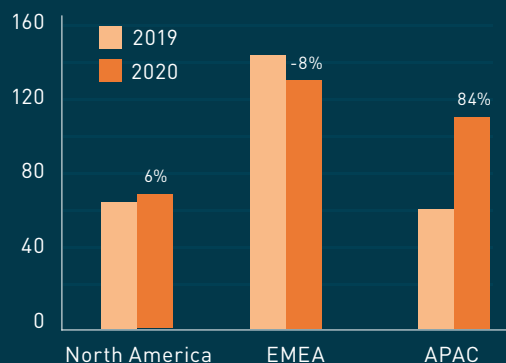
## **2020 in brief**

2020 was a year when C-RAD, together with the whole world, was in many respects marked by the great challenge that the Covid-19 pandemic brought with it. Despite these challenges, C-RAD has never had such a successful year with records in order intake, revenue and earnings. This should be seen in the perspective that the entire healthcare sector's focus was on fighting a pandemic, despite that the purchases and installations of C-RAD's products and solutions have reached higher levels than ever before. This, if anything, confirms that C-RAD's contribution to radiation therapy is well on its way to becoming a standard in healthcare.

## **Forward-looking information**

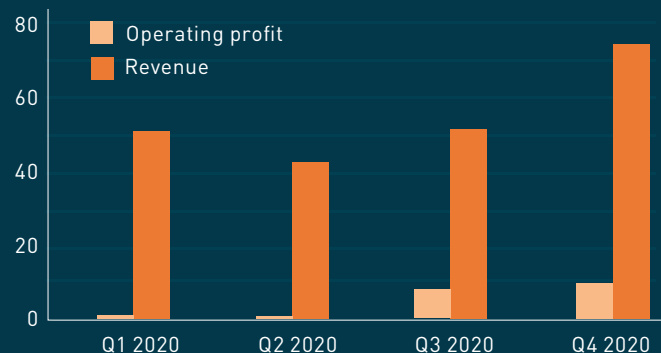
This report contains forward-looking information that is based on expectations and forecasts of future events. There are risks and uncertainty factors that can affect how these expectations will be realized. Some of these risks and uncertainty factors are described on pages 24-25. C-RAD does not undertake to publicly update or revise forward-looking information, over and above what is required by law or exchange regulations.

## Order intake 312.5 MSEK (269.8), +15.8%



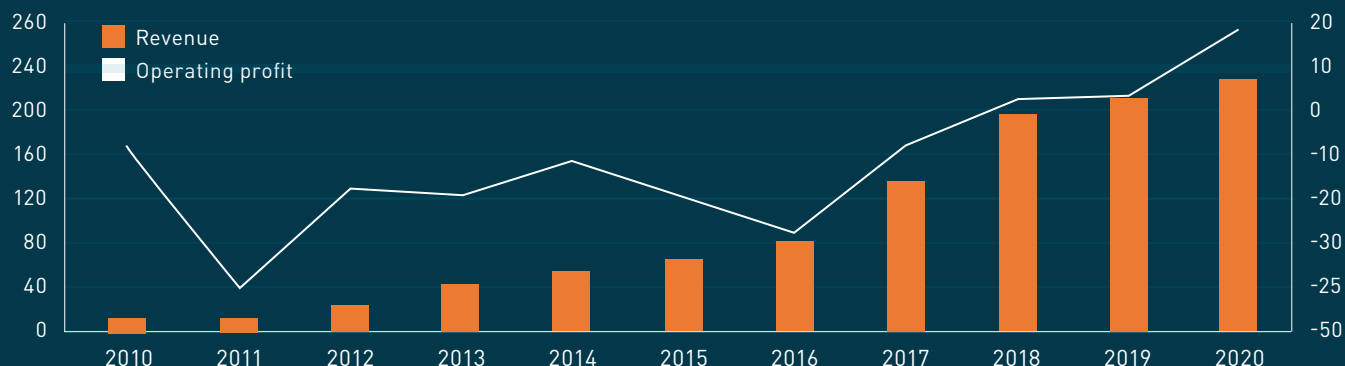
Order intake in North and South America increased by 6 percent. The EMEA region decreased by 8 percent, affected by the Corona pandemic and APAC grew by as much as 84 percent.

## Operating profit and revenue, MSEK



Revenues grew by a total of 8 percent in 2020, with a strong end to the year. C-RAD reported a positive operating profit during all quarters with an annual profit of SEK 17.1 million, corresponding to a margin of 8 percent.

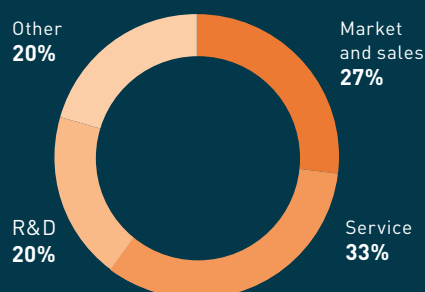
## Revenue and operating profit 2010–2020, MSEK



The company has been growing for every year for the past 10 years and since 2018 it is profitable growth. In 2020 revenue and profit amounted to 221.6 and 17.1 MSEK respectively, an operating profit margin of 8 percent in 2020, a margin of 8 percent.

## Personnel

Over half our team works directly with customers, either with sales or service. Our strong development team assures a flow of future innovations that will benefit customers as well as patients.



# CEO comment

## **C-RAD provides an important contribution to enhanced success in cancer treatment by improved patient safety and increased efficiency in the treatment process.**

### **A successful year despite an extensive pandemic**

When writing the corresponding CEO words for the 2019 annual report, it had just become clear that the Covid-19 pandemic was global and also would bring major consequences for the whole world - on the human level for individuals as well as on the business level for companies worldwide. We quickly took steps to ensure the health and safety of our colleagues and their families. We established a close dialogue with our customers and suppliers to ensure that we could provide the desired support and also receive support and necessary deliveries. In addition, we adjusted our costs to mitigate an expected decline in deliveries and new orders.

We clearly stated that our long-term perspective was unchanged, meaning that the rapid adoption of our technology was expected to continue despite short-term negative impacts due to the pandemic. When we now sum up the year, we can conclude a record high order intake, record high revenues and the best operating result ever. Given that the Covid-19 pandemic had a significant impact on our operations in various markets, we are pleased with the result. This confirms our long-standing belief that motion monitoring is becoming standard of care in cancer radiation.

### **Record in sales and order intake**

Order intake grew by 16 percent in 2020, with particularly strong growth during the last quarter of the year, with China and North America contributing to the success. In both regions, C-RAD managed to secure large orders related to prestigious proton therapy projects.

Our operations in Europe and APAC began to recover during the first half of 2020 after pandemic-related measures became the hospital administration's priority at the beginning of the year.

China has shown a very good annual growth rate in recent years. We continue to see good potential in our operations in China. The built up demand for cancer care, especially outside the metropolitan areas, is significant and investments to build local care facilities are supported by the government. C-RAD

has a solid position in the market that enables us to further strengthen our establishment.

Operations in North America did not begin to recover until the third quarter, and during the fourth quarter we were able to see the result of the sales efforts we made during the year. Our collaboration with Elekta in North America also contributed to the strong order intake towards the end of 2020.

Our positioning products are the core of our business and it is rewarding to see its strong development in the form of an increased order intake of 21 percent for 2020. I also want to highlight the service business, which is growing at an even higher rate of 25 percent, as a result of a larger installed base but also an increasing attachment rate. The success of the service business underlines our customers' long-term commitment to our products and solutions and also ensures an important recurring revenue stream for the company.

Revenues grew by a total of 8 percent in 2020, where the year as a whole was affected by the fact that the healthcare sector in many cases has not had the opportunity to carry out installations of our systems due to the pandemic. During the fourth quarter, revenues increased significantly by 46 percent. The higher growth rate towards the end of the year was due to the fact that many countries were more selective when it came to shutdowns, where more customers were willing to take deliveries and installations of our systems could be resumed. APAC and China in particular, is the region that mainly contributes to the sales growth, which is a result of the strong order intake during the year. Operating costs during the year are lower due to active decisions to reduce costs but also for natural reasons due to reduced business travel and less conventional marketing exhibitions. Sales growth in combination with cost discipline generated a record high operating profit of SEK 17.1 MSEK for the full year, a margin of 8 percent.

### **Cancer is the second most common cause of death globally**

Cancer is the second most common cause of death globally and accounts for almost 10 million annual deaths. The products and



---

” This confirms our long-standing belief that motion monitoring is becoming a standard of care in cancer radiation.

---



solutions that C-RAD develops ensure that the radiation treatment hits the tumor with a very high precision, which contributes to both increased patient safety and increased efficiency in the treatment of cancer. Altogether two very important and at times absolutely crucial factors in a successful treatment of cancer.

### Strategic cooperation agreements

In 2019 C-RAD entered into a sales and distribution agreement with Elekta. The agreement enables Elekta to offer its customers in North America and Mexico C-RAD's technology for new sales of linear accelerators and also as an upgrade to the installed base. The results of this collaboration were somewhat delayed due to the pandemic that hit North America hard, especially during the first half of 2020. Towards the end of the year we began to see the fruits of this cooperation agreement, in the form of order intake through Elekta. In September, it was announced that the cooperation agreement with Elekta was extended to include China. The fact that Elekta has chosen C-RAD as its strategic partner to meet the growing demand for surface scanning technology is in itself positive and also confirms that the technology is moving towards becoming standard of care.

### Continued product development

C-RAD has a strong position, both for proton and photon treatments, due to our very advanced product portfolio. Proton therapy is the spearhead for precision radiation therapy, where careful patient positioning and movement monitoring are crucial for the treatment to succeed. It is therefore gratifying to note that during the year we received several orders for proton cancer centers, which is proof of the quality and performance of our products. Catalyst+™, the next generation of our existing Catalyst™ product with higher performance, was launched in March 2020. Catalyst+™ offers improved application flexibility and significantly higher performance for our clinical users, compared to the previous generation of Catalyst™. During the year, we also released our new product cAccessory. cAccessory is a module that is integrated into C-RAD's c4D software platform to validate correct immobilization devices, that together with cPatient offers secure and efficient patient validation. With these features in place, C-RAD now offers a comprehensive suite of motion management and integrated workflow man-

---

” Catalyst+™, a new higher performing generation of our existing Catalyst™ product, was launched in March 2020.

---

agement modules. Continued innovative and leading product development is a cornerstone of C-RAD's continued success.

### Foundation for continued growth

C-RAD ends the year with several positive factors for further success. The company has cutting-edge solutions and significant market potential, which is supported by a great team, a solid financial platform and a record-high order backlog.

We are proud of what we have achieved over the past year. I would like to extend my appreciation to all C-RAD employees for their contribution during this very challenging yet successful year. I also want to thank all of our customers for great cooperations during the year in our joint work towards the goal of improved cancer treatment. We can continue to expect volatility in individual quarters, and it is still unknown what further impact Covid-19 may have, but I am convinced that we will continue to see a growing need for our high-precision radiation treatment solutions. I am very much looking forward to the continued successful development of C-RAD.



Tim Thurn, CEO





# The C-RAD group

The company is engaged in development and sales of innovative systems with applications in advanced radiation therapy for the treatment of cancer.

The systems can be used to position the patient in the radiation beam to control accurate dose delivery to the tumor tissue whilst protecting healthy tissue from unwanted exposure. The technology is used for initial patient setup and for monitoring the tumor patient during treatment by recording the patients skin through high speed 3D cameras with highest precision. The aim is to increase the accuracy and efficiency of radiotherapy.

## Business model

The C-RAD business model relies on subcontractors for manufacturing of the Company's products.

C-RAD is focusing on product development, sales and marketing, supply chain as well as quality control and certification of products.

The international subsidiaries are responsible for local marketing and sales as well as service, support, and customer training. Medical centers that provide advanced radiation ther-

apy are the end users of C-RAD's products. C-RAD is currently focusing its sales activities on Europe, North- and South America and Asia. C-RAD is thereby covering about 80 percent of the global radiation therapy market. Depending on the market the products are distributed through three different channels:

**Direct sales** – The Company maintains its own sales force in the following regions: Scandinavia, German-speaking countries, North America, and France. In China C-RAD is working with direct sales and a distributor. In 2020 direct sales accounted for the largest share of a total of 312,6 MSEK in order intake.

**Distributors** – In several markets, mainly in Asia, Latin America and partly in Europe, independent distributors specializing in radiation therapy equipment and who have local connections are responsible for sales and service. Selection criteria when choosing distributors include a proven track record in radia-

tion therapy sales, as well as adequate resources to provide high-quality technical services, such as through an in-house service organization. With the increasing adoption of surface tracking, this channel is gaining importance for our business both from a sales and from a service perspective.

**Industrial partners** – Sales also take place via industrial partners active in the radiation treatment area. Procurement of C-RAD's system often takes place simultaneously with procurement of so-called linear accelerators. The sales activities therefore often take place in close collaboration with manufacturers of radiation equipment, e.g. Varian, Elekta and CT suppliers. In the summer of 2019, C-RAD signed a sales and distribution agreement with Elekta. The agreement gives Elekta the right to sell C-RAD products through its price list in North America and Mexico. The agreement with Elekta was extended in September 2020 to include China.

## Organization and group structure

The Parent Company C-RAD AB (publ) provides group-wide services in sales and administration. The Group comprises eight wholly owned subsidiaries out of which three are Swedish and five are foreign.

## External development partners

Since 2019, C-RAD has a cooperation agreement with the US-based company Xecan and the Germany-based company Opasca. The purpose is to distribute parts of these companies' product portfolios in selected markets around the world as a complement to C-RAD's own products.

## Our strategy

### Product excellence

Studies show that the expected number of new cancer cases is increasing rapidly. C-RAD is ready to help customers with solutions that improve the quality of care for the most common indications of cancer for men and women, such as breast cancer, lung cancer and cancer of the head and chest. This means that the market potential for C-RAD is large.

C-RAD's current product portfolio involves a focus on optical patient positioning and patient monitoring. A common abbreviation for these solutions is SGRT - surface guided radiation therapy. The most important arguments are optimized workload,

---

” **C-RAD has since long invested in the future by enforcing its research and development efforts.**

---

safety and radiation-free positioning. The core products Sentinel™ and Catalyst™ aim to provide our customers with a top-class solution for the treatment of breast cancer patients as well as patients with lung cancer and cancer of the head and chest. A dedicated solution for so-called stereotactic treatments on the Catalyst™ platform has been launched. Based on a modular product concept, customers can choose a configuration that is tailored to their clinical needs. C-RAD provides opportunities to upgrade systems through the product life cycle. For C-RAD, this means the potential to create added value in the continuously growing base of installed systems, through additional sales to existing customers.

C-RAD has since long invested in the future by strengthening the research and development department. With the existing market coverage and a satisfied customer base, C-RAD has the potential to further strengthen its offering and provide customers with a comprehensive and patient-focused solution. C-RAD has established itself in the market for optimized work features with the first solution for patient identification.

In early 2020, C-RAD launched its solution for monitoring treatment accessories. Collaborations with partners who are experts in their respective fields are very important to ensure market presence. The benefit for the customer is a product that is integrated with the system for surface scanning, which optimizes the customer's and user's experiences.

C-RAD has had success with large projects in particle therapy with a version of the Catalyst™ system. Particle therapy can be considered at the forefront of radiation therapy when it comes to precision and accuracy. The success of these prestigious projects contributes to positioning C-RAD as a market leader in its field.

### **Sales excellence**

Our sales strategy focuses on three sales channels: direct sales, sales through our industry partners and distributors. Customers want an in-depth dialogue before issuing a purchase order to C-RAD and as part of the sales process, our sales team evaluates the customer's needs and configures the system according to their needs. Customers' acceptance of SGRT solutions has increased significantly in recent years.

Although our salespeople normally work directly with the end customer, the purchase order is often part of a larger package that can include a linear accelerator or a CT. This is especially true in the EIMEA and APAC regions, while it is more common among customers in North America to invest in an upgrade of already installed linear accelerators. Here, the collaboration with our partners is absolutely crucial. Due to the complexity of the product, C-RAD gets the best results when the Company has dedicated sales people who focus only on the sales of C-RAD's equipment.

In Asia and Latin America, C-RAD works with distributors. Local customs and business practices require a distributor as a link between C-RAD and customers. In smaller European markets, and then mainly in southern and eastern Europe, C-RAD chooses to let local distributors offer C-RAD's products to customers. The benefits of direct sales are a closer contact between the organization and our clinical customers. Since 2019, C-RAD has had a sales collaboration with Elekta in North America, which in 2020 has been expanded to also include the Chinese market.

The products' economic volumes and complexity mean that direct sales can become profitable in a relatively short time. To further take advantage of the potential in the markets, C-RAD continues to work with its sales organizations in the established markets, strengthen its distributor network and focus specifically on OEM partner agreements.

### **Service excellence**

C-RAD's Life Cycle Business services create long-term customer relationships based on the product's life cycle, and contribute to a more stable revenue stream based on repeated payments. In 2020, we could see a very rapid adaptation of our service contracts.

Today, C-RAD's service offering primarily covers all soft products such as service agreements, application training

and installation. C-RAD has agreements for different service levels and customers can choose full-service agreements, which include full support for hardware and software as well as preventive maintenance. There are also less extensive service agreements that only cover hardware or only software updates. Customers can choose a service agreement on an annual basis, but the most requested solution is to include a long-term service agreement when procuring the product. This long-term perspective confirms customers' trust in the products and in C-RAD as a partner. As the need for service networks grows, C-RAD has established its own service organization in the most important markets. In countries where C-RAD is represented by distributors, the company ensures a high and homogeneous level of service by offering regular service training at C-RAD's training center.

The increased workload of clinical staff is an important reason for customers to outsource service and quality assurance to experts.

C-RAD's service technicians guarantee fast and professional support and measures as needed. With regard to application training, C-RAD creates a network of application specialists, both employees and clinical consultants, with knowledge in optical patient positioning with C-RAD's products. The long-term relationship based on the service networks establishes a platform that makes it natural to maintain a close relationship with the customer even after the initial deal. Customers' needs increase over time. C-RAD's forward-looking approach offers solutions in resource management through optimized workflows as a complement to existing products, which makes customers more interested in upgrading their installations from C-RAD than initiating collaboration with new partners.



# Clinical workflow

**C-RAD's high-end products support workflow integration for multi-vendor environment, from the CT scan to the treatment room.**

The c4D interface functions as a universal interface towards systems from other suppliers. The support guarantees compliance and advanced quality assurance.

For more information about our products and demos, visit:  
[c-rad.se/products](https://c-rad.se/products)

Registration

Accessory registration

Planning

Patient ID registration

CT simulation

Preparation

## cPatient

- Patient ID registration and validation.
- Facial recognition technology based on biometric data.
- Increased patient safety.
- Ensure the right patient receives the right treatment.

## cAccessory

- Accessory registration at CT simulation.
- Accessory validation at Treatment
- RFID based technology.
- Increased workflow and time efficiency.
- Verifies patient and indication specific accessories.

## © CATALYST<sup>+</sup>

- Advanced IMRT.
- Optical surface tracking and back projection.
- Fully optimized software for workflow integration.
- Automatic and independent verification of critical parameters that earlier required manual control.
- Support real-time decision making.

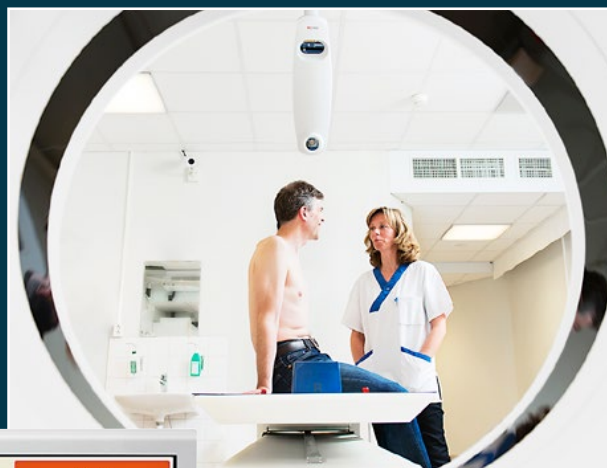


## SENTINEL 4DCT

- Laser-based optical surface scanning system.
- Functionality for 4D CT reconstruction and gated imaging in a CT room.
- Easy integration and usage.

## CYRPA LASER

- Laser systems for virtual simulation required for all CT in radiation therapy.
- Double diodes for each laser.
- SmartPhantom™ RT, automatic laser calibration in the CT room.
- Only positioning system guaranteeing accuracy of 0.1 mm.



Approval

Accessory validation

Treatment

Scheduling

Patient ID validation

Review

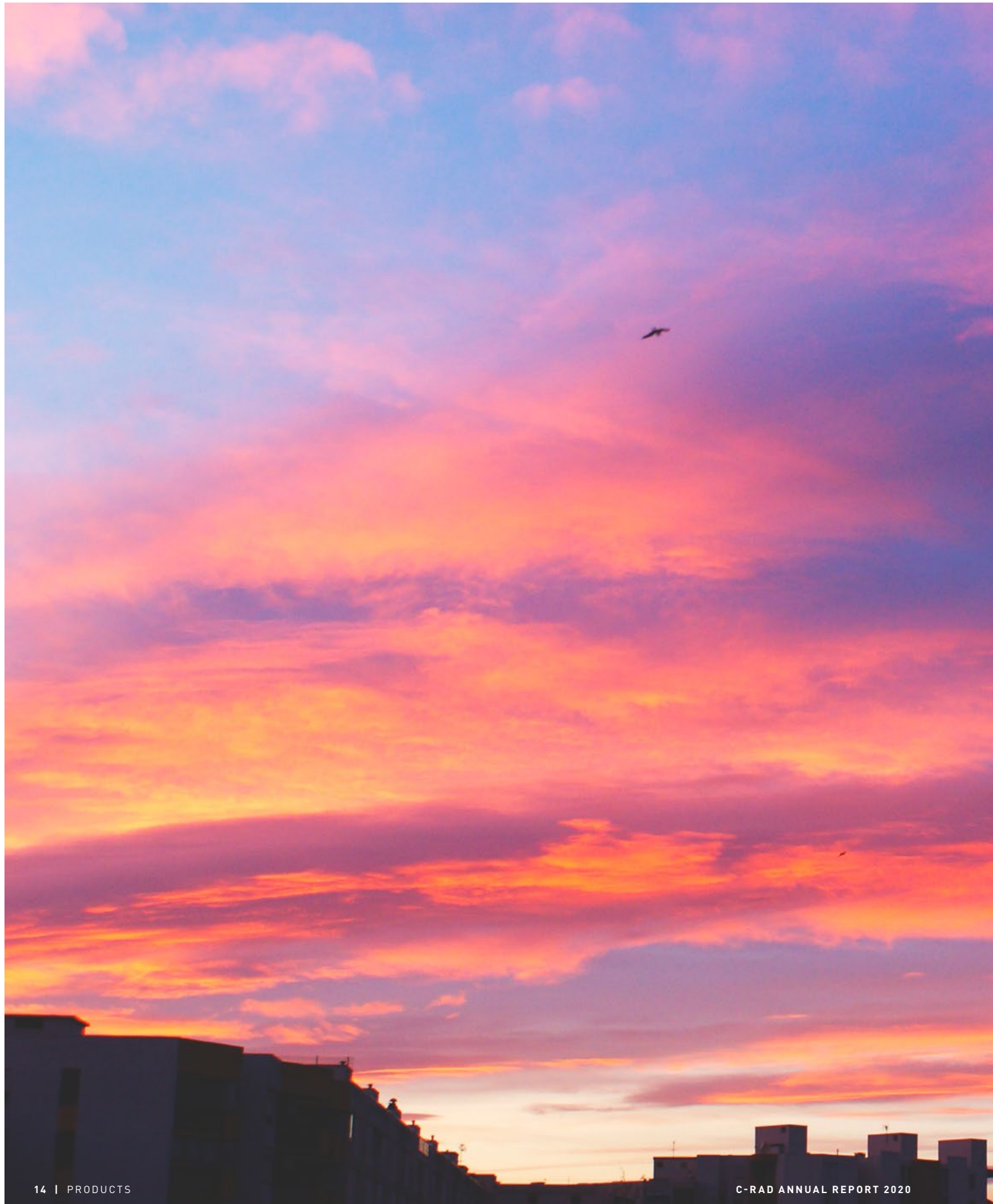
## © CATALYST<sup>+</sup> HD

- For advanced stereotactic radiation therapy.
- Three cameras at optimal angles.
- Maximum patient surface coverage.
- Accurate positioning during non-coplanar treatments.
- Intra-fraction detection to help maintain initial patient position and maximum dose delivery within the target.

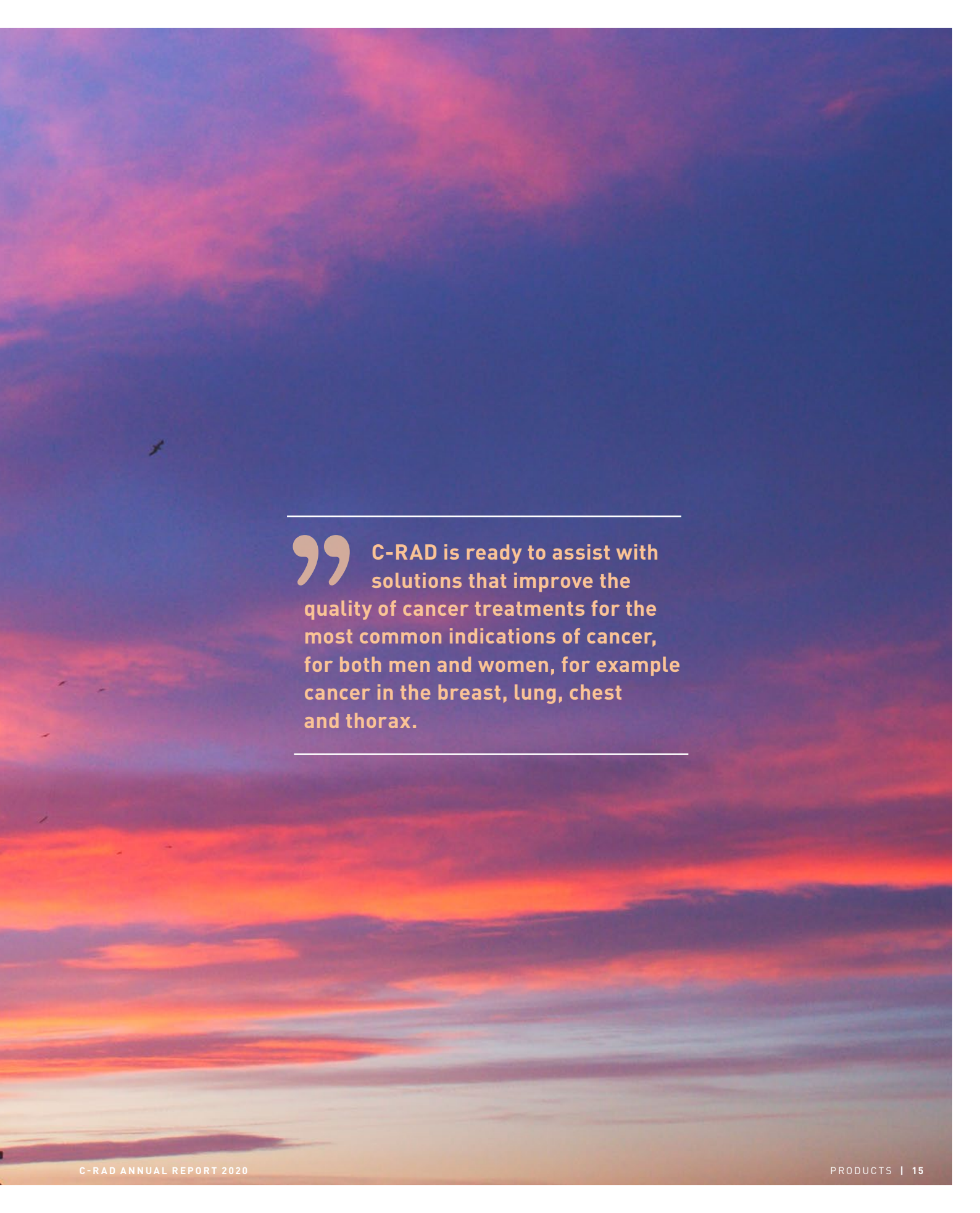
## © CATALYST<sup>+</sup> PT

- Dedicated proton and particle therapy solution.
- Several cameras to capture the patient surface independent of couch rotation.
- Automatic reference adjustments ensure uninterrupted motion monitoring.
- High flexibility with custom-made optimized mounting solutions.
- Extra neutron shielding.









---

**” C-RAD is ready to assist with solutions that improve the quality of cancer treatments for the most common indications of cancer, for both men and women, for example cancer in the breast, lung, chest and thorax.**

---

# Board of Directors

Holding per 2021-04-15



**Lars Nyberg**  
**Chairman of the Board**

Chairman of the Board since 2016.

**Born:** 1951.

Lars Nyberg was during 2007-2013 President and CEO at Telia-Sonera AB. 1995-2003 Chairman of the Board and CEO of the US-based IT company NCR Corp (NYSE:NCR). He continued as Chairman of the Board until 2005. Lars has held several managerial positions in Philips and he was a member of the Philips Group Management Committee.

**Holdings in C-RAD:** 70,000 A shares, 2,462,930 B shares. The share holding includes family's holdings.



**Kicki Wallje-Lund**  
**Member of the board**

Board member since 2015.

**Born:** 1953.

Kicki Wallje-Lund has vast experience in business development in a number of international companies, primarily in banking and finance. She has held senior positions at NCR, Digital Equipment, AT&T, Philips, ICL and Unisys. Other board assignments: chairman of the board at Embracer Group AB (publ).

**Holdings in C-RAD:** 0 A shares, 6,000 B shares.



**Peter Hamberg**  
**Member of the board**

Board member since 2013.

**Born:** 1973.

BA, San Francisco State University. CEO at Hamberg Förvaltning AB. Several directorships in the real estate and IT industries. Board member of Net Entertainment AB since 2007.

**Holdings in C-RAD:** 379,762 A shares held through a company, 1,532,671 B shares out of which 822,671 held through a company.





**Åsa Hedin**  
**Member of the board**

Board member since 2017.

**Born:** 1962.

Åsa Hedin has extensive experience from leading positions within the med-tech industry, including Executive Vice President Marketing and Corporate development of Elekta AB and Executive Vice President of Elekta Neuroscience. Member of the board in Artificial Solutions International AB and board member of Tobii AB, Cellavision AB, Biotage AB, E J:or Öhman Fonder AB, Immunovia AB, Industrifonden and Nolato AB. Åsa also holds a position as Industrial advisor at the Chalmers Dept of Microtechnology and Nanoscience. Åsa has previously been a board member of Immunovia AB, Hermes Medical AB, Swedish Space Commission AB, Stiftelsen Ruter Dam, Elekta NeuroMag Oy (chairman of the board), and MedCap AB. Åsa holds a Master of Science in Biophysics/Bioengineering from the University of Minnesota.

**Holdings in C-RAD:** 0 A shares, 0 B shares.



**Per-Arne Blomquist**  
**Member of the board and chairman of the audit committee.**

Board member since 2019.

**Born:** 1962.

Per-Arne has a long career of leading positions in companies like Alfa Laval, Telia, TeliaSonera and SEB. Per-Arne is today working as Senior Advisor at EQT, alongside different board assignments. He is today CEO of the investment company Qarlbo Associates AB, chairman of the Board for Bluestep Bank and member of the Board of Djurgården Hockey AB and Bufab AB (publ). Previous board assignments include Chairman of the Audit Committee in Lernia and Neste Oil as well as Chairman of the Board for Zmarta Group and IP-Only. Per-Arne holds a Bachelor of Business administration and Finance from Stockholm School of Economics.

**Holdings in C-RAD:** 0 A shares, 288,275 B shares.



**David Sjöström**  
**Director**

Board member since 2017.

**Born:** 1974.

David Sjöström is Head of Medical Physics at Herlev Hospital, Department of Oncology, Division of Radiotherapy, Herlev, Denmark. David Sjöström holds among other educations a Master of Science (Major in Physics) from the University of Lund.

**Holdings in C-RAD:** 0 A shares, 0 B shares.

---

**Michael Bengtsson, Authorized Auditor**

PricewaterhouseCoopers AB with Michael Bengtsson, Authorized Auditor, as Auditor-in-Charge. Born 1959. Michael is Auditor-in-Charge for amongst others Sweco, Nobina and Bonnier Group.

# Senior executives

Holding per 2021-04-15



**Tim Thurn**  
**CEO & President**

CEO of C-RAD AB and President since 2013.

**Born:** 1981.

CEO of C-RAD Positioning AB since 2011. Acting CEO of C-RAD Imaging AB since 2014. Tim Thurn has worked in the field of radiation therapy since 2003 and previously worked with product development at the German laser company LAP GmbH, where he also held the positions of product manager and sales manager. Tim holds a Master's in Business Administration and a Master degree in Electrical Engineering.

**Holdings in C-RAD:** 0 A shares, 372,649 B shares, 39,462 warrants.



**Henrik Bergentoft**  
**CFO**

CFO since March 2020.

**Born:** 1974.

Henrik has an extensive experience of leading positions within finance, primarily in public companies. He was previously CFO at MSAB (publ.), a position he held for three years. Prior to that, he has held positions as CFO and Finance Director at Aerocrine AB, Nordkom AB, and ContextVision AB. Henrik holds a master's degree in International Business from Uppsala University.

**Holdings in C-RAD:** 0 A shares, 0 B shares, 0 warrants.



**Håkan Axelsson**  
**COO**

COO since 2019.

**Born:** 1968.

Håkan Axelsson has been COO at C-RAD since August 2019, with accountability for R&D, Service, QA/RA and Production/Supply chain. He has a background from the biopharma, telecom and radiotherapy industry with GE Healthcare, Ericsson and Scanditronix where he has had various management roles within R&D, product management, operational excellence, portfolio management and service. Håkan holds a Master in Business Administration and an MSc in Engineering Physics with a major in system and computer engineering.

**Holdings in C-RAD:** 0 A shares, 10,000 B shares, 32,163 warrants.



**Dirk Freynhagen**  
**President C-RAD EIMEA**

President EIMEA since 2019.

**Born:** 1965.

Dirk brings with him plus 20 years international sales experience for capital goods and first-in-country projects in Radiotherapy and Health Physics.

Dirk has held the positions as General Manager Germany and Sr. Business Director for Northern and Central Europe at Accuray International. Before that Dirk was Business Director Sales at Elekta and Director Sales and Marketing at Rados Technology. He has also worked in product management in the medical device industry.

**Holdings in C-RAD:** 0 A shares, 0 B shares, 2 000 warrants.



**Kurt Xiaodong Wang**  
**President of C-RAD China**

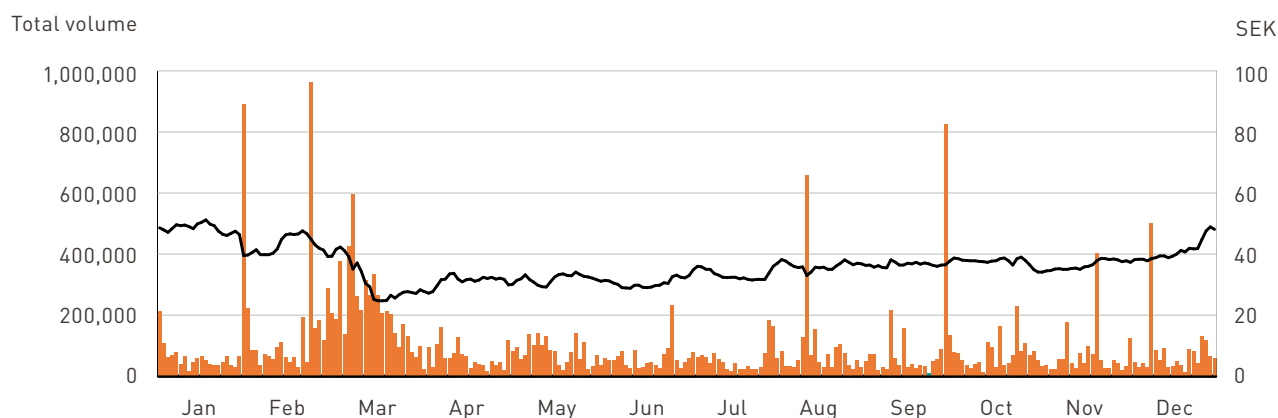
President of C-RAD China since January 2018 and Sales Director of C-RAD China since 2015.

**Born:** 1979.

Kurt has more than 17 years working experiences. He had previously worked for Cardinal Health China as Senior Oncology Solution manager, Elekta China as product manager, Sales manager of CMS (TPS company, acquired by Elekta). Kurt hold a master degree of Bio-Medical Engineering from Tsinghua University, Bachelor degree in Material Science and Technology from Xi'an Jiaotong University.

**Holdings in C-RAD:** 0 A shares, 40,000 B shares, 22,254 warrants.

# The C-RAD share



Largest shareholders 2020-12-31	AK A	AK B	Total	Capital, %	Votes, %
Peter Hamberg inkl Hamberg förv.AB	379,762	1,495,224	1,874,986	5.57	12.78
Svea Ekonomi (från Ålandsbanken)	100,000	3,924,969	4,024,969	11.96	11.89
Lars Nyberg (från Handelsbanken)	70,000	2,462,930	2,532,930	7.53	7.64
Lars Kling	0	2,536,216	2,536,216	7.53	6.12
Olle Stenfors	180,000	235,000	415,000	1.23	4.91
Försäkringsaktiebolaget Avanza Pension		1,467,789	1,467,789	4.36	3.54
Nordnet Pensionsförsäkring AB	0	1,997,773	1,997,773	5.94	4.82
Eiffel Investment Gorup SAS (Societe Generale)	0	1,273,216	1,273,216	3.78	3.07
Anders Brahme	133,125		133,125	0.40	3.21
Margareta Hamberg		1,060,722	1,060,722	3.15	2.56
Other	0	16,342,576	16,342,576	48.55	39.45
<b>Total</b>	<b>862,887</b>	<b>32,796,415</b>	<b>33,659,302</b>	<b>100.00</b>	<b>100.00</b>

## Share capital

The share capital in C-RAD AB amounts to SEK 5,048,896.7 divided into 862,887 A shares and 32,796,415 B shares. The number of outstanding shares amounts to a total of 33,659,302 shares, with a quote value of SEK 0.15 per share. All outstanding shares are fully paid. C-RAD's Articles of Association stipulate that the share capital shall amount to a minimum of 22,000,000 shares and a maximum of 88,000,000 shares. Holders of A shares in C-RAD may request conversion from A shares to B shares from the Board. Class A and Class B shares can each be issued up to the highest number corresponding to 100 percent of the share capital.

## Trading in C-RAD shares

The C-RAD share has been traded since 16 December 2014 on Nasdaq Stockholm, Small Cap, under the short name CRAD and with ISIN code SE00 0201 6352. The closing price on December 30 2020 was 48.20 (44.50). The lowest closing price in 2020 was SEK 24.55 on March 18 and the highest was SEK 50.70 on January 20, 2020. The average number of shares traded was 95,558 (62,014), value approximately MSEK 8.7 million (2.2) and an average of 252 trades per trading day (123).



# Financial Reports 2020



# Administration Report including Corporate Governance Report

**The Board of Directors and CEO of C-RAD AB (publ), Company reg. no. 556663-9174, hereby submit the annual accounts and consolidated accounts for financial year 2020. The Board's registered office is in Uppsala. The financial reports will be adopted by the Board and approved for publication on April 15, 2021. The consolidated and Parent Company financial statements will be submitted for approval at the Annual General Meeting on May 7, 2021.**

*Figures in parentheses refer to the previous year. All amounts presented in tables and notes are in SEK Thousands unless stated otherwise.*

## About C-RAD in general

C-RAD is a Swedish company headquartered in Uppsala. The Company develops, manufactures and sells products and systems on the world market, which provide higher precision, increased efficiency and better safety in radiation treatment of cancer patients. The Company's innovations originate from Karolinska Institutet and the Karolinska Hospital in Solna. The Group also includes CYRPA International, which develops innovative laser-based products for positioning and virtual simulation in radiation therapy.

C-RAD started its operations at the turn of the year 2004/2005. The business initially focused on research and development and today the Company delivers its products to radiation treatment clinics all over the world.

In recent years, C-RAD has been in an expansion phase laying the foundations for global growth. The basis for these conditions consists of innovative and clinically accepted products and systems as well as a continued expansion of the sales organization and service. During these years, we have built up trust and our customers feel confident in our advanced products. Powerful testimonials from our customers underscore the clinical benefits that come with our technology. This has now led to a wider acceptance and an increasing demand for our products and solutions.

C-RAD sells systems directly to customers via diagnostics and accelerator companies as well as through specialized distributors. The own organization for direct sales has expanded in recent years and has become increasingly important. C-RAD currently has a sales organization for the Nordic countries, the German-speaking countries, France, East Asia and North America.

## Significant events during the financial year

In February, C-RAD carried out a new share issue of 2,500,000 Series B shares and resulting in a capital injection of approximately 102 MSEK.

In May, a letter of intent was signed with the Belgian company Ion Beam Applications SA (IBA), regarding the provision of C-RAD's surface scanning solutions to Shenzhen Tumor Hospital in China. The installation refers to the equipment of five proton treatment rooms with C-RAD's high-tech SIGRT solution. The value of the order amounted to approximately SEK 13 MSEK.

In May, it was announced that a former employee had submitted a lawsuit against C-RAD AB with a claim for compensation related to an invention during the employment. C-RAD strongly rejects the lawsuit and considers that the claim for damages is grossly exaggerated and incorrect.

In June, it will be announced that the private care provider DTZ Berlin will choose C-RAD's ground breaking SIGRT solution, the order value amounts to 11 MSEK.

In June, C-RAD announces that a letter of intent has been signed to deliver surface scanning solutions to a proton cancer center in China, a deal worth approximately 12 MSEK. This was later confirmed with an order in December.

Several clinics in the state of New South Wales, Australia, decided in September to implement C-RAD's solutions where the order value amounted to 11 MSEK.

A leading cancer center in China, Shanghai Proton and Heavy Ion Hospital (SPHIC), chose C-RAD in September to implement surface scanning systems.

In October, it was announced that the previously announced sales and distribution agreement with Elekta in the US had been extended to include China.

Five-year summary	2020	2019	2018	2017	2016
<b>Key figures, amounts in SEK</b>					
Order intake	312.6	269.8	246.8	192.5	113.5
Revenue	221.6	205.4	190.1	133.1	82.7
Operating profit/loss	17.1	-9.6	0.8	-10.0	-30.4
Profit/loss before tax	16.4	-11.4	0.2	-10.9	-31.2
Profit/loss after tax	14.4	-13.8	21.2	-10.9	-31.2
Total assets	270.5	157.8	146.6	118.1	102.1
Order backlog	350.5	267.1	194.0	139.8	83.5
Equity ratio, %	74	53	64	60	69
Average number of employees	59	55	52	48	40

For definitions of the key figures, see page 75.

Brian Loar is appointed President of C-RAD North America in January 2020 but decides in October to move on to another position outside C-RAD. His duties are handled by internal resources until a replacement is recruited.

In December, C-RAD is chosen as a partner to implement a surface scanning solution for three centers for proton cancer treatment in the USA, order value 15 MSEK.

### Sales, operating profit and expenses

The Group's sales amounted to 221.6 (205.4) MSEK, which is an increase of 8 percent from 2019. The increase is mainly attributable to positioning products and service operations. The gross margin was 59 (59) percent. Operating profit amounted to 17.1 (-9.6) MSEK. In 2019, a write-down of capitalized development costs and inventories was made for the GEMini project of a total of 11.6 MSEK. Operating profit in 2019 adjusted for these items affecting comparability amounted to 2.0 MSEK.

Personnel costs for the full year amounted to 64.8 (63.9) MSEK. C-RAD has taken various measures to reduce staff costs to compensate for the uncertainty in revenue due to volatile market conditions due to the pandemic. Among other measures, the Company has used various short-term compensation programs and other government grants, available in countries where the Company operates. Depreciation and write-downs in the Group amounted to 9.0 (21.0) MSEK during the year, where the previous year includes the write-down of 11.6 MSEK described above.

Total costs for research and development during the year amounted to 14.8 (19.3) MSEK, of which 5.3 (6.7) MSEK was capitalized for work for own development during the year. The reported value of capitalized expenses for own development projects amounted to 15.1 (13.3) MSEK on the balance sheet date. The tax expense of 2.0 MSEK refers to an adjustment

of the deferred tax asset for the Swedish units and does not affect cash flow. The total deferred tax asset amounts to 23.7 (25.6) MSEK at the end of the period.

The total result for the year amounted to 11.2 (-13.6) MSEK.

### Cash flow

Total cash and cash equivalents at the end of the quarter amounted to 108.0 (29.5) MSEK. In addition, the Company has an unused credit facility of 20 MSEK. Cash flow from operating activities amounted to 18.4 (15.8) MSEK. In February, a directed new issue was carried out with an issue of 2,500,000 Series B shares, amounting to 108 MSEK, which gave the Company 102 MSEK net after issue cost. After the new share issue, a bank loan of 20 MSEK was repaid and the Company ceased to use factoring. Furthermore, warrants were converted into shares during the period 2.9 MSEK. In summary, the above generated a cash flow from financing activities of 68.0 MSEK in 2020.

### Equity

The Group's equity amounted to 199.8 (83.3) MSEK. The Group's equity/assets ratio has increased from 53 percent in 2019 to 74 percent in 2020.

### Non-current liabilities

At the end of 2020, the Company had long-term liabilities of 7.4 MSEK, in its entirety attributable to the long-term part of the leasing debt.

### Deferred tax asset

The deferred tax asset is impairment tested at each quarter. In 2020, 2.0 MSEK was reported as a tax expense and thus reduced the deferred tax asset. Total tax receivables amounted

to SEK 23.7 (25.6) MSEK as of December 31st. The remaining tax loss in the foreign subsidiaries is 64.8 MSEK and there is currently no time limit for utilizing the loss against future taxable gains. The tax deficit in the foreign subsidiaries has not been capitalized as a deferred tax asset.

### Parent Company

No operations are conducted in the Parent Company except Group management and administration. The Parent Company's revenues for the full year 2020 amounted to 22.1 (16.2) MSEK and the operating profit was -7.7 (-3.0) MSEK. Most of the Group's administrative costs arise in the Parent Company. Revenues in the Parent Company consist of invoiced administration fees to subsidiaries and grants received in development projects.

During the year, the Parent Company wrote down the value of shares in subsidiaries by SEK 2.0 million in connection with completed capital injections.

### Research and development

A prerequisite for C-RAD's business success is a strong and innovative R&D with cutting-edge expertise in clinical application and hardware and software.

During the year, the Company launched a new hardware and soft goods platform for the treatment room as under the name Catalyst+™. Catalyst+™ offers greater versatility in applications and a significantly improved performance.

Capitalized development costs during 2020 amounted to 5.3 MSEK and relate in their entirety to product development of the positioning products. Total capitalized development costs amounted to 15.1 (13.3) MSEK on the balance sheet date.

### Significant risks and uncertainties

A number of risks have been identified and the impact of these factors is difficult to assess. These factors could have both a negative and a positive effect on the Company. The risks are described in Note 6.

When assessing the continued development of the Company, these risks must also be considered. The factors are listed below in no particular order.

#### Pandemics

Unforeseen and, in addition, rapid spread of diseases can mean that society functions, including health care, shift their focus and, at least in the short term, cannot focus on investments in new equipment. This could adversely affect C-RAD's sales, as well as the ability to deliver products already ordered. As mentioned further, C-RAD is dependent on third parties in the form of suppliers and cooperation

agreements. There is a risk that a pandemic will affect these parties in such a way that they cannot fulfill their obligations to C-RAD, with the subsequent risk of negative effects on both sales and delivery capacity for C-RAD.

#### Market growth

The market for advanced radiation therapy is expected to face continued strong growth, especially in the US, which accounts for almost half of the global market. There is a risk that this growth will slow down and that the market in the rest of the world may not grow at the expected rate. A lower growth rate could have an adverse impact on the Company's business, earnings and financial position.

#### Technological development

The medical device industry is still undergoing major changes, largely as a result of technological developments in the field. C-RAD develops solutions for use in advanced radiation therapy. If a completely new technology should arise in the field in which C-RAD is active, combined with changing demands and preferences of customers, this could adversely affect market acceptance of the products, which could have a negative impact on the Company's business, earnings and financial position.

#### Intellectual property rights

Business and sales are to some extent dependent on C-RAD applying for and receiving patent protection for its innovations in the field of radiation therapy in strategically important markets. There are no guarantees that the Company will receive patents that are pending or that it will be able to protect patents that have been granted. Even if the Company receives patent protection, competing solutions could be developed. There is also no guarantee that in the future a third party will not bring an infringement action against the Company. The above risks related to intellectual property rights may have adverse effects on C-RAD's business, earnings and financial position.

#### Permits and approvals

Marketing and sales of C-RAD products often require regulatory approvals in the relevant markets. The approval process for medical device products varies between countries and between different healthcare systems, which means that it can be difficult to predict what resources in terms of time and costs will be required to obtain product approvals in different markets. There is also no guarantee that the Company will be able to obtain and maintain such permits. If C-RAD does not receive strategically important permits and maintain the



permits it has for products marketed and sold in strategic markets, this could have material adverse effects on the Company's business, earnings and financial position.

### **Technical risk**

The Company manufactures and sells the Sentinel™, Catalyst™ and Catalyst HD™ systems and Cyrpa lasers. Interest in the systems is strong and the Company's assessment is that the cash flow for the systems will provide good profitability, which means that no indication of impairment is present. Should this investment fully or partially fail the Company may be forced to write down parts or all of the projects.

### **Competitors in the accelerator field**

If a competitor of C-RAD were to initiate a major investment and product development, this could have a negative impact on C-RAD's sales. Moreover, companies with global operations that currently work in adjacent areas may decide to become established in the same areas of business. Such companies could have larger financial and organizational resources than C-RAD. If C-RAD is unable to adapt its business and products to meet market demand, there is a risk of losing competitiveness, which in turn could have an impact on the Company's business, earnings and financial position.

### **Dependence on key personnel**

Success is based largely on the skills of the employees in general and of key personnel in particular. The future development of the Company largely depends on the ability to attract and retain skilled personnel. If any key personnel should choose to leave the Company, it could result in delays in development and higher costs for both product development and recruitment, at least in the short term.

### **Dependence on suppliers**

C-RAD's products are usually manufactured by subcontractors. It cannot be excluded that one or more of these would choose to terminate cooperation with C-RAD and that the Company cannot replace the subcontractor in a timely, qualitatively or financially satisfactory manner. There is also a risk that C-RAD's suppliers and manufacturers fail to meet quality requirements resulting in product liability claims. Similarly, establishment of new suppliers or manufacturers could become more expensive and take longer than C-RAD has calculated. Sentinel™ and Catalyst™ contain components with long delivery times that are currently only available from a few suppliers. If these components could not be delivered for any reason, or if deliveries should be delayed, deliveries to C-RAD's customers could be delayed. Overall, this could have

an adverse impact on the Company's business, earnings and financial position.

### **Dependence on cooperation agreements**

C-RAD's sales are made directly to radiation therapy centers and in cooperation with distributors and industrial partners. Building an efficient distribution network is of great importance for the Company's sales performance and requires time and costs for training initiatives and visits to key customers. The Company is, and will continue to be, dependent on cooperation agreements with external parties for the sale of the products. If such collaborations with external partners should fail, the Company will find it difficult to implement its development plans. There is also a risk that the companies with which C-RAD has signed or will sign, cooperative agreements will be unable to meet their obligations under these agreements. Existing cooperation agreement may also be terminated or changed. Overall, this could have an adverse impact on the Company's business, earnings and financial position.

### **Ability to manage growth**

C-RAD's business may grow substantially through a sudden and unexpected increase in demand for its products, which would place great demands on management as well as the operational and financial structure of the Company. As the business grows, the Company needs to ensure that efficient planning and management processes are in place, which may require investments and allocation of management resources to be able to implement the business plan in a market undergoing rapid development. A fast and strong market response could result in delivery problems. The inability to handle such increased capacity requirements could have a negative impact on the business, earnings and financial position.

### **Financial risk**

The Company is exposed to potential financial risks such as currency risk, credit risk, interest rate risk and cash flow risk.

Currency risk is associated primarily with future transactions, booked assets and debts, as well as investments in foreign subsidiaries.

Credit risk is associated with accounts receivable and the Parent Company's loans to subsidiaries. Customers largely consist of public and private cancer centers around the world. The Company has thus far not written off any accounts receivable due to a customer's inability to pay.

Interest rate risks are associated with changes in interest rates that affect the Company negatively. On the balance sheet day, the Company did not have any long-term interest-bearing

loans. Excess liquidity is placed in the bank and/or fixed income securities with high ratings.

Cash flow risk is the risk of not being able to meet payment obligations due to insufficient liquidity or a difficulty in obtaining external loans.

See note 6 for more information on financial risks and financial risk management.

## Personnel

At year-end the Group had a total of 55 (59) employees. The average number of employees in 2020 was 59 (55). A vast part of the employees works in research and development and related activities. The employees possess cutting-edge competencies within their respective disciplines and several also have extensive experience from radiation therapy and radiation physics.

### Incentive Programs for the employees

At the Annual General Meeting on May 8, 2020, an incentive program was approved through the issue of 100,000 warrants in C-RAD AB. Current employees in the C-RAD Group subscribed for a total of 100,000 warrants. 70,651 of these were subscribed by Group management, other senior executives and other managers.

## Environment

The Group's environmental impact mainly involves transports and electricity consumption that delivered and installed products require for their operation. The Group's operations are not subject to licensing or reporting requirements under the Swedish Environmental Code.

## Significant events after the end of the financial year

There have been no significant events after the end of the financial year.

## Future development

The strengths of the C-RAD products, the continued strong growth of the industry and the actions that the Company is taking to uniquely position C-RAD in the marketplace, create expectations for future growth. C-RAD will become even further established in proven and new markets and help to make cancer treatment more efficient for health care providers, better in quality and safer for patients and medical personnel.

## Corporate Governance Report

### Corporate Governance

C-RAD is a Swedish public limited company based in Uppsala. Corporate governance at C-RAD AB is based on Swedish

legislation, primarily the Swedish Companies Act, the Swedish Code of Corporate Governance (the "Code"), the Nasdaq OMX Stockholm's listing requirements as specified in the "Rules for Issuers" and the internal instructions and policy documents that the Company has established and adopted. The Company's shares have been admitted to trading on Nasdaq OMX Stockholm since December 16, 2014. As of this date, the Company is obligated to apply the Code. The Company applies the Code from the time of admission to trading of its shares on Nasdaq OMX Stockholm. If any deviation from the Code should arise, such deviations must be explained in connection with each section.

### Annual General Meeting

The Annual General Meeting is the Company's highest decision-making body. By law, the Annual General Meeting must be held within six months following the end of the financial year. The Annual General Meeting decides on issues such as adopting the income statement and balance sheet, the disposition of the Company's earnings, discharge from liability, election of directors and appointment of auditors. Notice of the Annual General Meeting, as well as extraordinary general meetings where questions regarding amendments to the Articles of Association are addressed, must be issued no earlier than six and no later than four weeks before the Meeting. Notice of other General Meetings must be issued no earlier than six and no later than three weeks before the Meeting. Shareholders recorded in the register maintained by Euroclear on behalf of C-RAD no later than five business days before the meeting and who have expressed their intention to participate to the Company as described in the Notice of the Meeting have the right to attend and vote at the Annual General Meeting. Shareholders may be represented by proxy. Notice of the meeting is issued in accordance with the Companies Act no earlier than six and no later than four weeks before the meeting.

### Authorization 2020 provided by the General Meeting

The AGM authorized the Board to decide if C-RAD will issue a maximum of 2,500,000 new B-shares. The authorization had not been used on the balance sheet day.

### Articles of Association

C-RAD's Articles of Association contain no restrictions on how many votes each shareholder may cast at a General Meeting. Each Class A share entitles the holder to ten votes and each Class B share carries one vote at the Annual General Meeting. The total number of shares is 33,659,302. Moreover, C-RAD's Articles of Association do not include

any specific provisions on the appointment and dismissal of directors or on amending the Articles of Association.

### **Nomination Committee**

The Nomination Committee's task is to submit proposals prior to the Annual General Meeting regarding, among other things, Chairman of the Board, directors, auditors, remuneration to the Board and, where appropriate, proposals for appointment of auditors and for their fees. Principles for appointing the Nomination Committee are resolved by the Annual General Meeting. C-RAD's Nomination Committee prior to the 2021 Annual General Meeting consists of Lennart Ågren, Gatean Boyer and Lars Nyberg. The Nomination Committee appointed Gatean Boyer to be chairman of the Committee.

### **Board of Directors**

The Board conducts its work as described in the Swedish Companies Act, the Code and other rules and regulations applicable to the Company. The overarching task of the Board of Directors is to manage the Company's affairs and organization. The Board currently consists of six members and the Company has ensured that the composition is adapted to meet the requirements of the Code. For additional information about the current Board of Directors and Group management, please see the relevant sections on pages 16 and 17.

All directors are independent of the Company and the Company's major shareholders, with the exception of Peter Hamberg, who is independent of the Company and its management, but is not independent of the Company's major shareholders.

### **Rules of procedure and Board meetings**

At the Board meeting following the Annual General Meeting, the Board of Directors of C-RAD adopts the rules of procedure with instructions regarding the rules of procedure between the Board and the Chief Executive Officer, as well as instructions for financial reporting. The Board holds at least four ordinary meetings in addition to the statutory meeting. Meetings are coordinated as far as possible with the timing of financial reporting and the Annual General Meeting. In 2020, the Board met 15 times, including the statutory meeting and four per capsulam meetings related to the Company's warrant programs. Besides overseeing company affairs the board also engaged in the company's long-term strategy as well as extraordinary activities in the company related to the Corona pandemic. All Board members attended all meetings to which they were summoned.

### **Attendance at Board meetings in 2020**

<b>Director</b>	<b>Number of meetings</b>
Lars Nyberg .....	15
Peter Hamberg .....	15
Kicki Wallje-Lund .....	15
David Sjöström .....	15
Åsa Hedin .....	15
Per-Arne Blomquist .....	15

Evaluation of the Board's work is done once per year. The Chairman organizes evaluation through questionnaires, compiles the results and present at the following Board meeting where the discussions are ongoing and any area for improvement identified.

### **Board committees and committee work**

The Audit Committee consists of Per-Arne Blomquist, Chairman of the Committee, and Kicki Wallje-Lund as a member. The committee had four meetings in 2020. The Board currently has no Remuneration Committee as it is the Board's opinion that the tasks that would otherwise be performed by such a committee are better performed by the Board as a whole.

### **Internal control**

According to Swedish corporate governance rules, the Board of Directors shall ensure that C-RAD has adequate internal controls and remains informed of and evaluates the Company's internal control systems. In 2016, the Board assigned an audit committee that follows the current affairs through regular meetings with the Company's financial functions. An important part of the control environment is that the organization and decision-making procedure, as well as responsibilities and authorities are clearly defined and communicated in policy documents. Any identified risks within the financial reporting will be handled within the Company's control structure and results in a number of control activities.

C-RAD has adopted policies and procedures relating to financial reporting, as well as a financial manual that includes accounting policies, financial policy and reporting procedures. Control activities are designed to prevent, detect and correct errors and deviations and include for example comparison of profit and loss items, account reconciliation, monitoring and reconciliation of Board decisions and policies adopted by the Board. The Board reviews the interim and the annual reports before publication.

Levels and rules for approval of transactions within the Company and with external partners are set through an

authorization procedure. The Company also has rules for approval of transactions.

### Internal audit

The Board has determined that existing internal control processes and functions at C-RAD are adequate and there is no need to introduce an internal audit function. The monitoring provided by the Board, management and the Company's external auditors is currently considered to fulfill this need. However, the Board conducts an annual assessment to determine whether such a function is necessary to maintain good control of the Company and the Group.

### Financial reporting and follow-up

Under applicable laws and stock exchange rules as well as other regulations applicable from time to time, the Company strives to regularly provide accurate, reliable and timely financial information. Financial information is published regularly as quarterly reports, annual reports and press releases containing news and significant events that may affect the share price. The Company's CFO prepares a monthly report on key performance indicators for the Board.

## Ownership

At the end of the year C-RAD had 4,121 shareholders according to Euroclear. The two largest shareholders together held 17.5 percent of the shares and 24.7 of the voting rights. As of the balance sheet day, the Company's share capital amounted to SEK 5,048,896,72 with a par value SEK 0.15 per share, divided into 33,659,302 shares, including 862,887 Class A shares and 32,796,415 B shares. Each Class A share entitles the holder to ten votes and each Class B share carries one vote at the Annual General Meeting. Total number of votes in the Company is 41,425,285. No known shareholder agreements exist.

### Remuneration to the Board of Directors

The Annual General Meeting decides on remuneration to the Board of Directors. At the Annual General Meeting May 8,

2020 resolved that the Chairman shall be paid SEK 400,000 in remuneration for 2020 and the other Directors shall be paid SEK 200,000 each. Members of the Audit Committee shall be paid SEK 25,000 each.

### Remuneration to senior executives

The total remuneration in 2020 to the senior executives Tim Thurn, Therése Björklund (left C-RAD in June), Håkan Axelsson, Dirk Freynhagen, Kurt Wang, Brian Loar (left C-RAD in October), Henrik Bergentoft and William Dowd (left C-RAD in January) amounted to SEK 9.0 million, of which SEK 2.2 million pertained to remuneration to the CEO Tim Thurn. The average number of senior executives was 6 in 2020. All amounts relating to remuneration to senior executives are exclusive of social security contributions. The pension cost for senior executives in 2020 amounted to SEK 0.5 million. Management's pension terms are in line with other employees within the Group. Tim Thurn, Therése Björklund, Henrik Bergentoft and Håkan Axelsson are employees of the Parent Company C-RAD AB while Kurt Wang is employed of the subsidiary C-RAD Positioning AB, William Dowd and Brian Loar are employees of the subsidiary C-RAD Inc and Dirk Freynhagen is employed in the subsidiary C-RAD GmbH.

### Guidelines for remuneration to senior executives

The 2020 Annual General Meeting resolved on guidelines for remuneration to senior executives which remains for 2021. The Board of Directors proposes the following guidelines for remuneration to senior executives. The term 'senior executives' refers to the CEO and the people who are in Group management. Remuneration to the CEO and other senior executives will consist of fixed salary, other benefits and pension provisions. The total remuneration will be market-based and competitive, and also be related to responsibility and authority. Upon termination of the employment contract by the Company, termination and severance pay will not exceed eight (8) months' salary. Pension benefits will follow the ITP plan and any additional portions will be based on defined

### Ownership structure – owners of at least 10 percent of votes

Shareholders	A shares	B shares	Total shares	Capital, %	Votes, %
Peter Hamberg, inclusive Hamberg Förv. AB	379,762	1,495,224	1,874,986	5.57	12.78
Svea Ekonomi AB	100,000	3,924,969	4,024,969	11.96	11.89
Other	383,125	27,376,222	27,759,347	82.47	75.33
<b>Total</b>	<b>862,887</b>	<b>32,796,415</b>	<b>33,659,302</b>	<b>100.00</b>	<b>100.00</b>



contributions, unless specific reasons are present to indicate otherwise. The retirement age for Executive Management shall normally be 65 years. The Board may only deviate from these guidelines if special reasons are present in individual cases.

### **Remuneration to auditors**

At the 2020 Annual General Meeting, Öhrlings Pricewater-House Cooper AB was re-elected to serve as auditor for the Company, with Michael Bengtsson as principal auditor. Remuneration is paid to the auditor on a time and materials basis. For further information on fees, see note 13.

Audit assignments refer to auditing of the annual accounts, accounting records and administration by the Board and the CEO, as well as other duties that the Company's auditor is obligated to perform, as well as the provision of advice or other assistance as a result of observations made in conjunction with such an examination or the performance of other such duties. Everything else is classified as other assignments.

### **Proposed appropriation of profits**

The following funds in the Parent Company are at the disposal of the Annual General Meeting, in SEK:

Retained loss . . . . .	-125,315,465
Share premium reserve . . . . .	367,977,198
Profit for the year. . . . .	-8,203,512
Total retained earnings. . . . .	234,458,221

The Board and the President propose that the retained earnings of SEK 234,458,221 be carried forward.

# Consolidated Income Statement

All amounts in SEK Thousands unless otherwise stated.

	Note	2020	2019
<b>Operating income</b>			
Net sales	11	221,628	205,394
Purchased goods and services		-90,002	-84,365
<b>Total operating income</b>		<b>131,626</b>	<b>121,029</b>
<b>Operating expenses</b>			
Other external costs	13,14	-44,329	-52,603
Personnel costs	15	-64,849	-63,929
Own work capitalized	21	5,266	6,727
Depreciation and amortization of property plant and equipment, as well as intangible assets	20,21	-9,031	-20,965
Other operating expenses	12	-1,599	110
<b>Total operating expenses</b>		<b>-114,542</b>	<b>-130,660</b>
<b>Operating profit/loss (EBIT)</b>		<b>17,084</b>	<b>-9,632</b>
Financial income	17	37	11
Financial expenses	17	-741	-1,746
<b>Profit (loss) before tax</b>		<b>16,380</b>	<b>-11,366</b>
Tax on profit/loss for the period	18,19	-2,016	-2,434
<b>Profit (loss) for the year</b>		<b>14,365</b>	<b>-13,800</b>
<b>Consolidated statement of comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Translation difference from foreign operations		-3,128	206
<b>Total comprehensive income for the year<sup>1</sup></b>		<b>11,237</b>	<b>-13,594</b>
<b>Earnings per share</b>			
Earnings per share, basic (SEK)		0.43	-0.45
Earnings per share, diluted (SEK)		0.43	-0.45

1) 100 percent attributable to Parent Company shareholders.

# Consolidated Statement of Financial Position

	Note	31-12-2020	31-12-2019
<b>NON-CURRENT ASSETS</b>			
<b>Intangible assets</b>			
Capitalized development expenditure	21	15,056	13,320
Distribution rights	21	1,836	2,684
Patents, licenses and similar rights	21	974	1,830
<b>Total</b>		<b>17,867</b>	<b>17,834</b>
<b>Property, plant and equipment</b>			
Equipment	20	3,178	2,733
Right-of-use assets	14	9,865	2,174
<b>Total</b>		<b>13,043</b>	<b>4,907</b>
<b>Financial assets</b>			
Non-current receivables	6	102	102
Deferred tax assets	19	23,674	25,642
<b>Total</b>		<b>23,776</b>	<b>25,744</b>
<b>Total non-current assets</b>		<b>54,684</b>	<b>48,485</b>
<b>CURRENT ASSETS</b>			
Inventories	7	25,702	14,952
Accounts receivable	6,28	60,497	35,149
Other receivables		5,252	3,976
Prepaid expenses and accrued income	8	16,343	25,745
Cash and bank balances	6,27	108,045	29,485
<b>Total current assets</b>		<b>215,839</b>	<b>109,307</b>
<b>TOTAL ASSETS</b>		<b>270,523</b>	<b>157,792</b>

# cont. Consolidated Statement of Financial Position

	Note	31-12-2020	31-12-2019
<b>EQUITY</b>	23		
Share capital		5,049	4,653
Additional paid-in capital		376,262	271,440
Reserves		-3,313	-185
Profit (loss) for the year		-178,209	-192,574
<b>Total equity</b>		<b>199,789</b>	<b>83,334</b>
<b>LONG-TERM LIABILITIES</b>	24		
Long-term leasing liabilities	6,14	7,436	299
Other long-term liabilities	6	-	20,000
<b>Total long-term liabilities</b>		<b>7,436</b>	<b>20,299</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable	6	17,071	11,604
Warranty provisions	29	2,782	2,494
Other current liabilities	6	11,046	21,612
Accrued expenses and deferred income	30	32,399	18,449
<b>Total current liabilities</b>		<b>63,298</b>	<b>54,159</b>
<b>Total liabilities</b>		<b>70,734</b>	<b>74,458</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>270,523</b>	<b>157,792</b>



# Consolidated Statement of Cash Flows

	Note	2020	2019
<b>Operating activities</b>			
Operating profit/loss before financial items		17,084	-9,632
Adjustments for non-cash items	26	9,319	21,552
Interest received		0	0
Interest paid		-619	-1,745
<b>Cash flow from operating activities before working capital changes</b>		<b>25,784</b>	<b>10,175</b>
Increase (decrease) operating receivables		-17,222	4,410
Increase (decrease) inventories		-10,750	-3,290
Increase (decrease) operating liabilities		20,636	4,532
<b>Cash flow from operating activities</b>		<b>18,447</b>	<b>15,827</b>
<b>Investing activities</b>			
Acquisition of intangible assets		-	-1,340
Capitalized development expenditures		-5,266	-6,727
Acquisition of property, plant and equipment		-1,517	-2,703
<b>Cash flow from investing activities</b>		<b>-6,783</b>	<b>-10,770</b>
<b>Investing activities</b>			
New share issue		110,433	3,133
Issue cost		-5,683	-65
Warrants		468	319
Debt repayment		-34,699	-5,261
Repayment of leasing liability		-2,512	-2,171
Borrowings		-	20,000
<b>Cash flow from financing activities</b>		<b>68,006</b>	<b>15,955</b>
Cash flow from financing activities		79,671	21,012
Opening cash and cash equivalents		29,485	9,334
Exchange rate differences in cash and cash equivalents		-1,111	-860
<b>Closing cash and cash equivalents</b>	27	<b>108,045</b>	<b>29,485</b>

# Consolidated Statement of Changes in Equity

	Share capital	Additional paid-in capital	Reserves	Retained earnings	Total
Opening equity Jan 1, 2019	4,614	268,194	-391	-178,774	93,641
Rights issue	40	3,373			3,413
Issue cost		-65			-65
Issued warrants		-62			-62
<b>Total transactions with owner</b>	<b>40</b>	<b>3,246</b>			<b>3,286</b>
Total comprehensive income for the year			206	-13,800	-13,594
<b>Closing equity Dec 31 2019</b>	<b>4,654</b>	<b>271,440</b>	<b>-185</b>	<b>-192,574</b>	<b>83,334</b>
Rights issue	396	110,037			110,433
Issue cost		-5,683			-5,683
Issued warrants		468			468
<b>Total transactions with owner</b>	<b>396</b>	<b>104,822</b>			<b>105,218</b>
Total comprehensive income for the year			-3,128	14,365	11,237
<b>Closing equity 31 Dec 2020</b>	<b>5,049</b>	<b>376,262</b>	<b>-3,313</b>	<b>-178,209</b>	<b>199,789</b>

# Parent Company, Income Statement

	Note	2020	2019
<b>Operating income</b>			
Net sales	10	22,090	16,249
<b>Total operating income</b>		<b>22,090</b>	<b>16,249</b>
<b>Operating expenses</b>			
Other external costs	13,14	-13,852	-11,676
Personnel costs	15	-12,071	-9,251
Depreciation of property, plant and equipment	20	-45	-19
Amortization of intangible assets	21	-847	-847
Other operating expenses		-2,959	2,502
<b>Total operating expenses</b>		<b>-29,775</b>	<b>-19,292</b>
<b>Operating profit/loss (EBIT)</b>		<b>-7,685</b>	<b>-3,043</b>
Interest income and similar profit/loss items	17	0	0
Interest expense and similar profit/loss items	17	-2,097	-24,063
<b>Profit (loss) before tax</b>		<b>-9,782</b>	<b>-27,105</b>
Tax on profit/loss for the period	18,19	1,579	560
<b>Profit (loss) for the year</b>		<b>-8,204</b>	<b>-26,545</b>

In the Parent Company, there are no items under other comprehensive income

# Parent Company

## Balance Sheet

	Note	31-12-2020	31-12-2019
<b>NON-CURRENT ASSETS</b>			
Equipment	20	433	16
<b>INTANGIBLE ASSETS</b>			
Distribution rights	21	1,836	2,684
<b>FINANCIAL ASSETS</b>			
	22		
Shares in Group companies	10	103,531	103,531
Receivables from Group companies	10	75,553	40,286
Deferred tax asset	19	4,356	2,778
<b>Total financial assets</b>		<b>183,440</b>	<b>146,594</b>
<b>Total non-current assets</b>		<b>185,709</b>	<b>149,294</b>
<b>CURRENT ASSETS</b>			
Other receivables		538	1,013
Prepaid expenses and accrued income	8	2,142	1,501
Cash and bank balances	27	61,121	1,061
<b>Total current assets</b>		<b>63,801</b>	<b>3,575</b>
<b>TOTAL ASSETS</b>		<b>249,510</b>	<b>152,869</b>



# cont. Parent Company

## Balance Sheet

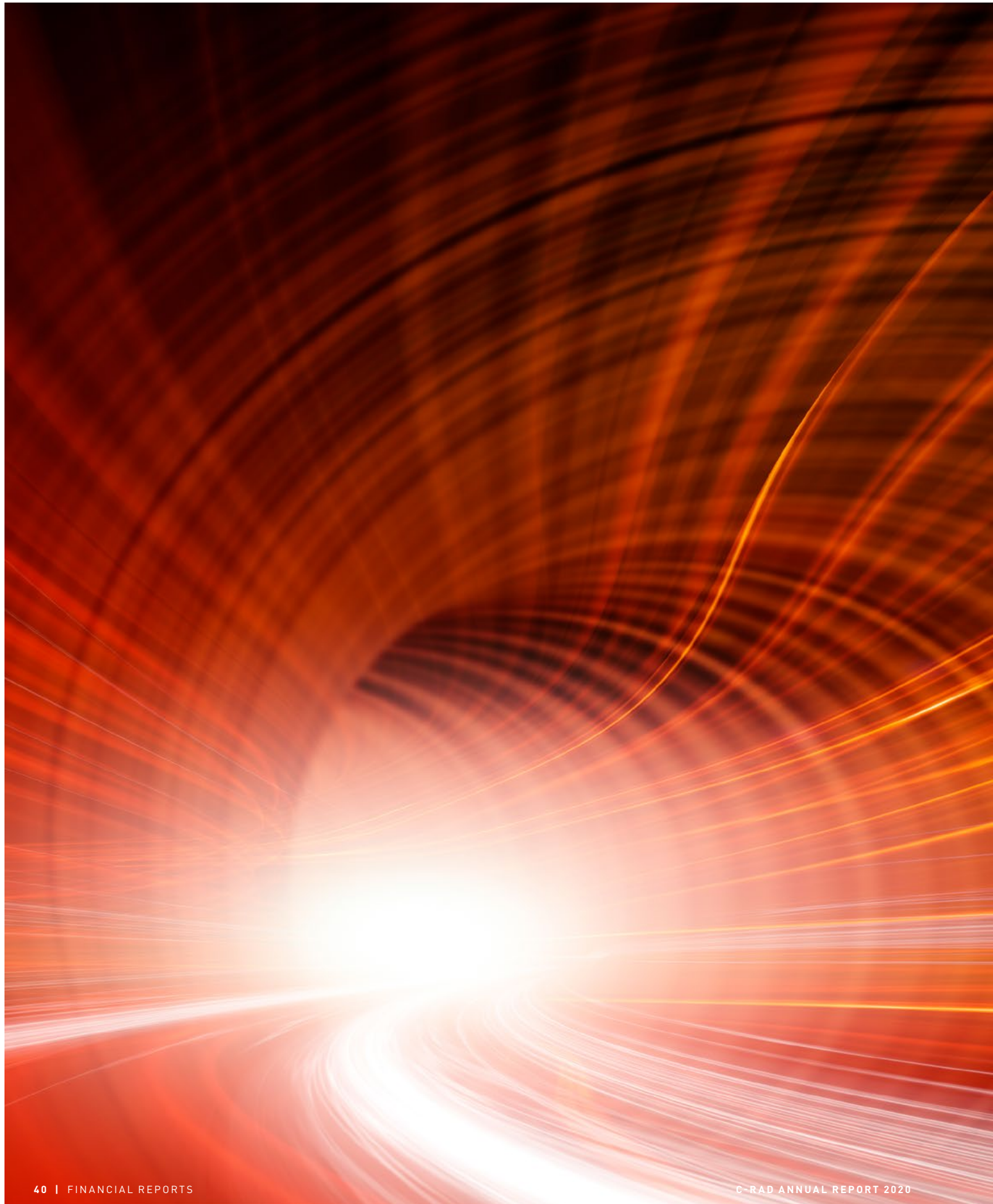
	Note	31-12-2020	31-12-2019
<b>EQUITY</b>			
<b>Restricted equity</b>	23		
Share capital		5,049	4,653
<b>Non-restricted equity</b>			
Share premium reserve		367,977	263,155
Retained earnings		-125,315	-98,771
Profit (loss) for the year		-8,204	-26,545
<b>Total equity</b>		<b>239,507</b>	<b>142,493</b>
<b>NON-CURRENT LIABILITIES</b>			
Non-current liabilities	24	-	-
		-	-
<b>CURRENT LIABILITIES</b>			
Accounts payable		3,063	4,835
Liabilities to Group Companies	10	3,189	3,645
Other current liabilities		938	928
Accrued expenses and deferred income	30	2,813	968
<b>Total liabilities</b>		<b>10,003</b>	<b>10,376</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>249,510</b>	<b>152,869</b>

# Statement of Cash Flows, Parent Company

	Note	2020	2019
<b>Operating activities</b>			
Operating profit/loss before financial items excl. interest		-9,782	-27,105
Adjustments for non-cash items	26	6,956	24,040
Other non-cash items			
Interest received		0	0
Interest paid		-1	0
<b>Cash flow from operating activities before working capital changes</b>		-2,827	-3,066
Increase (decrease) operating receivables		-166	-1,362
Increase (decrease) accounts payable		-1,772	4,167
Increase (decrease) operating liabilities		1,399	3,370
<b>Cash flow from operating activities</b>		<b>-3,367</b>	<b>3,109</b>
<b>Investing activities</b>			
Acquisition of property, plant and equipment		-463	0
Shareholder contributions		-2,096	-3,702
Payment of loans to Group companies		-39,233	-604
Acquisition of Group companies		-	-1,502
<b>Cash flow from investing activities</b>		<b>-41,792</b>	<b>-5,808</b>
<b>Financing activities</b>			
Rights issue		104,750	3,348
Issued warrants		468	-62
<b>Cash flow from financing activities</b>		<b>105,218</b>	<b>3,286</b>
Cash flow for the year		60,059	587
Opening cash and cash equivalents		1,061	472
Exchange rate differences in cash and cash equivalents		0	2
<b>Closing cash and cash equivalents</b>	27	<b>61,121</b>	<b>1,061</b>

# Statement of Shareholders' Equity, Parent Company

	Share capital	Share premium reserve	Retained earnings	Total
<b>Opening equity Jan 1, 2019</b>	<b>4,614</b>	<b>259,909</b>	<b>-98,770</b>	<b>165,753</b>
Rights issue	40	3,373		3,413
Issue cost		-65		-65
Issued warrants		-62		-62
<b>Total transactions with owner</b>	<b>40</b>	<b>3,246</b>		<b>3,286</b>
Profit (loss) for the year			-26,545	-26,545
<b>Closing equity Dec 31, 2019</b>	<b>4,654</b>	<b>263,155</b>	<b>-125,316</b>	<b>142,493</b>
<b>Opening equity Jan 1, 2020</b>	<b>4,654</b>	<b>263,155</b>	<b>-125,316</b>	<b>142,493</b>
Rights issue	396	110,037		110,433
Issue cost		5,683		-5,683
Issued warrants		468		468
<b>Total transactions with owner</b>	<b>396</b>	<b>104,822</b>		<b>105,218</b>
Profit (loss) for the year			-8,204	-8,204
<b>Closing equity Dec 31, 2020</b>	<b>5,049</b>	<b>367,977</b>	<b>-133,519</b>	<b>239,507</b>







---

” Cancer is among the leading causes of death worldwide. In 2020, there were 18.1 million new cases and 9.5 million cancer related deaths worldwide. By 2040, the number of new cancer cases per year is expected to rise to 29.5 million

---



# Notes

## 1. Nature of the business

---

The primary business of C-RAD AB and its subsidiaries (the Group) is to develop, manufacture and sell products and

systems that ensure high precision, efficiency and safety in radiotherapy of patients with cancer.

## 2. General information and compliance with IFRS

---

The Parent Company of the Group, C-RAD AB, is a Swedish public limited company based in Uppsala. The C-RAD Group is headquartered at address Sjukhusvägen 12K, 753 09 Uppsala, Sweden. C-RAD shares are listed on NASDAQ OMX Stockholm.

The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act, the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups, and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) as approved by the EU Commission for application within the EU. The preparation of financial statements in compliance with IFRS requires the use of a number of important estimations for accounting purposes. Furthermore, when applying the Group's accounting policies, management must make certain assessments in areas which involve a high

degree of assessment, which are complex, or such areas in which assumptions and estimations are of material significance for the consolidated financial statements, are set forth in Note 34.

The Parent Company applies the same accounting policies as the Group except in the cases described under "Parent Company accounting policies". The differences arising between the Parent Company and the Group's accounting policies are attributable to limitations on the ability to apply IFRS in the Parent Company as a result of the Swedish Annual Accounts Act and the Pension Obligations Vesting Act, and to some extent based on tax considerations.

The consolidated financial accounts for the year that ended December 31, 2020 (including comparatives) were approved for issue by the Board on April 15, 2021. Regulations in Sweden stipulate that the financial statements may not be changed after they have been approved.

## 3. New and updated standards

---

Any new and updated standards that are applicable for financial years beginning on January 1, 2020 and later has not been judged to have any significant effect on the present and upcoming periods.

## 4. Standards, amendments and interpretations relating to existing standards that are not yet effective and have not been early adopted by the group

---

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards were published by the IASB. These have

not yet entered into force and have not been early adopted by the Group.

## 5. Summary of accounting policies

---

The principal accounting policies used in preparing the consolidated financial statements are summarized below.

### 5.1 Basis of consolidation

The consolidated financial statements include the operations of the Parent Company and the subsidiaries. The Parent Company has a controlling influence over the subsidiary if the company is exposed, or has rights to variable returns from its involvement in the subsidiary, and has the ability to affect yields by exercising its dominant influence over the subsidiary. The balance sheet date for all subsidiaries is December 31.

The consolidated accounts include C-RAD AB, the wholly owned subsidiaries C-RAD Positioning AB, C-RAD Imaging AB, C-RAD Innovation AB and the US wholly owned C-RAD Incorporated, the German wholly owned C-RAD GmbH, the Chinese wholly owned C-RAD (Shanghai) medical Device Co Ltd, and the Belgian wholly owned subsidiary CYRPA International Sprl and its wholly owned French subsidiary Sprl CYRPA Innovations.

All intercompany transactions and balance items are eliminated on consolidation, including unrealized losses on intercompany sales of assets which are reversed on consolidation.

Net income and other comprehensive income of subsidiaries acquired or disposed of during the year are recognized from the date on which the acquisition or disposal enters into force, as appropriate.

The purchase method is used to recognize the Group's acquisitions of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable acquired assets and assumed liabilities and contingent liabilities in an acquisition of a business are initially measured at the fair values on the acquisition date, regardless of the scale of any non-controlling interests. The surplus that comprises the difference between the cost and the fair value of the Group's share of identifiable acquired net assets is recognized as goodwill. Acquisition costs are expensed as incurred.

### 5.2 Translation of foreign currencies

The consolidated financial statements are presented in SEK, which is also the Parent Company's functional currency.

Transactions in foreign currencies are translated to the

functional currency of each Group company, based on the prevailing exchange rates on the date of the transaction (spot rate). Gains and losses on foreign currency as a result of settlement of such transactions and due to the revaluation of monetary items using the closing rate are recognized in profit or loss.

Non-monetary items are not translated on the balance sheet date, but are valued at historical cost (adjusted for the rate on the transaction date), except for non-monetary items measured at fair value, which are translated at the exchange rate at the date when fair value was determined.

The order back-log contains received but not yet delivered orders, valued to average exchange rate.

### 5.3 Financial statements of foreign operations

Assets and liabilities of foreign subsidiaries are translated from the respective Group company's functional currency to the Group's reporting currency at the rate on the balance sheet date. Revenues and expenses in foreign operations are translated into SEK at the average rate, which is an approximation of the rates on each transaction date. The average rate is calculated quarterly. Exchange differences arising on translation of foreign operations are recognized in other comprehensive income. The functional currency of Group companies has remained unchanged during the reporting period.

### 5.4 Segment reporting

The Group has two operating segments: positioning and imaging. When identifying operating segments, Group management usually follows the Group's business areas, which correspond to the main products and services that the Group offers. (See Note 11).

Each operating segment is managed separately because each requires different resources and methods. All transactions between segments are carried out on a commercial basis.

The Group uses the same valuation principles for segment reporting under IFRS 8 as in its financial statements.

### 5.5 Revenue

Revenue arises from the sale of goods and provision of services. Revenue is measured at the fair value of the consid-

eration the Group receives or will receive for goods supplied and services rendered, excluding sales tax, rebates and trade discounts.

Sales of goods are recognized when the control of the goods has been transferred to the buyer, normally when the customer has possession of the goods, usually at delivery or installation, depending on the agreed terms of delivery. Sales of services as a separate, one-off item are recognized when services are rendered. Multi-annual service agreements are recognized over the term of the contract.

## 5.6 Operating expense

Operating expenses are recognized in profit or loss when the service is utilized or when the event occurs. Warranty costs are recognized when the Group incurs an obligation, which usually occurs when the product is sold.

## 5.7 Borrowing cost

Borrowing costs directly attributable to acquisitions, construction or production of a qualifying asset are capitalized during the period of time required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period incurred and recognized in "Financial expenses." The Group currently has no qualifying assets.

## 5.8 Intangible assets

Expenses directly attributable to the development phase of a project are recognized as intangible assets provided they meet the following requirements:

- The development expenditure can be reliably measured.
- The project is technically and commercially feasible.
- The Group intends and has sufficient resources to complete the project.
- The Group has the ability to use or sell the product.
- The product will generate probable future economic benefits.

Development expenditures that do not meet these criteria for capitalization are expensed as incurred.

Directly attributable costs include personnel costs incurred during product development, along with an appropriate portion of relevant overhead and borrowing costs.

### *Reporting in subsequent periods*

All intangible assets, including capitalized internal development, have a finite useful life. They are therefore recognized at cost, whereby capitalized costs are depreciated over their estimated useful lives. Residual values and useful lives are reviewed at each balance sheet date. In addition, impairment testing is carried out as described in note 21.

### *Other intangible assets*

Other intangible assets acquired by the Group are recognized at cost less accumulated amortization and impairment.

### *The following useful lives are applied:*

- Capitalized development costs: 5-10 years
- Patent: 10 years
- Licenses and similar rights: 5-10 years

Internally developed products that are not yet finalized and that have been capitalized, are not amortized but tested for impairment in accordance with Note 21.

Depreciation is included in the item "Depreciation and amortization of property plant and equipment, as well as intangible assets".

Subsequent expenditures on maintenance of products and patents are expensed as incurred.

## 5.9 Property, plant and equipment

Owned assets are initially recognized at cost or manufacturing costs, including expenses for putting the asset in place and in condition to be used according to Group management's intentions. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation is linear based on cost less the estimated residual value. The following useful lives are applied: IT equipment and other equipment: 3-10 years.

Significant estimates of residual values and estimated useful lives are updated as necessary, though at least once a year.

### *Right-of-use assets*

Leasing contracts where C-RAD is the lessee is recognized as right-of-use assets and are depreciated over the useful life. The Group is leasing premises, office equipment and cars. Leasing contracts are normally signed for a fixed period up to five years, but possibility to extend the contract may exist. The reasonability of extension, residual value and similar variable contract terms are being evaluated regularly. Leasing payments are discounted with the implicit interest rate of the contract. If the implicit interest rate cannot be easily determined, as is the case with most of the Group's leasing contracts, the lessee's incremental borrowing rate of interest should be applied. This is the rate of interest the lessee would have to pay on a similar lease or, if that is not determinable, the rate that, at the inception of the lease, the lessee would incur to borrow over a similar term, and with a similar security, the funds necessary to purchase the asset. The Group determines the incremental borrowing rate as follows:

- to the extent possible, a recent external financing arrangement is used as a starting point, to be adjusted to reflect changes in the prerequisites to obtain financing since the financing was approved.

Right-of-use assets are valued at acquisition cost and includes the following:

- The amount the leasing debt was initially recognized with
- leasing fees paid at or before the start date, after deduction of any benefits received in conjunction with signing of the leasing contract
- initial direct expenses
- expenses for restoring the assets to a state determined by the contract.

Right-of-use assets are normally depreciated linear-based over the shorter of the useful life and the leasing period. Payments for short-term contracts for equipment and cars, and all leasing contracts of low value, are recognized linearly as cost in the income statement. Short-term contracts are contracts with a contract period of 12 months or less. Low-value contracts include IT-equipment and small furniture.

### 5.10 Depreciation, amortization and impairment

When there is an indication that an asset or group of assets declined in value, its carrying value is assessed. In cases where the carrying amount exceeds the estimated recoverable amount, the carrying amount is immediately written down to the recoverable amount. Impairment testing of intangible assets is reviewed annually and when indications of impairment are present. The recoverable amounts of assets are determined based on calculations of useful value. When determining value in use, the present value of the future cash flows that the asset is expected to give rise to during its useful life is estimated. Impairment testing is performed at the lowest level at which separate cash flows can be identified. Future cash flows are taken from the company's business plan.

The amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value in use, is recognized as an impairment loss. To determine value in use, Group management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of these cash flows. The data used for impairment testing purposes are directly connected to the Group's budget, adjusted as necessary to exclude the effects of future reorganizations and improvements of assets.

Discount factors are determined individually for each cash

generating unit and reflect Group management's assessment of their respective risk profiles, such as market and asset-specific risk factors.

### 5.11 Financial instruments

#### *Financial assets valued at amortized cost*

Financial assets are recognized and valued at amortized cost using the effective interest method. The carrying amount of these assets is adjusted with any expected credit losses reported (see impairment below). Interest income from these financial assets is reported using the effective interest method and is included in financial income. Financial assets valued at amortized cost consist of accounts receivable, other receivables and cash and bank items.

#### *Financial liabilities valued at amortized cost*

Financial liabilities are recognized and valued at amortized cost using the effective interest method. Borrowings are reported net of transaction costs and any difference between the amount received (net of transaction costs) and the amount of the repayment is recognized in the income statement divided over the loan period, applying the effective interest method. Other financial liabilities consist of borrowing from credit institutions, trade payables and other current liabilities.

#### *General Principles*

Purchases and sales of financial assets and liabilities are recognized on the trade date – the date on which the Company undertakes to purchase or sell the asset or liability. Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the company has transferred virtually all risks and benefits associated with the ownership. Financial liabilities are removed from the balance sheet when the contractual obligation has been fulfilled or otherwise extinguished.

Financial assets are included in current assets with the exception of items with a due date more than 12 months after the balance sheet date, which are classified as fixed assets. Financial liabilities are classified as current liabilities unless the company has an unconditional right to defer payment of the debt for at least 12 months after the end of the reporting period.

The carrying amount of short-term financial liabilities and assets is presumed to correspond to its fair value, as these items are short-term in nature. The book value of the company's other financial assets and liabilities is deemed to correspond to the fair value of these.

#### *Impairment of financial assets*

The Company assesses the future expected loan losses associated with assets reported at amortized cost. The Company reports a credit reserve for such expected credit losses at each reporting date. For accounts receivable, the simplified approach for credit reserve is applied. The Method means that expected losses over the entire duration of the claim are used as a starting point for provision. The Reserve is based on the expected credit loss where the amount corresponds to the present value of the difference between the expected recoverable amount and the amount under the contract.

In subsequent periods, financial assets acquired with the intention of being held short-term (short-term investment) are reported in accordance with the lowest value principle at the lower of cost and market value.

At each balance sheet date, the company assesses whether there is any indication of impairment in any of the financial fixed assets (other long-term securities holdings). Write-down is expected to be permanent. Impairment is recognized in the income statement.

#### **5.12 Provisions**

Provisions are recognized when the Group has or may be considered to have an obligation as a result of past events and it is probable that payments will be required to settle the obligation. A further condition is that a reliable estimate can be made of the amount that has to be paid. Estimated costs for product guarantees are charged against operating expenses in conjunction with income recognition of the products, see note 29 for more information.

#### **5.13 Fair value**

Group management uses valuation techniques in calculating the fair value of financial instruments in those cases where there are no prices in active markets and for non-financial assets. This involves making estimates and assumptions that are consistent with how market participants would price the instrument.

Group management bases its assumptions as far as possible on observable data, but these are not always available. In these cases, Group management uses the best information available. An estimated fair value may differ from the actual price that could be achieved in a transaction on commercial terms on the balance sheet date.

#### **5.14 Inventory**

Inventories are measured at the lower of cost and net realizable value. Cost includes all costs directly attributable to the manufacturing process. Costs for commonly replaceable

articles are allocated according to the first in, first out principle. Net realizable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

#### **5.15 Capitals and reserves**

Share capital represents the nominal value of issued shares.

Share premium includes premiums (if any) received on issue of share capital. Transaction costs directly attributable to the issue of new shares or warrants are recognized, net of tax, in equity as a deduction from the proceeds.

#### **5.16 Deferred tax**

Deferred tax is recognized using the balance sheet method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is calculated based on the tax rates decided on or announced as of the balance sheet date, which can be expected to be in effect when the relevant deferred tax asset is realized or the deferred tax liability is paid.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be used.

#### **5.17 Pensions and remuneration to employees**

A plan in which the company's obligation is limited to the fees that the company has undertaken to pay is considered to be a defined-contribution pension plan. In that case, the amount of the employee's pension depends on the fees paid by the company to the plan or to an insurance company and the return on capital provided by the contributions. Consequently, it is the employee who bears the actuarial risk and investment risk. The Company's obligations for contributions to defined contribution plans are recognized as an expense in the profit or loss for the year as they are earned.

C-RADs pension plans have been classified as defined contribution plans and correspond with the public pension plan. Remuneration to employees in the form of salary, paid holiday, etc., are reported as they are earned.

#### **5.18 Government grants**

Government grants are recognized at fair value when there is reasonable assurance that the grant will be received and that the company will comply with all attached conditions.

Government grants related to expected costs are reported as deferred income. The grant is recognized in the period when the costs for which the grant is intended to compensate arise.

Government grants relating to the acquisition of property, plant and equipment reduces the carrying amount of the asset.



### 5.19 Research and development costs

Research costs are expensed as incurred. Expenditures on development, where research findings or other knowledge is applied to produce new products or applications, are recognized as intangible assets when the criteria for capitalization under IAS 38 are met. The carrying amount includes all directly attributable costs, such as materials, purchased services and benefits to employees, alongside an appropriate part of the relevant operating costs and borrowing costs.

### 5.20 Statements of cash flow

The statement of cash flows is prepared using the indirect method. The reported cash flow includes only transactions involving payments and disbursements.

### 5.21 Contingent liabilities and contingent assets

A contingent liability is recognized when there is a possible commitment arising from past events and whose existence is confirmed only by one or more uncertain future events or when there is a commitment that is not recognized as a liability or provision because it is unlikely that an outflow of resources will be required.

A contingent asset is recognized when an external party has a possible undertaking against the company arising from occurrences and whose existence is confirmed only by one or more uncertain future events or when an external party has a commitment to the company that is not recognized as a liability or provision because it is unlikely that an outflow of resources will be required.

### 5.22 Parent Company accounting policies

The Parent Company has prepared its annual accounts according to the Annual Accounts Act and the Swedish Financial

Reporting Board recommendation RFR 2 Reporting for Legal Entities. RFR 2 means that the Parent Company shall apply IFRS standards as far as this is possible within the framework of the Annual Accounts Act and with consideration given to the relationship between accounting and taxation. The differences between the Group's and the Parent Company's accounting policies are stated below. The following accounting policies for the Parent Company were applied consistently in all periods shown in the Parent Company's financial reports.

#### *Shareholder contribution*

Shareholder contributions are recognized directly in equity by the recipient and capitalized as shares and participations by the issuer, to the extent no impairment loss is identified.

#### *Revenue*

Parent Company's income consists primarily of invoiced management fees from subsidiaries.

#### *Share in Group companies*

Shares in Group companies are recognized using the cost method less impairment. Acquisition-related transaction costs are included in cost. When there is an indication that shares in subsidiaries or associated companies decreased in value, the recoverable amount is estimated. If this is lower than the carrying amount, an impairment loss is recognized. Impairment losses are recognized in financial items in the income statement.

#### *Leasing*

Leasing contracts, independent of if they are operational or financial, is treated as operational leasing in the parent company.

## 6. Asset management, risks and risk management

---

#### *Asset management*

The Group's objective for asset management is to ensure the ability to continue operations and to provide adequate return to shareholders by pricing products and services at an equivalent level of risk.

#### *Financial risk management*

The Group is exposed to various kinds of financial risk in its business operations. Financial risks refer to fluctuations in the company's profits and cash flow as a result of changes in

currency exchange rates, interest levels, financing and credit risks. The Group's finance policy for managing financial risks has been prepared by the Board and forms a framework of guidelines.

The Group does not engage in active trading of financial assets for speculative purposes. The most significant financial risks to which the Group is exposed are described below.

#### *Sensitivity to foreign currency*

Most of the Group's transactions are denominated in SEK.

Exposure to exchange rate fluctuations arises from the Group's sales to and purchases from other countries. These sales and purchases are mainly denominated in USD and EUR.

The Group monitors cash flows that are not denominated in SEK to reduce its exposure to foreign exchange risk.

The Group does not use foreign exchange forward contracts to reduce its currency risk.

Disclosure of financial assets and liabilities in foreign currencies that expose the Group to foreign currency risk is provided below.

The following table shows the sensitivity of income and equity in terms of the Group's financial assets and financial liabilities and exchange rates: USD/SEK and EUR/SEK "all

else being equal". A change of +/- 10 percent of the exchange rate SEK/USD is assumed for the year that ended December 31, 2020 (2019: 10 percent). A change of +/- 5 percent is assumed for the exchange rate SEK/EUR (2019: 5 percent). Both of these percentages were determined based on average market volatility in exchange rates during the previous twelve months. The sensitivity analysis is based on the Group's consolidated financial assets and financial liabilities in foreign currency held on each balance sheet date.

If the SEK had appreciated against the USD by 10 percent (2019: 10 percent) and against the EUR by 5 percent (2019: 5 percent), this would have had the following effect:

Short-term exposure				
2020-12-31		EUR		USD
Financial assets		58,112		13,247
Financial liabilities		-27,286		-13,053
<b>Total exposure</b>		<b>30,826</b>		<b>195</b>
2019-12-31		EUR		USD
Financial assets		46,912		9,283
Financial liabilities		-16,563		-5,883
<b>Total exposure</b>		<b>30,349</b>		<b>3,400</b>

	Profit (loss) for the year		Equity	
	EUR	USD	EUR	USD
December 31, 2020	-1,117	-215	33	6,211
December 31, 2019	-1,044	-2,115	-5	6,042

If the SEK had depreciated against the USD by 10 percent (10 percent) and against the EUR by 5 percent (5 percent), this would have had the following effect:

	Profit (loss) for the year		Equity	
	EUR	USD	EUR	USD
December 31, 2020	1,117	215	-33	-6,211
December 31, 2019	1,044	2,115	5	-6,042

#### *Sensitivity to interest rate risk*

The Group's policy is to minimize exposure to interest rate risk relating to cash flows in long-term financing. As at December 31, the Group was exposed to changes in the market interest rates through interest on bank loans and the invoice discounting solution.

#### *Credit risk analysis*

Credit risk is the risk that a counterparty will not fulfill an obligation to the Group.

The Group is exposed to this risk by granting loans to and receivables from customers.

The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets at 31 December, as summarized below:

Types of financial assets – carrying amounts	2020	2019
Accounts receivable	60,497	35,149
Loans	102	102
Cash and cash equivalents	108,045	29,485
<b>Total exposure</b>	<b>168,644</b>	<b>64,736</b>

The Group continuously monitors defaults from customers and other counterparties. The Group's credit risk is limited since

customer operations are usually funded directly or indirectly by public funds. Credit losses have historically been low.

Group		
Accounts receivables aging, total accounts receivables	2020	2019
Less than 3 months	53,426	32,580
3 to 6 months	566	1,262
Over 6 months	6,505	1,307
<b>Total accounts receivable</b>	<b>60,497</b>	<b>35,149</b>
<b>Past due at the end of the financial year</b>	<b>21,484</b>	<b>23,198</b>

Group		
Currency analysis, total accounts receivables	2020	2019
SEK	5,952	1,274
EUR	44,424	29,678
USD	9,092	4,079
Other	1,029	118
	<b>60,497</b>	<b>35,149</b>

### Financial instruments

The below table show the Group financial assets and liabilities by category and with fair value and carrying amount per item.

	31-12-2020		31-12-2019	
	Fair value	Carrying amount	Fair value	Carrying amount
<b>Loans and receivables</b>				
Accounts receivable	60,497	60,497	35,149	35,149
Loans	102	102	102	102
Cash and cash equivalents	108,045	108,045	29,485	29,485

	31-12-2020		31-12-2019	
	Fair value	Carrying amount	Fair value	Carrying amount
<b>Financial liabilities recognized at amortized cost:</b>				
Accounts payable	17,071	17,071	11,604	11,604
liabilities to credit institutions (invoice discounting solution)	–	–	14,699	14,699
Liability for contingent consideration, acquisition of Cyrpa international	–	–	20,000	20,000
<b>Total financial liabilities recognized at amortized cost:</b>	<b>17,071</b>	<b>17,071</b>	<b>46,303</b>	<b>46,303</b>

	Group	
	2020	2019
<b>Accounts payables aging, total accounts payable</b>		
Due within 30 days	9,270	6,175
Due within 60 days	–	208
Due after 60 days	–	210
Past due at the end of the financial year	7,801	5,010
<b>Total accounts payable</b>	<b>17,071</b>	<b>11,604</b>

	Group	
Age analysis of liabilities to credit institutions	2020	2019
Due within 30 days	–	6,419
Due within 60 days	–	8,280
Due after 60 days	–	20,000
Past due at the end of the financial year	–	0
<b>Total liabilities to credit institutions</b>	<b>–</b>	<b>34,699</b>

#### Liquidity risk analysis

Liquidity risk is the risk that the Group is unable to meet its obligations. The Group manages liquidity needs by monitoring scheduled debt payments and projected cash inflows and outflows in daily operations.

On the balance sheet date the Group had external financing

through an overdraft facility of SEK 2 million and one Business credit of SEK 20 million, both which were unutilized and from Nordea. As security for the loan, Nordea holds company mortgages in C-RAD Positioning AB and contingent liability in C-RAD AB of SEK 2 million.

The terms for the different credit facilities are listed below:

Credit facility	Granted	Utilized	Running time	Interest
Overdraft facility, Nordea AB	2 MSEK	0 MSEK	Until further notice	Stibor 1v + 4.50%. Variable interest.
Business credit, Nordea Bank AB	20 MSEK	0 MSEK	24 months as of 2019	Stibor 1v + 3.50%. Variable interest.

Group	Cash and cash equivalents	Loans	Leasing debt	Total
<b>Net debt</b>				
Net debt as of January 1st, 2019	9,334	-19,859	-3,355	-13,881
Cash flow	21,012	-14,739	2,054	8,327
Acquisition – leasing			-1,168	-1,168
Exchange rate differences	-860			-860
<b>Net debt as of December 31st, 2019</b>	<b>29,484</b>	<b>-34,598</b>	<b>-2,469</b>	<b>-7,582</b>
Cash flow	79,671	34,598	2,512	116,781
Acquisition – leasing			-9,990	-9,990
Exchange rate differences	-1,111			-1,111
<b>Net debt as of December 31st, 2020</b>	<b>108,045</b>	<b>–</b>	<b>-9,947</b>	<b>98,099</b>



Parent Company	Cash and cash equivalents	Leasing debt	Total
<b>Net debt</b>			
Net debt as of January 1st, 2019	472	-2,831	-2,359
Cash flow	587	1,467	2,054
Exchange rate differences	2		2
<b>Net debt as of December 31st, 2019</b>	<b>1,061</b>	<b>-1,364</b>	<b>-303</b>
Net debt as of January 1st, 2020			
Cash flow	60,059	2,305	62,364
Acquisition – leasing		-9,400	-9,400
Exchange rate differences	0		0
<b>Net debt as of December 31st, 2020</b>	<b>61,121</b>	<b>-8,459</b>	<b>52,662</b>

## 7. Inventory

Inventories consists of::

	2020	2019
Spare parts	6,605	4,564
Finished goods	19,097	10,388
	<b>25,702</b>	<b>14,952</b>

During 2019, a write-down of inventories in the subsidiary C-RAD Imaging AB was made, amounting to 675 KSEK.

## 8. Prepaid expenses and accrued income

Prepaid expenses relate to rent, leasing costs, insurance and other accrued costs that are allocated over time.

	Group		Parent Company	
	2020	2019	2020	2019
Prepaid expenses	2,925	2,871	2,142	1,501
Accrued income	13,418	22,874	0	0
	<b>16,343</b>	<b>25,745</b>	<b>2,142</b>	<b>1,501</b>

## 9. Related-party transactions

During 2020, C-RAD has purchased printing material from Thurn Transmedia Com to an amount of 2 KSEK. The owner of Thurn Transmedia Com is related to the CEO of C-RAD,

Tim Thurn. Other than the above, no transactions with related parties occurred since the beginning of financial year 2020.

## 10. Parent Company group internal transactions

### Parent Company

The Parent Company is a limited liability company based in Uppsala, Uppsala County.

### Purchasing and sales between Group companies

Below is the percentage of purchases and sales for the year regarding Group companies.

	2020	2019
Purchasing	0 %	0%
Sales	100%	100%

Operating assets/liabilities in respect of related party	2020	2019
C-RAD AB (Parent Company) has a claim on C-RAD Positioning AB	59,372	21,077
C-RAD AB (Parent Company) has a debt to/claim on C-RAD Imaging AB	-264	2,312
C-RAD AB (Parent Company) has a claim on C-RAD Innovation AB	136	35
C-RAD AB (Parent Company) has a claim on C-RAD Incorporated	3,275	4,080
C-RAD AB (Parent Company) has a claim on C-RAD GmbH	3,706	3,134
C-RAD AB (Parent Company) has a claim on Cyrpa International Sprl	5,726	5,663
C-RAD AB (Parent Company) has a claim on C-RAD (Shanghai) Medical Device Co Ltd	413	341

Loans or commitments to, or for related parties and senior executives	2020	2019
Loans from shareholders total	0	0

### Share options issued to directors

There are no share options issued to directors. Senior executives have received 145 879 issued stock options and others received 149 112.

## 11. Segment reporting

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

- Positioning: Development and sales of 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 segment level by chief decision-makers; they are therefore excluded from this segment reporting.

Activities between segments: if personnel employed within the Imaging segment have conducted work for the Positioning segment, this is reported separately. Internal sales cover the direct costs of these cross-segment services. During 2020, transactions of 817 TSEK were made over the segments.

	Segment revenue		Segment operating profit/loss	
	2020	2019	2020	2019
Positioning external sales	221,628	204,894	16,822	8,834
Imaging external sales	0	500	262	-18,466
Imaging internal sales	817	2,974		
Elimination internal sales	-817	-2,974		
<b>Total</b>	<b>221,628</b>	<b>205,394</b>	<b>17,084</b>	<b>-9,632</b>
Financial income and expenses			-703	-1,734
<b>Profit (loss) before tax</b>			<b>16,380</b>	<b>-11,366</b>

Segment reporting is based on the same accounting policies as applied in the consolidated reporting in 2020. Sales by country is based on sales to customers in each country. No

individual customer represented over 10 percent of net sales in 2020.

Revenue by area	2020	2019
Sweden	4,351	7,804
Other Nordic countries	5,226	9,822
DACH (Germany, Austria, Switzerland)	34,167	31,352
France	4,054	11,611
RoE (Rest of Europe)	56,306	38,449
US	26,262	44,680
OEM	2,934	958
Asia	88,328	60,718
	<b>221,628</b>	<b>205,394</b>

Revenue per product category	2020	2019
Positioning products	183,424	156,894
HIT Lasers	14,079	21,500
Life Cycle Business	24,125	17,300
Distribution	0	9,200
GEMini	0	500
	<b>221,628</b>	<b>205,394</b>

#### Contractual assets and contractual debts

The Group reports the following contractual assets, relating to the Group's order backlog. All contractual assets related to

products are estimated to be short-term. Contractual debts are reported in note 30, deferred income.

Contractual assets	2020	2019
Short-term contractual assets related to products	172,459	144,418
Short-term contractual assets related to Life Cycle Business	28,267	19,441
Long-term contractual assets related to Life Cycle Business	149,721	103,279
<b>Total contractual assets</b>	<b>350,448</b>	<b>267,138</b>

## 12. Other revenue and expenses

	2020	2019
Currency exchange gain/loss	-2,966	-818
Contributions received	1,131	1,511
Other revenue	1,004	1,153
Other expenses	-749	-708
Write-down of current assets	-18	-1,028
	<b>-1,599</b>	<b>110</b>

### 13. Remuneration to auditors

Öhrlings PricewaterhouseCoopers AB	Group		Parent Company	
	2020	2019	2020	2019
Audit assignment	673	993	543	883
Audit outside audit assignment	244	0	244	0
Tax consultation	30	102	30	102
Other services	20	140	20	140
	<b>967</b>	<b>1,234</b>	<b>837</b>	<b>1,124</b>

Audit assignments refer to auditing of the annual accounts, accounting records and administration by the Board and the CEO, as well as their duties that the company's auditor is obligated to perform, as well as the provision of advice or other assistance as a result of observations made in conjunction with such an examination or the performance of other such

duties. Audit work in addition to audit assignments refers to certificates provided with issuances or similar. All provisions paid to Öhrlings PricewaterhouseCoopers refer to the audit company and not provisions refer to other network companies. No provision has been paid-out for evaluation service.

### 14. Leasing contracts

Leasing debt for leasing contracts for premises and cars during 2020 amounted to:

	Group		Parent Company	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Leasing debt premises	8,191	2,109	7,923	1,359
Leasing debt cars	1,756	551	536	0
Due within 1 year:	2,511	2,361	1,810	1,359
Due in more than 1 year but within 5 years:	7,436	299	6,649	0
Due later than 5 years:	0	0	0	0

In the balance sheet, the following assets related to leasing contracts are included:

Right-of-use assets	2020-12-31	2019-12-31
Contracts for premises	8,124	1,654
Cars	1,741	520
<b>Total</b>	<b>9,865</b>	<b>2,174</b>

Adjustments made at the transition to IFRS 16 as of January 1, 2019, can be found in Note 32. Acquired right-of-use assets during 2020 amounted to 10,524 (1,206) TSEK.



In the income statement, the following is reported:

Depreciation of right-of-use assets	2020	2019
Contracts for premises	-2,185	-2,032
Cats	-649	-467
<b>Total</b>	<b>-2,834</b>	<b>-2,499</b>
Interest expense (included in financial items)	-117	-117
Expenses for short-term and low value leasing contracts	-243	-171

Total cash flow related to leasing contracts amounted to -2,512 (-2,171) TSEK during 2020.

The Group is leasing premises, office equipment and cars. Leasing contracts are normally signed for a fixed period up to five years, but possibility to extend the contract may exist. The reasonability of extension, residual value and similar variable contract terms are being evaluated regularly.

Leasing payments are discounted with the implicit interest rate of the contract. If the implicit interest rate cannot be easily determined, as is the case with most of the Group's leasing contracts, the lessee's incremental borrowing rate of interest should be applied. This is the rate of interest the lessee would have to pay on a similar lease or, if that is not determinable, the rate that, at the inception of the lease, the lessee would incur to borrow over a similar term, and with a similar security, the funds necessary to purchase the asset. The incremental borrowing rate for the Group was set to 3.20 percent for car leasing contracts and 3.30 percent for leasing contracts for premises during 2020.

#### The Group determines the incremental borrowing rate as follows:

- to the extent possible, a recent external financing arrangement is used as a starting point, to be adjusted to reflect changes in the prerequisites to obtain financing since the financing was approved.

#### Right-of-use assets are valued at acquisition cost and includes the following:

- the amount the leasing debt was initially recognized with
- leasing fees paid at or before the start date, after deduction of any benefits received in conjunction with signing of the leasing contract
- initial direct expenses
- expenses for restoring the assets to a state determined by the contract.

Right-of-use assets are normally depreciated linear-based over the shorter of the useful life and the leasing period.

Payments for short-term contracts for equipment and cars, and all leasing contracts of low value, are recognized linearly as cost in the income statement. Short-term contracts are contracts with a contract period of 12 months or less. Low-value contracts include IT-equipment and small furniture.

## 15. Average number of employees and cost for employee and board benefits

Average number of employees, broken down into women and men:

	Group		Parent Company	
	2020	2019	2020	2019
Women	14	9	3	3
Men	45	46	3	2
<b>Total</b>	<b>59</b>	<b>55</b>	<b>6</b>	<b>5</b>

	Group		Parent Company	
	2020	2019	2020	2019
<b>Salaries and remuneration:</b>				
Board of Directors and Chief Executive Officer	3,391	3,182	3,391	3,182
Other employees	49,918	45,659	4,636	2,522
<b>Total salaries and remuneration</b>	<b>53,309</b>	<b>48,841</b>	<b>8,027</b>	<b>5,704</b>

	Group		Parent Company	
	2020	2019	2020	2019
<b>Social security and pension costs:</b>				
Social security contributions according to law and agreements	8,003	7,856	2,617	1,932
Pension costs Board and CEO	215	212	215	212
Pension costs other employees	2,839	2,257	419	301
<b>Total social security and pension costs</b>	<b>11,058</b>	<b>10,325</b>	<b>3,251</b>	<b>2,444</b>
<b>Total payroll</b>	<b>64,366</b>	<b>59,166</b>	<b>11,278</b>	<b>8,148</b>

	2020		2019	
	Number on balance sheet day	Men, %	Number on balance sheet day	Men, %
<b>Directors and senior executives</b>				
Directors	6	67	6	64
CEO and other senior executives	5	100	4	77

### Remuneration to senior executives

The Annual General Meeting decides on remuneration to the Board of Directors. The Annual General Meeting May 8, 2020 resolved that the Chairman of the Board shall be paid SEK 400,000 in remuneration and the other Directors shall be paid SEK 200,000 each. The members of the audit committee shall receive SEK 25,000 each.

Remuneration to the CEO and other senior executives employed by the company comprises a basic salary and other

benefits. Other senior executives refers to the person who together with the CEO constitutes Group management.

Upon termination by the company, there is a notice period of 4 months for the CEO. Other senior executives have a notice period under the Employment Protection Act, though at least three months. There are no severance pay agreements for the CEO or other senior executives.

## Remuneration and other benefits during the year – Board of Directors

Chairman of the Board	2020	2019
Lars Nyberg	400	400
Director	2020	2019
Peter Hamberg	200	200
Kicki Wallje-Lund	225	200
Peter Eidensjö	0	100
Åsa Hedin	200	200
David Sjöström	200	200
Per-Arne Blomquist	225	-
<b>Total remuneration – Board of Directors</b>	<b>1,450</b>	<b>1,300</b>

Peter Eidensjö resigned from the board in June, 2019. Per-Arne Blomquist, who was elected new member of the board in December 2019 received 50 KSEK during 2020 for additional work outside normal board duties.

## Remuneration and other benefits during the year – CEO and other senior executives

Variable remuneration is based on sales, orders and result.

2020	Base salary	Variable remuneration	Pension and health insurance	Benefits	Other remuneration	Total
Tim Thurn CEO	1,541	76	215	20	323	2,176
Other senior executives (average 5)	6,002	322	313	90	104	6,830
<b>Total</b>	<b>7,543</b>	<b>398</b>	<b>528</b>	<b>110</b>	<b>427</b>	<b>9,006</b>

2019	Base salary	Variable remuneration	Pension and health insurance	Benefits	Other remuneration	Total
Tim Thurn CEO	1,593	263	212	23	26	2,117
Other senior executives (average 4)	3,106	158	465	107	126	3,962
<b>Total</b>	<b>4,699</b>	<b>421</b>	<b>677</b>	<b>130</b>	<b>152</b>	<b>6,079</b>

Benefits are primarily related to car benefit.

## 16. 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:

Incentive programs	2018/2021	2019/2022	2020/2023
Number of subscribed warrants (one warrant equals one share)	100,000	94,991	100,000
Start date	2018-06-15	2019-05-23	2020-05-26
Earliest date for exercise	2021-02-01	2022-02-01	2023-02-01
Last date for exercise	2021-04-30	2022-04-30	2023-04-30
Exercise price (SEK/share)	40.54	47.64	40.04
Average warrant price (SEK/warrant)	4.95	3.28	4.60
Total paid-in capital as per balance sheet day (SEK)	458,900	295,452	479,192
Additional capital increase on exercise (SEK)	4,054,000	4,525,371	4,004,000
<b>Total capital increase upon full exercise (SEK)</b>	<b>4,512,900</b>	<b>4,820,823</b>	<b>4,483,192</b>

The company's cost upon exercise is expected to be transaction fees to issue institute and potential legal cost for issuing exercise documentation. The Annual General Meeting 2020 approved an incentive program for employees and senior executives consisting of 100,000 warrants with a run time of three years. Subscription and any transfer of the warrants shall be made at a price corresponding to market value of the warrants according to Black-Scholes formula.

Volatility of 30 percent and a risk-free rate of zero [0.0] percent were used in the initial calculation. The exercise price is based on the volume-weighted average share price during ten days following the AGM, plus 20 percent. The incentive program was fully subscribed, 70,651 of the warrants were subscribed for by Group management, senior executives and other managers. During the year 138,266 warrants were converted into share related to the warrant program 2017.

## 17. Financial income and financial expenses

	Group		Parent Company	
	2020	2019	2020	2019
Interest income on cash and cash equivalents	8	11	0	0
Positive currency exchange difference	29	0	0	0
	<b>37</b>	<b>11</b>	<b>0</b>	<b>0</b>

	Group		Parent Company	
	2020	2019	2020	2019
Interest expense on other liabilities	119	124	1	5
Borrowing costs	617	1,396	0	0
Other financial cost	5	226	0	1
Impairment of shares in Group companies	0	0	2,096	24,057
	<b>741</b>	<b>1,746</b>	<b>2,097</b>	<b>24,063</b>

## 18. Tax expense

	Group		Parent Company	
	2020	2019	2020	2019
Profit (loss) before tax	16,380	-11,366	-9,782	-27,105
Tax rate	21.4%	21.4%	21.4%	21.4%
Expected tax income/expense	-3,505	2,432	2,093	5,801
	Group		Parent Company	
<b>Tax effect on non-deductible expenses and tax-exempt revenue</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Other tax-exempt revenue	2,332	0	0	0
Other non-deductible expenses	-444	-7,652	-514	-5,241
Deferred tax asset not recorded	-399	7,654	0	0
Tax revenue based on previously not accounted deferred tax	0	0	0	0
<b>Tax recognized in income statement</b>	<b>-2,016</b>	<b>-2,434</b>	<b>1,579</b>	<b>560</b>
	Group		Parent Company	
<b>Tax revenue consists of the following components:</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Tax revenue carryforwards, not utilizes	3,579	2,215	1,579	560
Utilization of deferred tax from previous periods	-5,595	-4,649	0	0

\*As the tax rate will be reduced to 20.6 percent as of January 1, 2021, the tax revenue has been calculated at the tax rate of 20.6 percent. Tax revenue for the Group is based on the accrued taxable loss for the Swedish entities.

## 19. Deferred tax

Accrued taxable loss for the Group amounted to 210 MSEK in the beginning of the year. As the group reports a profit for the first time in 2018, with expectations of profit also in the coming years, a deferred tax asset was booked on the accrued taxable loss for the Swedish entities. For 2020, deferred tax was in total 2.0 MSEK and the total value of the deferred tax asset was 23.7 MSEK by the end of December, 2020. As the Swedish corporate tax rate will decrease to 20.6 percent in 2021, the lower tax rate was used for the calculation

of deferred tax asset. Other accrued loss refers to the subsidiaries in France, Germany, Belgium, China and the US. The accrued loss in the foreign subsidiaries amounted to 64.8 MSEK on the balance sheet day. Remaining unused taxable loss as of December 31, 2020 amounts to 171 MSEK. There is currently no time limit regarding utilization of these losses against future taxable profits. Deferred taxes arising from temporary differences and unused tax losses are as follows:

	31-12-2020	31-12-2019
Tax loss carryforwards	23,674	25,642
<b>Recognized as:</b>		
Deferred tax asset	23,674	25,642

## 20. Property, plant and equipment

Group	Equipment
<b>Accumulated cost</b>	
Opening balance 2019-01-01	9,210
Exchange rate differences	44
Purchases	2,703
Disposals	0
Write-downs	0
<b>Closing balance 2019-12-31</b>	<b>11,957</b>
Exchange rate differences	-147
Purchases	1,517
Disposals	-88
Write-downs	0
<b>Closing balance 2020-12-31</b>	<b>13,239</b>
<b>Accumulated depreciation/amortization</b>	
Opening balance 2019-01-01	7,935
Exchange rate differences	39
Depreciation/amortization	1,249
Disposals	0
<b>Closing balance 2019-12-31</b>	<b>9,223</b>
Exchange rate differences	-146
Depreciation/amortization	1,053
Disposals	-70
<b>Closing balance 2020-12-31</b>	<b>10,061</b>
<b>Carrying amount</b>	
Per 2019-01-01	1,275
Per 2019-12-31	2,733
Per 2020-12-31	3,178



Parent Company		Equipment
Opening balance 2019-01-01		434
Purchases		0
<b>Closing balance 2019-12-31</b>		<b>434</b>
Purchases		463
<b>Closing balance 2020-12-31</b>		<b>897</b>
<b>Accumulated depreciation/amortization</b>		
Opening balance 2019-01-01		399
Depreciation/amortization		19
<b>Closing balance 2019-12-31</b>		<b>418</b>
Depreciation/amortization		45
<b>Closing balance 2020-12-31</b>		<b>464</b>
<b>Carrying amount</b>		
Per 2019-01-01		35
Per 2019-12-31		16
Per 2020-12-31		433
<b>Depreciation/amortization time</b>		
IT equipment		3–5 years
Furniture and other equipment		5–10 years

## 21. Intangible assets

Group	Capitalized development expenditure	Patents, licenses and similar rights	Total
<b>Accumulated cost</b>			
Opening balance 2019-01-01	82,850	12,128	94,978
Purchases	6,727	1,340	8,067
Exchange rate differences	198	0	198
<b>Closing balance 2019-12-31</b>	<b>89,775</b>	<b>13,468</b>	<b>103,243</b>
Purchases	5,266	0	5,266
Reclassifications	-1,269	1,269	0
Exchange rate differences	-491	-11	-502
<b>Closing balance 2020-12-31</b>	<b>93,281</b>	<b>14,726</b>	<b>108,007</b>
<b>Accumulated depreciation/amortization</b>			
Opening balance 2019-01-01	59,180	8,910	68,090
Exchange rate differences	99	0	99
Depreciation/amortization	5,325	995	6,320
Write-downs	10,899	0	10,899
<b>Closing balance 2019-12-31</b>	<b>75,503</b>	<b>9,905</b>	<b>85,408</b>
Exchange rate differences	-400	0	-400
Depreciation/amortization	3,440	1,692	5,132
Reclassifications	-318	318	0
Write-downs	0	0	0
<b>Closing balance 2020-12-31</b>	<b>78,225</b>	<b>11,915</b>	<b>90,140</b>
<b>Carrying amount</b>			
Per 2019-01-01			26,887
Per 2019-12-31			17,834
Per 2020-12-31			17,867

Parent Company		Patents, licenses and similar rights
<b>Accumulated cost</b>		
Opening balance 2019-01-01		8,475
Purchases		0
<b>Closing balance 2019-12-31</b>		<b>8,475</b>
Purchases		0
<b>Closing balance 2020-12-31</b>		<b>8,475</b>
<b>Accumulated depreciation/amortization</b>		
Opening balance 2019-01-01		4,943
Depreciation/amortization		847
<b>Closing balance 2019-12-31</b>		<b>5,791</b>
Depreciation/amortization		847
<b>Closing balance 2020-12-31</b>		<b>6,638</b>
<b>Carrying amount</b>		
Per 2019-01-01		3,531
Per 2019-12-31		2,684
Per 2020-12-31		1,836
Capitalized costs include both internally generated and externally acquired assets. Depreciation commences when development is completed. Depreciation periods vary		between 5-10 years depending on the estimated useful lives of the projects.

Capitalized costs	2020	2019
Work performed in-house	3,101	5,237
Externally acquired	2,165	1,607
	<b>5,266</b>	<b>6,844</b>

### Impairment test

Impairment testing of intangible assets was carried out on the balance sheet date in compliance with IAS 38. This year's test showed no need for write-down of capitalized development costs.

The useful value of each asset was calculated by estimating future cash flows and includes assumptions such as growth

and margin development. These estimates are based on the financial budget for the coming financial year as well as expected future developments for up to five years. For future periods after five years, extrapolation of expected cash flow was conservatively assumed at minus 5 percent.

Group	Catalyst™/ Sentinel	Gemini	Patents, licenses and distribution rights	Total
<b>Per 2020-12-31</b>				
Discount factor, %	12.45	–	12.45	
Impairment	0	–	0	0
<b>Per 2019-12-31</b>				
Discount factor, %	12.45	13.15	12.45	
Impairment	0	10,935	0	10,935

### Sensitivity analysis

Group management has assessed that there is no need for write-down in the financial statements for 2020 but will, in accordance with IAS 38, carefully monitor any negative changes that may suggest impairment

Impairment	
Current discount factor	0
Discount factor increased by 1 %	0
Discount factor increased by 2 %	0
Currently expected revenue	0
Future revenue estimate decreased by 5%	0
Future revenue estimate decreased by 10%	0
Currently expected margin	0
Future profit margin estimate decreased by 5%	0
Future profit margin estimate decreased by 10%	0

## Depreciation/amortization time

Capitalized development expenditures	5 years
Patent	10 years

## 22. Financial assets

Share in group companies	Parent Company	
	2020	2019
Opening cost	161,748	148,944
Shareholder contribution C-RAD Innovation AB	0	100
Shareholder contribution C-RAD Imaging AB	0	7,500
Shareholder contribution Cyrpa International Sprl	2,096	3,702
Acquisition of shares C-RAD (Shanghai) Medical Systems Co Ltd	0	1,502
<b>Closing balance</b>	<b>163,844</b>	<b>161,748</b>
Opening impairment	-58,218	-40,816
Impairment for the year	-2,096	-17,402
<b>Closing accumulated impairment</b>	<b>-60,314</b>	<b>-58,218</b>
<b>Carrying amount at year-end</b>	<b>103,531</b>	<b>103,531</b>

### Specification of Parent Company's holdings of shares and participations in Group companies:

Subsidiary/corp.ID no./domicile	No of shares	Holding %	Carrying amount	Equity	Profit/loss for the year
C-RAD Positioning AB/556643-6035/Uppsala	110,000	100	99,310	83,147	18,494
C-RAD Imaging AB/556643-6043/Uppsala	116,000	100	0	3,092	2,453
C-RAD Innovation AB/556602-5382/Uppsala	100,000	100	866	718	-38
C-RAD Incorporated/Florida/USA	1,000	100	64	-75,385	-14,920
C-RAD GmbH/Berlin/Germany	1,000	100	250	1,901	3,498
C-RAD (Shanghai) Medical Device Co Ltd/China	N/A	100	1,502	855	-360
Cyrpa International Sprl /Brussels/Belgium	200	100	1,538	-1,991	-3,386

	Parent Company	
Receivables, Group companies	2020	2019
Opening balance, carrying amount	40,285	53,382
Payment of loan to subsidiary	35,268	-4,108
Impairment	0	-8,989
<b>Closing balance, carrying amount</b>	<b>75,553</b>	<b>40,285</b>

## 23. Share capital

The share capital consists only of fully paid ordinary shares with a nominal value of SEK 0.15. The number of shares is 862,887 A-shares with 10 votes per share and 32,796,415 B

shares with one vote per share. The total number of shares is 33,659,302 and the number of votes is 41,425,285.

Shares (Thousands)	2020	2019
Opening balance	4,654	4,614
New share issue	396	40
<b>Closing balance</b>	<b>5,049</b>	<b>4,654</b>

The share	2020	2019
Number of shares per Dec. 31	33,659	31,021
Average number of shares	33,260	30,939
Number of outstanding warrants	295	416
Number of outstanding warrants with dilution effect	34	127
Number of outstanding shares incl. warrants with dilution effect	33,294	31,066
Earnings per average number of shares	0.43	-0.45
Earnings per share, diluted	0.43	-0.45
Equity per share	5.94	2.69
Equity per share, diluted	5.94	2.68
Share price, balance sheet date	SEK 48.20	SEK 44.50
Dividend per share	0	0

Number of outstanding warrants at year end is 294,991, and belong to employees in line with warrant program of 2018, 2019 and 2020. On the balance sheet day, the share price was

higher than the exercise price for all outstanding warrants, why they imply a dilution on the earnings per share and equity per share.



## Other capital items

**Group – Additional paid-in capital:** Mainly share premium from previous share issues including deduction of directly related share issue costs.

**Parent Company – Share premium reserve:** share premium from previous share issues including deduction of directly related share issue costs.

	Group		Parent Company	
	2020	2019	2020	2019
Opening balance	271,440	268,194	263,155	259,909
Rights issue	104,354	3,308	104,354	3,308
Issued warrants	468	-62	468	-62
<b>Closing balance</b>	<b>376,262</b>	<b>271,440</b>	<b>367,977</b>	<b>263,155</b>

**Group/Parent Company** Retained earnings: Accumulated result from previous years.

**Group/Parent Company** Profit (loss) for the year: Result from the current year.

## 24. Non-current liabilities

	Group		Parent Company	
Interest-bearing liabilities	2020	2019	2020	2019
Other non-current liabilities	0	20,000	0	0
<b>Total interest-bearing liabilities</b>	<b>0</b>	<b>20,000</b>	<b>0</b>	<b>0</b>

## 25. Pledged assets

	Group	Parent Company
For own provisions and liabilities	31-12-2020	31-12-2019
Mortgages on business assets NUTEK	1,470	1,470
Mortgages on business assets Nordea (2019: Nordea and Erik Penser)	18,500	18,500
<b>Total pledged assets</b>	<b>19,970</b>	<b>19,970</b>

The Parent Company has a collateral towards the subsidiary C-RAD Positioning AB of SEK 2 million. C-RAD Positioning AB has issued a bank guarantee of SEK 0.5 million where one of

the company's suppliers is the beneficiary. Shares in C-RAD Positioning AB were during 2019 pledged as a security for the invoice discounting solution with Erik Penser Bank AB.

## 26. Adjustment for non-cash items, etc.

	Group		Parent Company	
	2020	2019	2020	2019
Depreciation/amortization	9,031	20,965	893	867
Provisions	289	189	0	0
Other adjustments	-1	45	3,966	-883
Write-down of current assets	0	353	0	0
Impairment of shares in or claims on subsidiaries	0	0	2,096	24,057
	<b>9,319</b>	<b>21,552</b>	<b>6,956</b>	<b>24,040</b>

## 27. Cash and cash equivalents

Group	2020-12-31		2019-12-31	
	Fair value	Carrying amount	Fair value	Carrying amount
Cash and cash equivalents in SEK	62,733	62,733	22,409	22,409
Cash and cash equivalents in EUR	42,306	42,306	5,625	5,625
Cash and cash equivalents in USD	2,999	2,999	1,451	1,451
Cash and cash equivalents in GBP	8	8	1	1
<b>Total cash and cash equivalents</b>	<b>108,045</b>	<b>108,045</b>	<b>29,485</b>	<b>29,485</b>

Parent Company	2020-12-31		2019-12-31	
	Fair value	Carrying amount	Fair value	Carrying amount
Cash and cash equivalents in SEK	61,042	61,042	243	243
Cash and cash equivalents in EUR	26	26	818	818
Cash and cash equivalents in USD	53	53	0	0
<b>Total cash and cash equivalents</b>	<b>61,121</b>	<b>61,121</b>	<b>1,061</b>	<b>1,061</b>

## 28. Accounts receivable

Group	2020-12-31	2019-12-31
Accounts receivable gross	60,497	35,149
Provision for bad debts	0	0
<b>Accounts receivable</b>	<b>60,497</b>	<b>35,149</b>

All amounts are current. The carrying amount net of provision is considered to be a reasonable approximation of fair value.

All the Group's accounts receivable and other receivables have been reviewed for indications of impairment.

Change in provision for doubtful receivables	2020-12-31	2019-12-31
Carrying amount, January 1	0	0
Provision for doubtful receivables	0	0
<b>Carrying amount, December 31</b>	<b>0</b>	<b>0</b>

## 29. Provisions

The Group has obligations relating to products for which the Group owns the product rights. This applies only to Catalyst™, Sentinel and HIT products. Generally, a one-year warranty is included where C-RAD manages the warranty process. Direct costs to C-RAD include management, travel and service. For hardware problems, costs arise for C-RAD's subcontractors. Estimated cost during the warranty period is based on actual

cost for the previous year. The provision for the current year is a percentage of invoiced sales from the Catalyst™, Sentinel and HIT systems within the warranty period.

In 2020, KSEK 1,781 of the previous provision was used and a new provision of KSEK 2,070 was booked. No other significant liabilities are expected to be generated through these provisions.

<b>Opening provision 2019-01-01</b>	<b>2,305</b>
Used provisions	-1,614
New provision	1,803
<b>Closing balance 2019-12-31</b>	<b>2,494</b>
Used provisions	-1,781
New provision	2,070
<b>Closing balance 2020-12-31</b>	<b>2,782</b>

No further payments are expected as at the date of these financial statements.

### 30. Accrued expenses and deferred income

	Group		Parent Company	
	2020	2019	2020	2019
Accrued personnel-related expenses	5,224	4,735	1,047	947
Deferred income	15,151	12,242	0	0
Other accrued expenses	12,024	1,472	1,766	21
<b>Closing balance</b>	<b>32,399</b>	<b>18,449</b>	<b>2,813</b>	<b>968</b>

### 31. Contingent liabilities and assets

Contingent liability of SEK 2,000,000 in the Parent Company refer to guarantee commitment for one of the subsidiaries.

### 32. Information on transition to IFRS 16

IFRS 16 Leases replaces IAS 17 Leasing agreements. The standard is effective as of January 1st, 2019. The new standard changes how C-RAD as a lessee accounts for leasing contracts as IFRS 16 implies a unified model on how the leasing contracts are accounted for in the balance sheet, where a lease asset (the right to use an asset) and a financial debt is reported. In the income statement, the linear operational leasing expense is replaced by a depreciation of the leased assets, and an interest expense for the financial debt.

C-RAD is applying the simplified transition method for the transition to IFRS 16. The lease asset is therefore valued, per leasing object, as if C-RAD had implemented IFRS 16 from the implementation date with the discount rate utilized at the first implementation. C-RAD is applying the practical solutions to not include leasing assets with a remaining lease period shorter than 12 months from the implementation date, and to not include assets with a low value, and to use

the same discount rate for a group of assets with similar attributes. The main effect on C-RADs financial statements refer to the accounting of rental contracts for offices. The implementation of IFRS does not have a significant effect on the income statement, but the presentation of the income statement has changed as items previously accounted for in Other external expenses will be replaced by depreciation on the assets and interest expense on the leasing debt.

The new standard present new estimates and assumptions that have an effect on the valuation of the leasing debt. C-RAD is valuating the leasing debt by the implementation date and may need to re-evaluate the debt, for example in the case that the probability of usage of an option is changing.

The tables show the transition effect of IFRS 16, with the closing balance according to IAS 17 as of December 31, 2018, and the opening balance according to IFRS 16 as of January 1, 2019.

Assets	Closing balance 2018-12-31	Transition to IFRS 16	Opening balance 2019-01-01
<b>NON-CURRENT ASSETS</b>			
<b>Intangible assets</b>			
Capitalized development expenditure	22,718		22,718
Distribution rights	3,531		3,531
Patents, licenses and similar rights	638		638
<b>Total intangible assets</b>	<b>26,887</b>	<b>0</b>	<b>26,887</b>
<b>Property, plant and equipment</b>			
Equipment	1,274		1,274
Right-of-use assets	0	3,355	3,355
<b>Total tangible assets</b>	<b>1,274</b>	<b>3,355</b>	<b>4,629</b>
<b>Financial assets</b>			
Non-current receivables	102		102
Deferred tax assets	28,075		28,075
<b>Total financial assets</b>	<b>28,177</b>	<b>0</b>	<b>28,177</b>
<b>Total non-current assets</b>	<b>56,338</b>	<b>3,355</b>	<b>59,693</b>
<b>CURRENT ASSETS</b>			
Inventories	11,663		11,663
Accounts receivable	44,329		44,329
Other receivables	3,760		3,760
Prepaid expenses and accrued income	21,191		21,191
Cash and bank balances	9,333		9,333
<b>Total current assets</b>	<b>90,276</b>	<b>0</b>	<b>90,276</b>
<b>TOTAL ASSETS</b>	<b>146,614</b>	<b>3,355</b>	<b>149,969</b>

Equity and liabilities	Closing balance 2018-12-31	Transition to IFRS 16	Opening balance 2019-01-01
<b>Equity</b>			
Share capital	4,614		4,614
Additional paid-in capital	263,284		263,284
Reserves	-391		-391
Profit (loss) for the year	-173,866		-173,866
<b>Total equity</b>	<b>93,641</b>	<b>0</b>	<b>93,641</b>
<b>Long-term liabilities</b>			
Long-term leasing liabilities	0	1,213	1,213
<b>Total long-term liabilities</b>	<b>0</b>	<b>1,213</b>	<b>1,213</b>
<b>Current liabilities</b>			
Accounts payable	9,321		9,321
Warranty provisions	2,305		2,305
Other current liabilities	22,882		22,882
Accrued expenses and deferred income	18,464		18,464
Leasing debt	0	2,142	2,142
<b>Total current liabilities</b>	<b>52,973</b>	<b>2,142</b>	<b>55,114</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>146,614</b>	<b>3,355</b>	<b>149,969</b>

### 33. Proposed appropriation of profits

The following funds in the Parent Company are at the disposal of the Annual General Meeting, in SEK:

Retained loss	-125,315,465
Share premium reserve	367,977,198
Loss for the year	-8,203,512
<b>Total retained earnings</b>	<b>234,458,221</b>

The Board and the President propose that the retained earnings of SEK 234,458,221 be carried forward.



## 34. Critical accounting estimates and judgements

Management has discussed the development, selection and disclosure of the Group's critical accounting policies and estimates as well as the application of these policies and estimates. The estimates and judgments that involve significant risk for material adjustments to the carrying amounts during the upcoming financial year are discussed below:

**A)** Impairment testing of capitalized development costs. When assessing the value of cash generating units for assessment of impairment of capitalized development costs, several assumptions about future conditions have been made. Future conditions have been assessed in part based on the Group's business plans.

**B)** Income taxes. The Group has tax loss carryforwards that may be offset against taxable profits in the future. Following a profit for the Group in 2018, a deferred tax asset was booked based on the taxable loss in the Swedish entities. Deferred tax assets are reported on a current basis going forward.

**C)** Investments in associates and loans issued to associates. Management included certain expectations about future developments of the subsidiaries operations and integration with C-RAD activities in its assessment of whether there is a need for impairment of assets related to the acquisition. If these expectations are not met, impairment losses may need to be recognized in subsequent periods. Management determined to make a write-down of shares in subsidiaries of 2.1 MSEK in the financial statements for 2020.

**D)** Provision. A provision requires management to make a reliable estimate of the amount. A warranty usually runs 12 months after completion of installation. When the warranty provision is calculated based on the past year's warranty costs, there is a risk that future warranty costs will be different, which also affects the financial statements.

Five-Year Summary	2020	2019	2018	2017	2016
<b>Key figures, amounts in MSEK</b>					
Order intake	312.6	269.8	246.8	192.5	113.5
Revenue	221.6	205.4	190.1	133.1	82.7
Operating profit/loss	17.1	-9.6	0.8	-10.0	-30.4
Profit/loss before tax	16.4	-11.4	0.2	-10.9	-31.2
Profit/loss after tax	14.4	-13.8	21.2	-10.9	-31.2
Total assets	270.5	157.8	146.6	118.1	102.1
Order backlog	350.5	267.1	194.0	139.8	83.5
Equity ratio %	74	53	64	60	69
Average number of employees	59	55	52	48	40

### DEFINITIONS

#### Equity ratio, %

Equity including non-controlling interests as a percentage of total assets.

#### Average number of employees

Average number of permanent full-time employees during the period.

#### Order backlog

Received but not yet delivered orders, valued at exchange rate average.

# Signatures of the Board

The Board of Directors hereby provides assurance that the annual report was prepared in accordance with generally accepted accounting policies in Sweden and that the consolidated financial statements were prepared in accordance with the international accounting standards referred to in the European Parliament and Council regulation (EC) no. 1606/2002 dated July 19, 2002 on the application of international accounting standards.

The annual report and consolidated financial statements give a fair view of the Parent Company's and the Group's financial position and results. If there are any discrepancies between the report in English and Swedish, the Swedish version shall prevail.

The administration report pertaining to the Parent Company and the Group gives a fair review of the development of the Parent Company's and the Group's operations, financial position and results, and describes significant risks and uncertainties facing the Parent Company and the companies included in the Group.

The Annual Report and consolidated financial statements were, as noted above, adopted by the Board of Directors on April 15, 2021.

The consolidated statement of comprehensive income and the consolidated statement of financial position and the Parent Company's income statement and balance sheet are subject to approval at the Annual General Meeting on May 7, 2021.

Uppsala April 15, 2021

**Lars Nyberg**  
Chairman of the Board

**Per-Arne Blomquist**  
Director

**Kicki Wallje-Lund**  
Director

**Peter Hamberg**  
Director

**David Sjöström**  
Director

**Åsa Hedin**  
Director

**Tim Thurn**  
Chief Executive Officer

Our Audit Report was submitted on April 15, 2021.  
Öhrlings PricewaterhouseCoopers AB

**Michael Bengtsson**  
Authorized Public Accountant

# Auditor's Report

To the general meeting of the shareholders of C-RAD AB (publ), corporate identity number 556663-9174.

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of C-RAD AB (publ) for the year 2020 with the exception of the corporate governance report on pages 26-29. The annual accounts and consolidated accounts of the company are included on pages 22-76 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Parent Company and the Group as of 31 December 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2020 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 26-29. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the Parent Company and the Group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the Parent Company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsi-

bilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its Parent Company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Our audit approach

#### Audit scope

C-RAD AB (publ) develops, manufactures and sells products and systems for higher precision, increased efficiency and better safety in the treatment of cancer patients. Operations are conducted through subsidiaries in Sweden, the United States, Germany, Belgium and China. We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

#### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole. These, together with qualitative con-

siderations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

### **Key audit matters**

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

## **Key audit matters**

### **Capitalized development expenditure**

The value of capitalized development expenditures amounts to SEK 15 million as of December 31, 2020. Important estimates and assessments are presented in notes 5.8, 21 and note 35 in the annual report. Important estimates and assessments include, among other things, that the requirements for activation are met. In assessing impairment, the Group has had to assess a number of factors, the most important being the assessment of future cash flows. Due to the degree of assessments, we have assessed that balanced expenditure on development work is an especially important area in the audit.

### **How our audit addressed the key audit matter**

We have read the company's specification of capitalized development expenditures and, among other things, through samples on the projects tested the accuracy of capitalizing the expenses. To determine if capitalized expenses were directly attributable to the projects, we randomly tested underlying expenditures against supporting documents. We did not find any deviations in this review.

We have also read the management's assessment of whether there is any need for impairment of Capitalized development expenditure. We evaluated the company's process for establishing forecasted cash flows and the mathematical accuracy of the models used. We have also assessed significant assumptions in the impairment test. Finally, we have assessed whether the information provided in the notes of the annual report is compatible with tests performed. We found that the company's methodology and assumptions were applied consistently.

### **Other Information than the annual accounts and consolidated accounts**

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-21. The Board of Directors and the Managing Director are responsible for this other information. The information in the "Remuneration Report 2020" which is published on the company's website at the same time as this report also constitutes other information.

Other information also consists of a document in which the annual report is not included: The other information consists of a remuneration report that we obtained before the date of this audit report. The Board of Directors and the CEO are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Board of Directors and the Managing Director**

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the

going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

### **Auditor's responsibility**

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

## **Report on other legal and regulatory requirements**

### **Opinions**

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of C-RAD AB (publ) for the year 2020 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

### **Basis for Opinions**

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Parent Company and the Group in accordance with professional

ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### **Responsibilities of the Board of Director's and the Managing Director**

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the Parent Company's and the Group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the Group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### **Auditor's responsibility**

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies

Act, the Annual Accounts Act or the Articles of Association. Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

### **The auditor's examination of the corporate governance statement**

The Board of Directors is responsible for that the corporate governance statement on pages 26-29 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of C-RAD AB (publ) by the general meeting of the shareholders on the May 8, 2020 and has been the company's auditor since the April 28, 2017.

Stockholm April 15, 2021

Öhrlings PricewaterhouseCoopers AB

**Michael Bengtsson**

Authorized Public Accountant









**C-RAD AB (publ)**

**C-RAD Positioning AB**

**C-RAD Innovation AB**

**C-RAD Imaging AB**

Sjukhusvägen 12K, SE-753 09 Uppsala,  
Sweden

Telephone +46 18-66 69 30

[www.c-rad.com](http://www.c-rad.com)

**C-RAD Inc.**

70 SE 4th Ave, Delray Beach, FL 33483, USA

Telephone: +1 561 742 9260

Fax: +1 561 742 9259

[www.c-rad.com](http://www.c-rad.com)

**C-RAD GmbH**

Wittestr. 30 K, 13509 Berlin, Germany

Telephone: +49 30 609847560

Fax: +49 30 609847569

[www.c-rad.com](http://www.c-rad.com)

**C-RAD (Shanghai) Medical Device Co Ltd**

Block 2 Room 503, No 608 Shengxia Road

Pudong new Area, Shanghai

P.R. China, 200060

[www.c-rad.com](http://www.c-rad.com)