

# ANNUAL REPORT 2021



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## Financial calendar

Interim Report January–March: May 6, 2022

Annual General Meeting: May 6, 2022

Interim Report January –June: July 21, 2022

Interim Report January–September: October 28, 2022

Year-end Report 2022: January 26, 2023

## 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.com/learning-center/>



” C-RAD’s mission is to be the preferred partner to ensure safety and efficiency in advanced radiation oncology, helping to cure more cancer patients and improve their quality of life.

# The C-RAD mission & vision are global in scope

**Our vision is to provide superior treatment in radiation oncology for all patients. C-RAD's mission is to be the preferred partner to ensure safety and efficiency in advanced radiation oncology, helping to cure more cancer patients and improve their quality of life.**

## Groundbreaking technology based out of extensive research

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. In new advanced radiation therapy techniques, the radiation dose must be delivered to the tumor with extremely high precision and microsecond timing. Our positioning and scanning products guarantee just that.

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 Nordics, USA, Germany,

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” **From a financial perspective 2021 was a record high in all key metrics – order intake, revenue and operating profit.**

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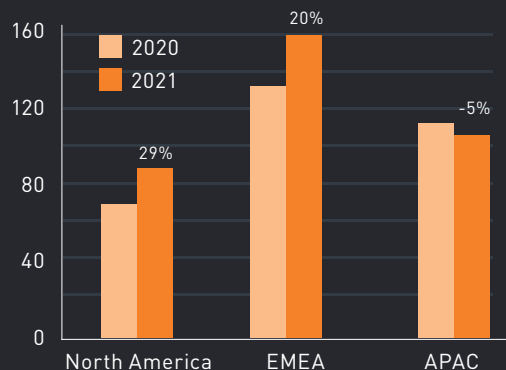
China, France and Australia with an additional presence through distributors in other important markets.

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

## 2021 in summary

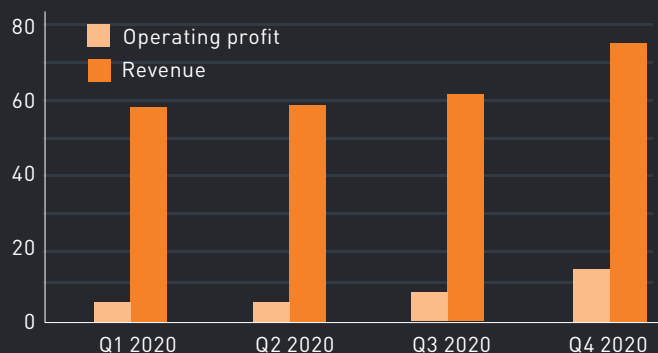
During 2021 measurable progress has been done towards the goal of establishing surface tracking technology as the standard of care in advanced radiation therapy. C-RAD has strengthened the organization during the year, primarily the service organization. In addition, investments have continued in new product developments to intensify the cooperation with the OEM's. One example is the integration and validation of C-RAD's Catalyst+ system with Elekta's latest linear accelerator – Harmony. All Elekta linear accelerators are now certified for compatibility with the full capabilities of the Catalyst family of products. Another example is the new cooperation with the third largest linac vendor, Accuray, initiated during the year. From a financial perspective 2021 was a record high in all key metrics – order intake, revenue and operating profit. An achievement despite the increasingly challenging supply chain situation and the still existing implications of the pandemic.

## Order intake 353.5 MSEK (312.6), +13%



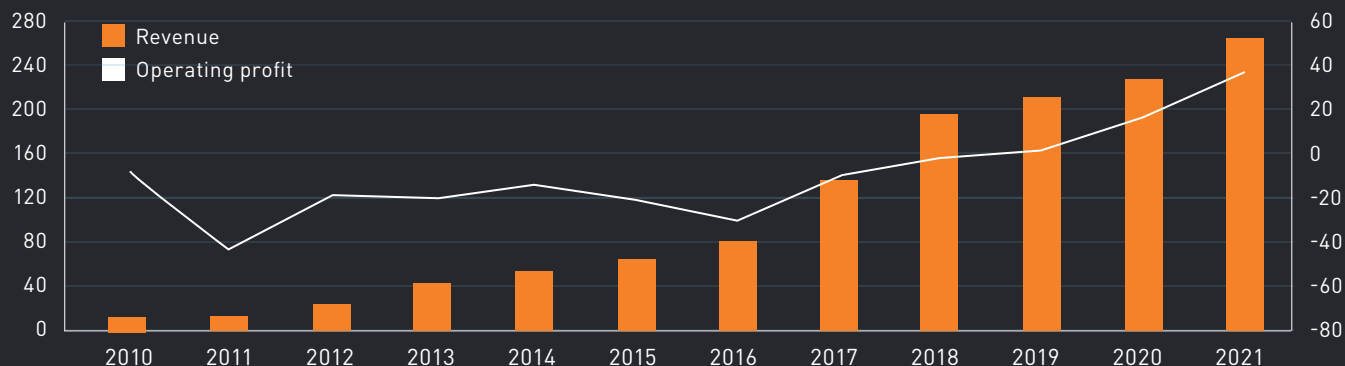
Order intake in North and South America increased by 29 percent. The EMEA region grew by 20 percent. Partly affected by the corona pandemic, APAC reduced by 5 percent.

## Profit and revenue



Revenues grew by a total of 18 percent during 2021. C-RAD reported a positive operating profit during all quarters with an annual profit of SEK 36.0 million corresponding to a margin of 14 percent.

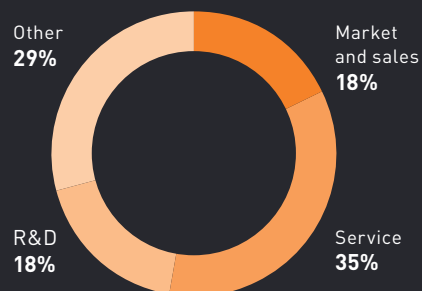
## Revenue and operating profit 2010–2021, MSEK



The company has been growing for every year for the past 10 years and since 2018 it is profitable growth. In 2021 revenue and profit amounted to 261,2 and 36.0 MSEK respectively, with an operating profit margin of 14 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.



# Record high in order intake, revenue and operating income

**When closing the year 2021 I can conclude we have done measurable progress towards our goal of establishing surface tracking technology as the standard of care in advanced radiation therapy. We are delivering a year with a record high in all key metrics – order intake, revenue and operating profit. An achievement despite the increasingly challenging supply chain situation and the again rising implications of the pandemic.**

## Growth and increased profitability

For the full year revenue grew with 21 percent in constant currencies to 261 MSEK and the operating profit more than doubled to 36 MSEK, a margin of 14 percent. The increased profitability is a function of a revenue growth with improved gross margin exceeding the increases in operating expenses, coming from enhancing our organization. Essentially, the full year profitability increase is a confirmation that the investments made in the organization is generating a return.

## High level of activity in all markets

The North American market is delivering a 29 percent growth in order intake for the full year. There is substantial potential for our technology and with our setup and the partnership with Elekta, C-RAD is well positioned to exploit this potential. It should be noted that during 2020 about two-third of the orders were booked in the fourth quarter since projects were stalled because of the operational implications for our customers due to the pandemic. The order intake growth in the region, commencing towards the end of 2020, has contributed to a full year revenue growth of 75 percent, a measurable part of the company's total growth for the year.

The APAC region continued to be affected by the pandemic, especially in Australia, where projects were stalled. However, towards the end of the year we noticed that the situation eased up again and we returned to growing order intake. Our decision to establish an office in Delhi, India has shown first results in terms of orders with expected installations during the first half of 2022. China as the largest market for us in the APAC region continues to show steady growth in order intake for the full year. The vast unmet demand for cancer care in combination with the strong push to establish high-end radiation therapy is

the driver for the development in China, which is also shown by the two important proton therapy projects that C-RAD secured in December. Considering a very successful order intake from Japan and Australia in 2020, the region shows a minor decline in order intake for the full year 2021 but ending on a positive trend with a 23 percent growth in the final and fourth quarter.

The EMEA region is showing a strong recovery both in order intake and revenue growth towards the end of the year, lifting the region to a full year growth in order intake and revenue of 20 and 23 percent respectively.

## The services business is an increasing part of revenue

Order intake of our positioning products, our largest category, increased across all regions with 16 percent during 2021, which is a very encouraging development and underlines once more the demand for surface tracking in the market. Revenue generated from long term service contracts grew with 40 percent over the previous year and constitutes 13 percent of the annual revenue – as compared to 11 percent in the previous year. This is an important driver behind improved margins for both gross- and operating profit. Moreover, this confirms the trend of an increasing number of customers willing to outsource services to C-RAD and therewith maintain an up-to-date, highly available system over the lifetime of the product.

## Strengthening of the organization and strategic cooperations

C-RAD has strengthened the organization during the year, primarily our service organization. In addition, we have continued to invest in new product developments to intensify the cooperation with the OEM's. The latest example is the integration



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I want to take the opportunity to give a big thank you to the C-RAD team, our customers, and partners for the commitment and trust during the last year.

and validation of C-RAD's Catalyst+ system with Elekta's latest linear accelerator – Harmony. All Elekta linear accelerators are now certified for compatibility with the full capabilities of the Catalyst family of products. As announced separately in October another linac vendor, Accuray, decided to develop an interface to our surface tracking solution Catalyst+. We see this step as another confirmation of the journey towards the goal to make surface tracking standard of care in advanced radiation therapy.

### **Well positioned for further growth**

I want to take the opportunity to give a big thank you to the C-RAD team, our customers, and partners for the commitment

and trust during the last year. It is great to see the progress that C-RAD made. We ended the year with a high level of interest in the marketplace for our solutions, and we are in an excellent position and well prepared to continue in 2022 working towards our goal of making surface tracking standard of care.

A handwritten signature in black ink, appearing to read 'T. Thurn'.

Tim Thurn, CEO

# C-RAD as an investment

**Radiation with a linear accelerator (LINAC) is one of the most efficient methods to treat cancer, but it comes with the risk of causing damages to healthy tissue. In some cases it can lead to greater health problems than the cancer itself or the patient actually decreasing from the side effects. C-RAD's solutions minimize the risk of side effects by assuring that the radiation beam is delivered to the patient with sub-millimeter precision - absolutely accurate and safe.**

## Surface tracking on its way to become standard of care

Unfortunately, cancer is here to stay. Radiation therapy will for the foreseeable future be a key treatment method. An approximation is that a surface tracking solution adds 5 percent to the total investment of the cancer radiation equipment required. A neglectable cost in the perspective of the measurable value surface tracking brings in terms of patient safety and treatment efficiency. The cost versus value logic is the key reason why C-RAD is convinced that surface tracking will become standard of care in radiation therapy. Standard of care is defined as all linear accelerators sold for relevant cancer indications will be equipped with a surface tracking solution. Today approximately 1 200 linacs are sold yearly where roughly 20 percent are equipped with surface tracking. Consequently there is a large market potential with surface tracking becoming standard of care.

## C-RAD is part in the fight against cancer

C-RAD's products and solutions brings measurable value to the society. 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.

## Recognized product

The value that C-RAD's products and solutions aspires to generate is not an ambition for the future. The products are since long launched, tested and recognized in the clinical environment at hospitals, cancer clinics and universities – well appreciated for the value it brings in advanced radiation therapy.



## Comprehensive market access

C-RAD has a comprehensive and holistic market access strategy which also is put into practice. In essence C-RAD uses three channels to access the market. Firstly, a direct sales force with C-RAD employees are in place for the main markets in the Nordics, USA, Germany, China, France and Australia. Secondly, a distributor network is used for other markets that are more remote and less mature but has a commercial potential. The third channel is the formalized cooperation with OEM-vendors (Original Equipment Manufacturer) of linear accelerators. The business logic behind this channel is that as surface tracking embarks towards standard of care customers of the OEMs will request this functionality in conjunction with the procurement of the linac.

## Solid financial platform

C-RAD has a sound financial situation. The company generates profitable revenue growth, is debt-free and has solid liquidity position. All combined, a financial platform to further support profitable growth.

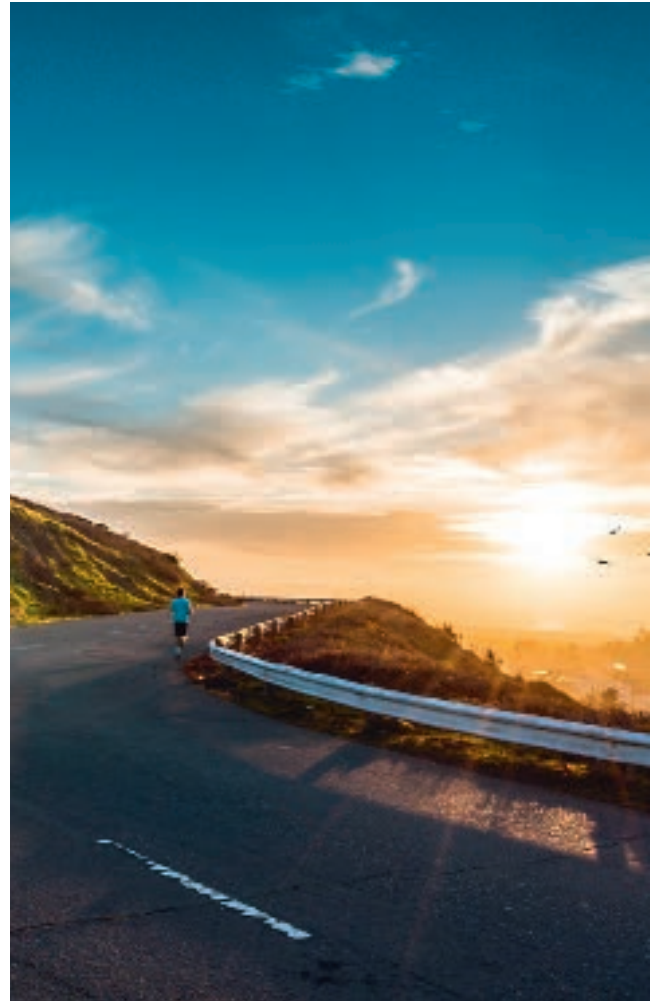


# Building success on sustainable platform

**A main driver in the C-RAD culture is the value that our products bring to society in terms of helping to cure more cancer patients and improving their quality of life. As a company we want to bring this value to society residing on a healthy and sound corporate culture. This is manifested in our code of conduct and our corporate values.**

## Code of conduct

C-RAD's code of conduct sets out the standards of professional conduct that we use at C-RAD to guide our interactions with each other, our customers and our business partners. Our company's Code of Conduct is the foundation we rely on in all of our activities and demonstrates our unconditional commitment to integrity in everything we do. The Code of Conduct applies to everyone working for and on behalf of C-RAD; employees, consultants, controlled companies, distributors and agents. We expect all of our business partners and suppliers to uphold the same standards. In its activities, C-RAD shall be aware of, and as a minimum requirement, comply with all national and international laws and regulations that apply in the countries where C-RAD operates. The following Code of Conduct is among other things based on the UN's Global Compact, the ILO's core conventions [1]-[8], the OECD's guidelines for multinational companies, competition legislation and anti-corruption regulations. C-RAD shall comply with the highest requirements arising from either applicable legislation or this Code of Conduct. As a C-RAD employee you are expected to report any conduct we believe in good faith to be a violation of the Code of Conduct or the law. Preferably by reporting a violation internally but there is also a third-party managed whistle-blowing system available to ensure the possibility of anonymous reporting if the situation so requires. The code of conduct addresses the core areas for the company; Business ethics, Quality and regulatory compliance, Human rights and labor, protecting personal information



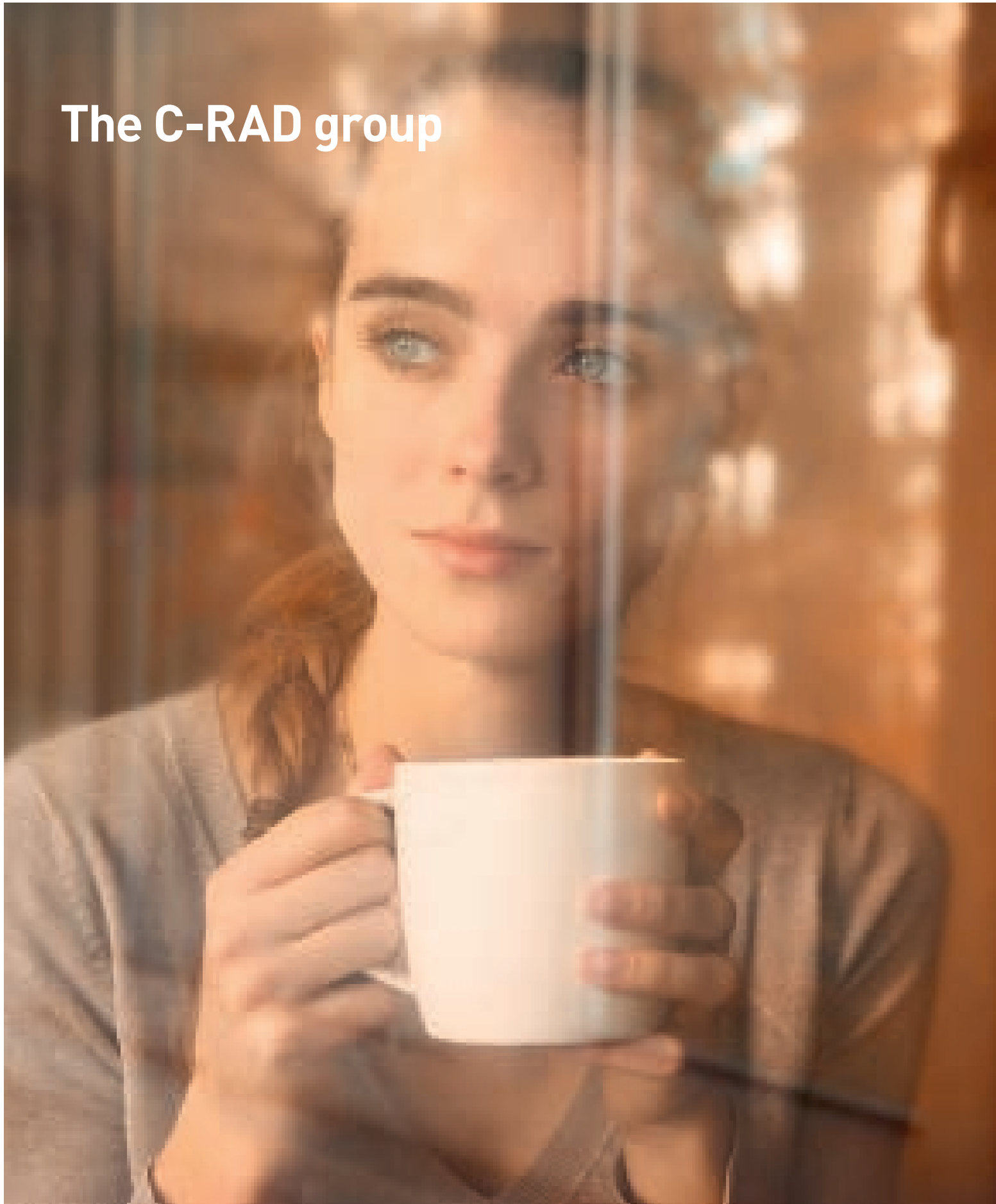
and patient data, environmental compliance and responsibility and proper treatment of insider information.

## Core values

The C-RAD work and behavior is guided by our core values.

- **Teamwork and collaboration** as the key to success, between colleagues, departments and partners to reach full potential.
- **Excellence** as our commitment to continuously improve and provide highest quality and professional attitude to ensure customer satisfaction.
- **Passion** for better and faster treatments to ensure highest patient care and creativity to inspire the market with our innovative solutions.
- **Respect** for each other and value diversity as a strength as well as for our responsibility to society.
- **Trust** as a result of openness and transparency and as a means for empowerment to enable ownership and team commitment.

# The C-RAD group





**C-RAD works according to a business model where subcontractors are used for the manufacturing of the company's products. C-RAD focuses on product development, sales and marketing, the supply chain, final assembly and testing, as well as quality controls and certification of the products.**

**The company conducts development and sales of innovative systems for use in advanced radiation 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**

C-RAD's 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 therapy 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, Australia and France. In China C-RAD is working with direct sales and a distributor.

**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 radiation 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 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. In October 2021 C-RAD initiated a formalized cooperation with Accuray to integrate surface tracking into their linear accelerators.

## 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. 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, 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

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” **The success with large projects in particle therapy contributes to positioning C-RAD as a market leader in its field.**

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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 optimized for growth

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 EMEA 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 as a strategic element**

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.



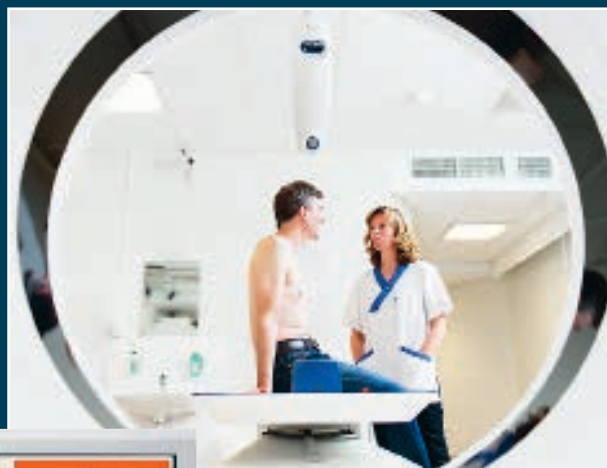
## SENTINEL 4DCT

- 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

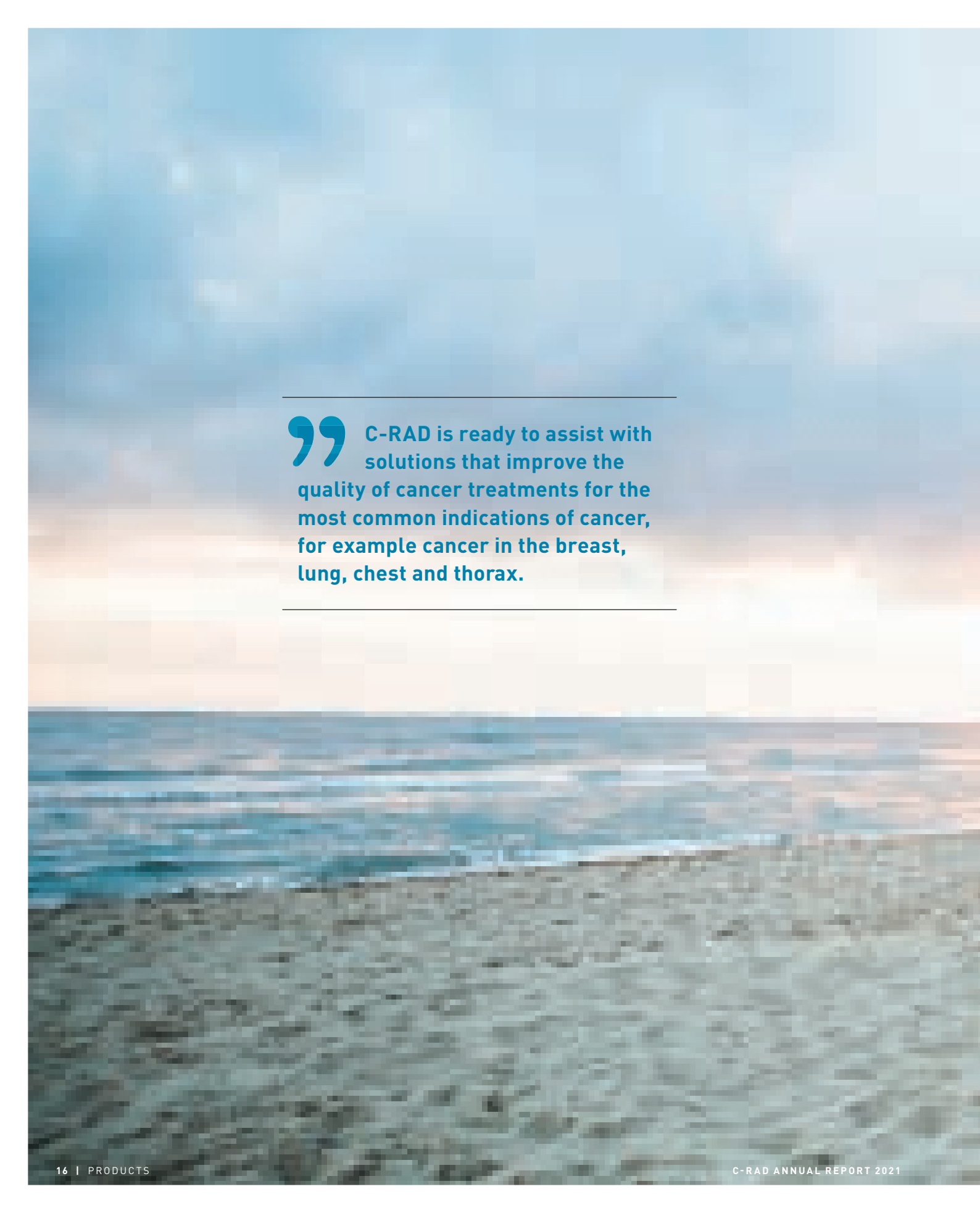
## © CATALYST<sup>+</sup> HD

- 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.
- 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.





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

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# Board of Directors

Holding per 2021-12-31



**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.



**Jenny Rosberg**  
**Member of the Board**

Board member since 2021.

**Born:** 1966.

Jenny Rosberg is the CEO and founder of ROPA management AB and ROPA & BOARDA AB. Board member of AB Persson Invest, member and acquisition committee of CAG Group AB and board member and Chairman of the audit committee in MIPS AB. Jenny has previously held board positions including Länsförsäkringar Stockholm, NetEnt AB (publ), Nordax Group AB (publ), Nordax Bank AB (publ), Eastnine AB (publ), Nasdaq Stockholm AB, Nasdaq Helsinki Oy and Nasdaq Copenhagen A / S.

**Holdings in C-RAD:** 3 000 B shares, 0 A-shares.



**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 Senior Advisor at EQT and 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.

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**Johan Engstam Authorized Auditor**

ÖhrlingsPricewaterhouseCoopers AB with Johan Engstam as Auditor-in-Charge. Born 1966. Johan is is lead partner for PWCs segment Pharma and Life Science.

# Senior executives

Holding per 2021-12-31



**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 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 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, 0 B shares, 32,163 warrants.



**Emelie Gessner Gozzi**  
**Director Global Marketing**

Director Global marketing since 2021.

**Born:** 1983.

Global Marketing Director since May 2021. Emelie has a broad background in marketing with leading roles in Brand and positioning strategy, Leads generation, CRM, Digital Marketing, Events & Fairs, Communications and PR as well as media purchasing. She has experience from both retail and B2B with previous positions in Camfil Svenska, Byggmax, Clas Ohlson and more. Emelie holds a bachelor's degree in business marketing management from the University of Westminster in London.

**Holdings in C-RAD:**

0 A shares, 0 B shares, 500 warrants.



**Ivan Astralaga**  
**President C-RAD Americas**

President C-RAD Americas since 2021.

**Born:** 1969.

President C-RAD AB Americas since May 2021. Ivan has comprehensive experience from leading sales roles within the radiation oncology and med-tech sector, most recently as VP Business Development/Sales at Mevion Medical System. He brings 20 years of sales/marketing experience for capital goods and first-in-country projects in radiotherapy. Ivan holds a Master in Business Administration with a concentration in finance and Bachelor degree in Marketing.

**Holdings in C-RAD:**

0 A shares, 0 B shares, 7 230 wwarrants.res, 0 B shares, 500 warrants.



**Kashif Ikram**  
**Vice President sales EMEA**

President EMEA since 2022.

**Born:** 1698.

Kashif brings 26 years of sales & marketing leadership experience within the medtech sector which has focused mainly on new market development. Kashif's most recent position was as Head of Sales EMEA for Corindus Vascular Robots at Siemens Healthineers. Kashif holds a Bachelor's degree in Psychology and Zoology, a Master of Science degree in Applied Biology, a Master of Arts degree in Marketing and an Executive MBA from the Henley Business School.

**Holdings in C-RAD:**

0 A shares, 0 B shares, 0 warrants.



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

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

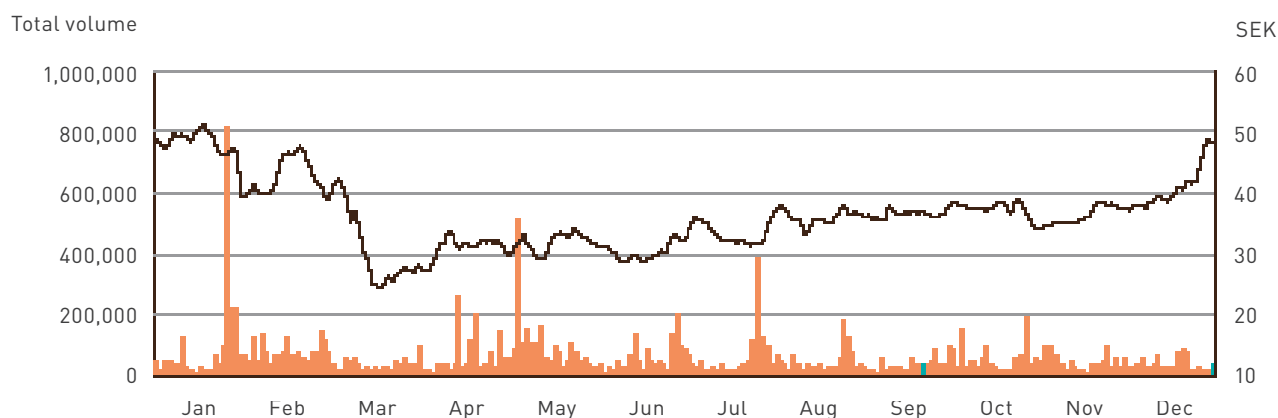
**Born:** 1979.

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, 46,000 B shares, 22,254 warrants.

# The C-RAD share



Largest shareholders 2021-12-31	AK A	AK B	Total	Capital, %	Votes, %
Svea Ekonomi AB	100,000	3,924,969	4,024,969	11.93	11.86
Lars Nyberg with family	70,000	2,462,930	2,532,930	7.50	7.62
Lars Kling		2,468,500	2,468,500	7.31	5.95
Nordnet Pensionsförsäkring		1,676,699	1,676,699	4.97	4.04
Avanza Pension		1,648,621	1,648,621	4.88	3.97
Eiffel Investment Group SAS		1,602,618	1,602,618	4.75	3.86
Berenberg Funds		1,257,421	1,257,421	3.73	3.03
Hamberg Förvaltning AB	379,762	822,671	1,202,433	3.56	11.13
Siv Hamberg		1,060,722	1,060,722	3.14	2.55
Clients Fonder		783,826	783,826	2.32	1.89
Other	313,125	15,180,438	15,493,563	45.90	44.11
<b>Total</b>	<b>862,887</b>	<b>32,889,415</b>	<b>33,752,302</b>	<b>100.00</b>	<b>100.00</b>

## Share capital

The share capital in C-RAD AB amounts to SEK 5,062,846.7, divided into 862,887 A shares and 32,889,415 B shares. The number of outstanding shares amounts to a total of 33,752,302 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 2021 was 55.7 (48.20). The lowest closing price in 2021 was SEK 45.5 on December 3 and the highest was SEK 66.70 on August 30, 2021. The average number of shares traded was 59,671 (95,558), value approximately MSEK 3.4 million (8.7) and an average of 204 trades per trading day (252).

A close-up photograph of a young Black couple smiling and embracing outdoors. The woman is in the foreground, leaning her head against the man's shoulder. Both are wearing light blue shirts. The background is a soft-focus green, suggesting a park or garden setting with sunlight filtering through the trees.

# Financial Reports 2021

# 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 2021. The Board's registered office is in Uppsala. The financial reports will be adopted by the Board and approved for publication on April 13, 2022. The consolidated and Parent Company financial statements will be submitted for approval at the Annual General Meeting on May 6, 2022.**

*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, China, India, Australia and North America.

## Significant events during the financial year

On February 3rd C-RAD announced a distribution agreement with the South Korean company WITH-GLOBAL to cover sales and service in the local market. WITH-Global is a distributor mainly active in the field of diagnostic imaging and radiation therapy. With a team of 27 employees WITH-Global has a strong focus on providing services to its customers reaching from consulting to maintenance and hospital network services. WITH-Global has obtained the distribution rights for C-RAD's positioning products and the HIT Laser systems.

The Patent and Market Court of Appeal at the Svea Court of Appeal confirms C-RAD's right to the invention described in the patent application entitled "Ionizing radiation detecting device", in its judgment published 16 April 2021. C-RAD sued Beamocular AB in May 2017, and the Patent and Market Court confirmed C-RAD's right to the invention in its judgment of 26 July 2019, which was appealed by Beamocular to the Patent and Market Court of Appeal. The verdict cannot be appealed.

On July 1st the Stockholm Patent and Market court rejected a former employee claim on C-RAD for compensation. The court ruled that the former employee is not entitled to any compensation. The background is a lawsuit that was filed against C-RAD on May 9th, 2020 from a former employee, claiming compensation for an invention made during his employment at C-RAD. C-RAD strongly rejected the lawsuit and considered the compensation claim to be highly excessive, herewith confirmed by the court verdict. This is the fourth in a series of disputes with the company where the counterpart was either the same former employee or the company Beamocular AB (owned by the former employee and now in bankruptcy) for which he has been CEO. In all four cases C-RAD has prevailed. Furthermore, the court verdict states that the former employee should bear C-RAD's legal fees, amounting



Five-year summary	2021	2020	2019	2018	2017
<b>Key figures, amounts in MSEK</b>					
Order intake	353.5	312.6	269.8	246.8	192.5
Revenue	261.2	221.6	205.4	190.1	133.1
Operating profit/loss	36.0	17.1	-9.6	0.8	-10.0
Profit/loss before tax	35.7	16.4	-11.4	0.2	-10.9
Profit/loss after tax	25.1	14.4	-13.8	21.2	-10.9
Total assets	306.7	270.5	157.8	146.6	118.1
Order backlog	425.3	350.5	267.1	194.0	139.8
Equity ratio, %	75	74	53	64	60
Average number of employees	62	59	55	52	48

For definitions of the key figures, see page 75.

to 2.9 MSEK. The verdict was later appealed on July 23rd.

C-RAD AB and Accuray Incorporated announced on October 4th that they have signed an agreement designed to enhance the Accuray Radixact® System's ability to treat breast cancer. The companies will partner to provide customers with a solution for deep inspiration breath hold (DIBH) using the C-RAD Catalyst+ HD and Radixact System. DIBH is a technique frequently used for breast cancer treatments. The development work will commence before the end of 2021 with the first interface linking the Catalyst technology and the Radixact System anticipated to be made available in mid-2022.

### Sales, operating profit and expenses

For the full year revenue increase 18 percent to 261.2 (221.6) MSEK, 21 percent in constant currencies. APAC revenue decreased for the full year moderately with 7 percent, partly due to challenges related to the pandemic and partly due to a strong 2020. Revenue in Americas grew 75 percent, a result from increased sales over the last quarters now converting into deliveries. Revenue in EMEA generated a growth of 23 percent for the full year. Revenue for Life Cycle Business (service contracts) increased with 40 percent for the full year and is an increasing part of the company's total revenue.

Gross profit margin for the full year was 63 (59) percent. Fluctuations in gross profit can be expected between periods as it is dependent on the product mix and a variation of sales channels in our different markets, where a larger portion of direct sales was the main driver behind the improved gross margin during the year. Cost of goods sold in the fourth quarter 2020 included commission to sales channel partners of 3.1 MSEK. Hence, the underlying gross margin in 2020 was 60 percent for the full year.

Personnel expenses for the full year to 71.7 (64.8) MSEK.

Last year pandemic related governmental support in various regions reduced personnel expenses.

External expenses for the full year amounted to 52.5 (44.3) MSEK. Last year's total external expenses were significantly impacted by the pandemic, with virtually no travel or physical marketing events taking place.

For the full year 4.6 (5.3) MSEK development cost have been capitalized and 3.8 (3.5) MSEK has been amortized. Total capitalized development costs amounted to 15.8 (15.1) MSEK at the end of 2021.

Operating income for the full year amounted to 36.0 (17.1) MSEK, a margin of 13.8 (7.7) percent. The increase in operating income and improved margins is a function of the growth in revenue with improved gross margin and cost control in general.

Net results after tax for the full year amounted to 25.1 (14.4) MSEK, corresponding to 0.74 (0.43) SEK per share. The tax expense refers to the reversal of deferred tax assets for the Swedish entities and does not affect cash flow.

### Cash flow

Cash flow from operating activities amounted to 18.2 (18.4) MSEK for the full year. During the first quarter the warrant program from 2018 was converted into shares generating a capital increase and in the second quarter the 2021 program was initiated, totaling 4.2 MSEK. Total liquid funds at the end of the period amounted to 122.4 (108.0) MSEK. In addition, the company has an unused credit facility of 20 MSEK.

Net financial income amounted to -0.3 (-0.7) for the full year. The company has no external debt nor uses factoring, hence the neglectable financial cost.

## Equity

The Group's equity amounted to 231.1 (199.8) MSEK. The Group's equity / assets ratio has increased from 74 percent in 2020 to 75 percent in 2021.

## Non-current liabilities

At the end of 2021, the company had long-term liabilities of 6.4 (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 2021, 10.6 MSEK was reported as a tax expense and thus reduced the deferred tax asset. The total deferred tax assets amount to 13.1 (23.7) MSEK as of December 31st. The remaining tax loss in the foreign subsidiaries is 104.5 MSEK. The majority refers to the American subsidiary where there is a time limit for utilization the loss against future taxable gains in 20 years, for others there is no restriction. 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. For the full year period, revenues for the Parent Company amounted to 25.5 (22.1) MSEK and the operating income was 0.4 (-7.7) 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 has continued development work around its core product, the Catalyst.

Capitalized development costs during 2020 amounted to 4.6 MSEK and relate in their entirety to product development of the positioning products. Total capitalized development costs amounted to 15.8 (15.1) 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.

## Political risks

Political risk is the potential for financial, market, or personnel losses that occur due to political decisions or disruptions. The following are examples of political risk actions that potentially could have an effect on C-RAD in specific markets: decisions made by governmental leaders regarding taxes, currency valuation, trade tariffs/barriers, investment, wage levels, labor laws, environmental regulations, and development priorities.

## 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, which may be impacted by political risks described above. 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.

### **Cyber security risks**

Cyber security risks relate to the loss of confidentiality, integrity or availability of information, data, control systems and reflect the potential negative effects on the company's operations, such as assignments, functions or reputation.

### **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 the end of 2021, the number of employees in the Group amounted to 66 (55). The average number of employees in 2021 was 62 (59). 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 7, 2021, 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 39,480 warrants.

### **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**

On March 22nd C-RAD announced an order from the University Hospital Regensburg. The order includes multiple systems and a multiyear service agreement. The total order value is approximately 10 MSEK.

### **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 dis-

position 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 2021 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 2022 Annual General Meeting consists of Anna Frick, 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 18 to 21.

All directors are independent of the company and 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 2021, the Board met 9 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 2021**

<b>Director</b>	<b>Number of meetings</b>
Lars Nyberg . . . . .	9
Peter Hamberg . . . . .	4(4)
Kicki Wallje-Lund . . . . .	9
David Sjöström . . . . .	9
Åsa Hedin . . . . .	9
Jenny Rosberg . . . . .	5(5)
Per-Arne Blomquist . . . . .	9

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 and Jenny Rosberg as members. The committee had four meetings in 2021. The Remuneration Committee consists of Lars Nyberg, Åsa Hedin and David Sjöström.

### 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 4,525 shareholders according to Euroclear. The two largest shareholders together held 19.4 percent of the shares and 19.5 of the voting rights. As of the balance sheet day, the company's share capital amounted to SEK 5.062.846,72 with a par value SEK 0.15 per share, divided into 33,752,302 shares, including 862,887 Class A shares and 32,889,415 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 41,518,285. 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 7, 2021 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 23,000 each.

### Remuneration to senior executives

The total remuneration in 2021 to the senior executives Tim Thurn, Håkan Axelsson, Dirk Freynhagen, Kurt Wang, Ivan Astralaga, Henrik Bergentoft, Annica Jämtén Ericsson and Emelie Gessner Gozzi amounted to SEK 11.4 million, of which 2.2 million required remuneration to the CEO Tim Thurn. The average number of senior executives was 6 in 2021. All amounts relating to remuneration to senior executives are

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

Shareholders per 31 December 2021	A shares	B shares	Total shares	Capital, %	Votes, %
Svea Ekonomi AB	100,000	3,924,969	4,024,969	11.93	11.86
Hamberg Förvaltning AB	379,762	822,671	1,202,433	3.56	11.13
Other	383,125	28,141,775	28,524,900	84.51	77.01
<b>Total</b>	<b>862,887</b>	<b>32,889,415</b>	<b>33,752,302</b>	<b>100.00</b>	<b>100.00</b>

exclusive of social security contributions. The pension cost for senior executives in 2021 amounted to SEK 0.5 million. Management's pension terms are in line with other employees within the Group. Tim Thurn,, Henrik Bergentoft and Håkan Axelsson are employees of the parent company C-RAD AB while Kurt Wang, Annica Jämtén Ericsson and Eme-lie Gessner Gozzi, are employees of the subsidiary C-RAD Positioning AB, Ivan Astralaga is employed in the subsidiary C-RAD Inc and Dirk Freynhagen is employed by 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 guidelines for remuneration to senior executives are as follows. 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 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 2021 Annual General Meeting, Öhrlings Pricewater-House Cooper AB was re-elected to serve as auditor for the company, with Johan Engstam 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 . . . . .	-133,518,975
Share premium reserve . . . . .	372,170,213
Profit for the year. . . . .	-1,608,981
Total retained earnings. . . . .	237,042,256

The Board and the President propose that the retained earnings of SEK 237,042,256 be carried forward.



# Consolidated statement of comprehensive income

All amounts in SEK thousands unless otherwise stated.

	Note	2021	2020
<b>Operating income</b>			
Net sales	11	261,152	221,628
Purchased goods and services		-95,495	-90,002
<b>Total operating income</b>		<b>165,657</b>	<b>131,626</b>
<b>Operating expenses</b>			
Other external costs	13,14	-52,479	-44,329
Personnel costs	15	-71,698	-64,849
Own work capitalized	21	4,572	5,266
Depreciation and amortization of property plant and equipment, as well as intangible assets	14,20,21	-9,707	-9,031
Other operating income	12	1,294	2,135
Other operating expenses	12	-1,643	-3,734
<b>Total operating expenses</b>		<b>-129,662</b>	<b>-114,542</b>
<b>Operating profit/loss (EBIT)</b>		<b>35,995</b>	<b>17,084</b>
Financial income	17	10	37
Financial expenses	17	-266	-741
<b>Profit (loss) before tax</b>		<b>35,739</b>	<b>16,380</b>
Tax on profit/loss for the period	18,19	-10,637	-2,016
<b>Profit (loss) for the year</b>		<b>25,102</b>	<b>14,365</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		1,992	-3,128
<b>Total comprehensive income for the year<sup>1</sup></b>		<b>27,094</b>	<b>11,237</b>
<b>Earnings per share</b>			
Earnings per share, basic (SEK)	23	0.74	0.43
Earnings per share, diluted (SEK)	23	0.74	0.43

1) 100 percent attributable to Parent Company shareholders.



# Consolidated statement of financial position

	Note	2021-12-31	2020-12-31
<b>NON-CURRENT ASSETS</b>			
<b>Intangible assets</b>			
Capitalized development expenditure	21	15,844	15,056
Distribution rights	21	989	1,836
Patents	21	119	974
<b>Total</b>		<b>16,952</b>	<b>17,867</b>
<b>Property, plant and equipment</b>			
Equipment	20	3,314	3,178
Right-of-use assets	14	9,273	9,865
<b>Total</b>		<b>12,587</b>	<b>13,043</b>
<b>Financial assets</b>			
Non-current receivables	6	0	102
Deferred tax assets	19	13,085	23,674
<b>Total</b>		<b>13,085</b>	<b>23,776</b>
<b>Total non-current assets</b>		<b>42,624</b>	<b>54,684</b>
<b>CURRENT ASSETS</b>			
Inventories	7	17,222	25,702
Accounts receivable	6,27	96,662	60,497
Other receivables		11,190	5,252
Prepaid expenses and accrued income	8	16,589	16,343
Cash and bank balances	6,26	122,420	108,045
<b>Total current assets</b>		<b>264,083</b>	<b>215,839</b>
<b>TOTAL ASSETS</b>		<b>306,707</b>	<b>270,523</b>

# cont. Consolidated statement of financial position

	Note	2021-12-31	2020-12-31
<b>EQUITY</b>	23		
Share capital		5,063	5,049
Additional paid-in capital		380,455	376,262
Reserves		-1,321	-3,313
Profit (loss) for the year		-153,107	-178,209
<b>Total equity</b>		<b>231,090</b>	<b>199,789</b>
<b>LONG-TERM LIABILITIES</b>			
Long-term leasing liabilities	6,14	6,374	7,436
<b>Total long-term liabilities</b>		<b>6,374</b>	<b>7,436</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable	6	22,641	17,071
Warranty provisions	28	3,174	2,782
Other current liabilities	6	11,605	11,046
Accrued expenses and deferred income	29	31,824	32,399
<b>Total current liabilities</b>		<b>69,243</b>	<b>63,298</b>
<b>Total liabilities</b>		<b>75,617</b>	<b>70,734</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>306,707</b>	<b>270,523</b>

# Consolidated statement of cash flows

	Note	2021	2020
<b>Operating activities</b>			
Operating profit/loss before financial items		35,995	17,084
Adjustments for non-cash items	25	10,098	9,319
Interest received		1	0
Interest paid		-2	-619
<b>Cash flow from operating activities before working capital changes</b>		<b>46,092</b>	<b>25,784</b>
Increase (decrease) operating receivables		-42,349	-17,222
Increase (decrease) inventories		8,481	-10,750
Increase (decrease) operating liabilities		5,945	20,636
<b>Cash flow from operating activities</b>		<b>18,168</b>	<b>18,447</b>
<b>Investing activities</b>			
Capitalized development expenditures	21	-4,572	-5,266
Acquisition of property, plant and equipment	20	1,226	-1,517
<b>Cash flow from investing activities</b>		<b>-5,798</b>	<b>-6,783</b>
<b>Investing activities</b>			
New share issue		3,770	110,433
Issue cost		-17	-5,683
Warrants		454	468
Debt repayment		0	-34,699
Repayment of leasing liability	14	-3,162	-2,512
<b>Cash flow from financing activities</b>		<b>1,045</b>	<b>68,006</b>
Cash flow for the year		13,414	79,671
Opening cash and cash equivalents		108,045	29,485
Exchange rate differences in cash and cash equivalents		961	-1,111
<b>Closing cash and cash equivalents</b>	26	<b>122,420</b>	<b>108,045</b>

# Consolidated statement of changes in equity

	Share capital	Additional paid-in capital	Reserves	Retained earnings	Total
Opening equity Jan 1, 2020	4,654	271,440	-185	-192,574	83,334
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 Dec 31 2020</b>	<b>5,049</b>	<b>376,262</b>	<b>-3,313</b>	<b>-178,209</b>	<b>199,789</b>
Rights issue	14	3,756			3,770
Issue cost		-17			-17
Issued warrants		454			545
<b>Total transactions with owner</b>	<b>14</b>	<b>4,193</b>			<b>4,207</b>
Total comprehensive income for the year			1,992	25,102	27,094
<b>Closing equity 31 Dec 2021</b>	<b>5,063</b>	<b>380,455</b>	<b>-1,321</b>	<b>-153,107</b>	<b>231,090</b>

# Parent Company, income statement

	Note	2021	2020
<b>Operating income</b>			
Net sales	10	25,539	22,090
<b>Total operating income</b>		<b>25,539</b>	<b>22,090</b>
<b>Operating expenses</b>			
Other external costs	13,14	-12,551	-13,852
Personnel costs	15	-14,513	-12,071
Depreciation of property, plant and equipment	20	-93	-45
Amortization of intangible assets	21	-847	-847
Other operating income		2,863	0
Other operating expenses		0	-2,959
<b>Total operating expenses</b>		<b>-25,141</b>	<b>-29,775</b>
<b>Operating profit/loss (EBIT)</b>		<b>398</b>	<b>-7,685</b>
Interest income and similar profit/loss items	17	133	0
Interest expense and similar profit/loss items	17	2,030	-2,097
<b>Profit (loss) before tax</b>		<b>-1,499</b>	<b>-9,782</b>
Tax on profit/loss for the period	18,19	-110	1,579
<b>Profit (loss) for the year</b>		<b>-1,609</b>	<b>-8,204</b>

# Parent Company balance sheet

	Note	2021-12-31	2020-12-31
<b>NON-CURRENT ASSETS</b>			
Equipment	20	341	433
<b>INTANGIBLE ASSETS</b>			
Distribution rights	21	989	1,836
<b>FINANCIAL ASSETS</b>			
	22		
Shares in Group companies	10	103,531	103,531
Receivables from Group companies	10	79,875	75,553
Deferred tax asset	19	4,246	4,356
<b>Total financial assets</b>		<b>187,652</b>	<b>183,440</b>
<b>Total non-current assets</b>		<b>188,982</b>	<b>185,709</b>
<b>CURRENT ASSETS</b>			
Other receivables		289	538
Prepaid expenses and accrued income	8	2,948	2,142
Cash and bank balances	26	60,567	61,121
<b>Total current assets</b>		<b>63,804</b>	<b>63,801</b>
<b>TOTAL ASSETS</b>		<b>252,786</b>	<b>249,510</b>

# cont. Parent Company balance sheet

	Note	2021-12-31	2020-12-31
<b>EQUITY</b>			
<b>Restricted equity</b>	23		
Share capital		5,063	5,049
<b>Non-restricted equity</b>			
Share premium reserve		372,170	367,977
Retained earnings		-133,519	-125,315
Profit (loss) for the year		-1,609	-8,204
<b>Total equity</b>		<b>242,105</b>	<b>239,507</b>
<b>NON-CURRENT LIABILITIES</b>			
Non-current liabilities		-	-
		-	-
<b>CURRENT LIABILITIES</b>			
Accounts payable		1,841	3,063
Liabilities to Group Companies	10	5,155	3,189
Other current liabilities		375	938
Accrued expenses and deferred income	29	3,310	2,813
<b>Total liabilities</b>		<b>10,681</b>	<b>10,003</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>252,786</b>	<b>249,510</b>

# Statement of cash flows, Parent Company

	Note	2021	2020
<b>Operating activities</b>			
Operating profit/loss before financial items excl. interest		-1,499	-9,782
Adjustments for non-cash items	25	-217	6,956
Other non-cash items			
Interest received		133	0
Interest paid		-4	-1
<b>Cash flow from operating activities before working capital changes</b>		-1,586	-2,827
Increase (decrease) operating receivables		-557	-166
Increase (decrease) accounts payable		1,657	-1,772
Increase (decrease) operating liabilities		-1,110	1,399
<b>Cash flow from operating activities</b>		<b>-1,596</b>	<b>-3,367</b>
<b>Investing activities</b>			
Acquisition of property, plant and equipment		-	-463
Shareholder contributions		-2,026	-2,096
Payment of loans to Group companies		-1,148	-39,233
Acquisition of Group companies		-	-
<b>Cash flow from investing activities</b>		<b>-3,175</b>	<b>-41,792</b>
<b>Financing activities</b>			
Rights issue		3,753	104,750
Issued warrants		454	468
<b>Cash flow from financing activities</b>		<b>4,207</b>	<b>105,218</b>
Cash flow for the year		-564	60,059
Opening cash and cash equivalents		61,121	1,061
Exchange rate differences in cash and cash equivalents		9	0
<b>Closing cash and cash equivalents</b>	26	<b>60,567</b>	<b>61,121</b>



# Statement of shareholders' equity, Parent Company

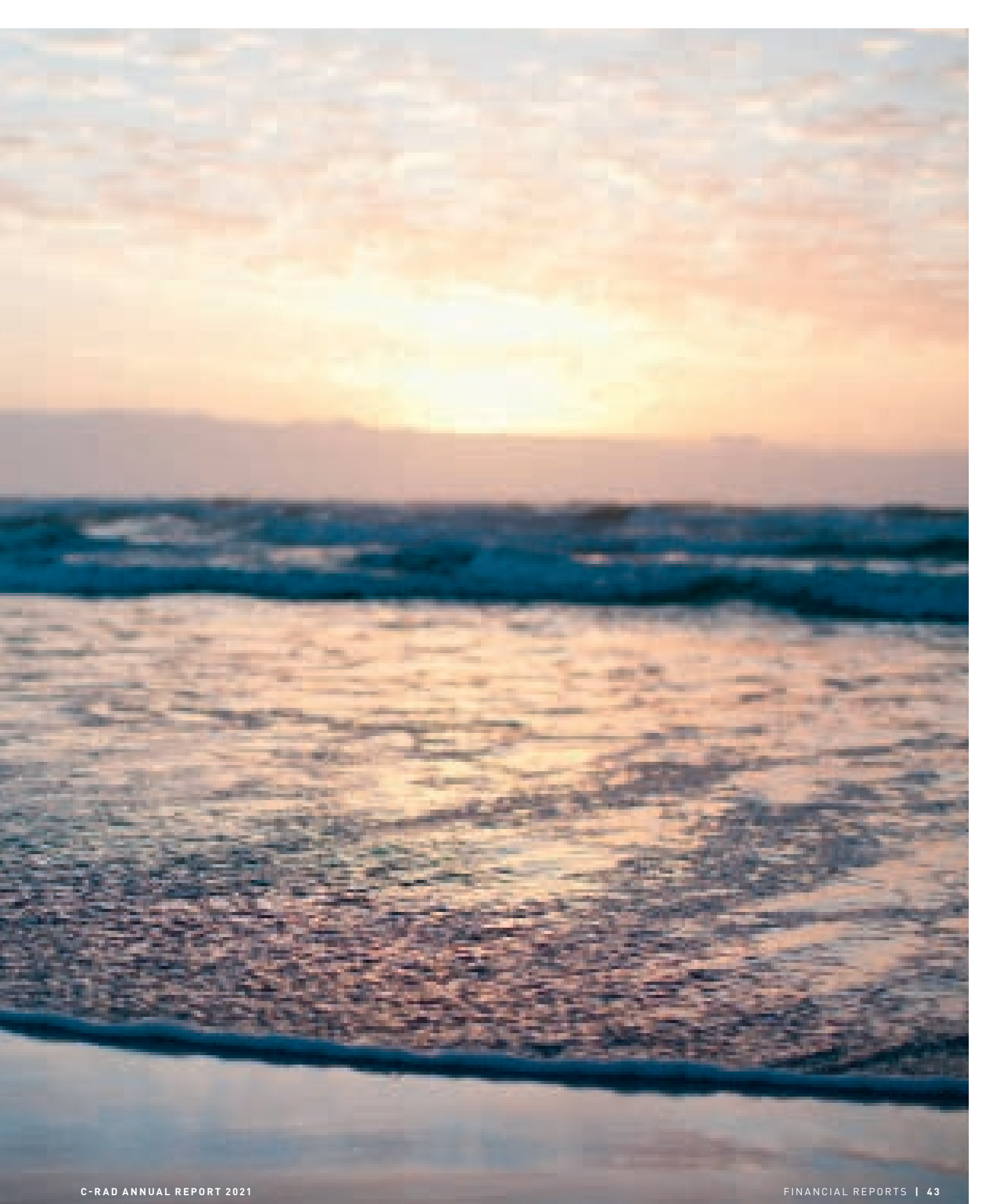
	Share capital	Share premium reserve	Retained earnings	Total
<b>Opening equity Jan 1, 2020</b>	<b>4,654</b>	<b>263,155</b>	<b>-125,316</b>	<b>142,493</b>
Rights issue	,396	110,037		110,43
Issue cost		-5,683		-5,683
Issued warrants		468		468
<b>Total transactions with owner</b>	<b>396</b>	<b>104,822</b>		<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>
<b>Opening equity Jan 1, 2021</b>	<b>5,049</b>	<b>367,977</b>	<b>-133,519</b>	<b>239,508</b>
Rights issue	14	3,756		3,770
Issue cost		-17		-17
Issued warrants		454		454
<b>Total transactions with owner</b>	<b>14</b>	<b>4,193</b>		<b>4,207</b>
Profit (loss) for the year			-1,609	-1,609
<b>Closing equity Dec 31, 2021</b>	<b>5,063</b>	<b>372,170</b>	<b>-135,128</b>	<b>242,105</b>



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” 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.

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# Notes

## 1. Nature of the business

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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

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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 33.

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, 2021 (including comparatives) were approved for issue by the Board on April 13, 2022. Regulations in Sweden stipulate that the financial statements may not be changed after they have been approved.

## 3. New and updated standards

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Any new and updated standards that are applicable for financial years beginning on January 1, 2022 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

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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

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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 is seen as an operating segment. Up until 2019 the group had two segments, but what was called Imaging operations was terminated in 2019. Upon identification of operating segments, the group management usually follows the group's business areas corresponding to the main products and services offered by the Group (see Note 11).

### 5.5 Revenue

Revenue arises from the sale of goods and provision of services, typically coming from service agreements. Revenue is measured at the fair value of the consideration 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. Invoicing of products usually occurs upon shipment. 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, most common contract period is three to five years.

## 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.

### 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-RAD's 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 finan-

cial risks to which the Group is exposed are described below.

### *Sensitivity to foreign currency*

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 (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. A larger range has been used on the USD / SEK ratio as it has historically varied more compared to EUR / SEK. 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 (5 per-

cent), this would have had the following effect:

Short-term exposure				
2021-12-31		EUR	USD	
Financial assets		88,844	24,487	
Financial liabilities		-35,101	-11,775	
Total exposure		53,743	12,712	
2020-12-31		EUR	USD	
Financial assets		58,112	13,247	
Financial liabilities		-27,286	-13,053	
Total exposure		30,826	195	

	Profit (loss) for the year		Equity	
	EUR	USD	EUR	USD
December 31, 2021	-1,177	-2,783	-124	8,326
December 31, 2020	-1,117	-215	33	6,211

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, 2021	1,177	2,783	124	-8,326
December 31, 2020	1,117	215	-33	-6,211

#### *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	2021	2020
Accounts receivable	96,662	60,497
Loans	0	102
Cash and cash equivalents	122,420	108,045
<b>Total exposure</b>	<b>219,083</b>	<b>168,644</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	2021	2020
Less than 3 months	83,210	53,426
3 to 6 months	10,918	566
Over 6 months	2,534	6,505
<b>Total accounts receivable</b>	<b>96,662</b>	<b>60,497</b>
<b>Past due at the end of the financial year</b>	<b>37,829</b>	<b>21,484</b>

Group		
Currency analysis, total accounts receivables	2021	2020
SEK	3,141	5,952
EUR	71,044	44,424
USD	21,085	9,092
Other	1,392	1,029
	<b>96,662</b>	<b>60,497</b>

### Financial instruments

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

	2021-12-31		2020-12-31	
<b>Financial assets recognized at amortized cost:</b>	<b>Fair value</b>	<b>Carrying amount</b>	<b>Fair value</b>	<b>Carrying amount</b>
Accounts receivable	96,662	96,662	60,497	60,497
Accrued revenue	11,599	11,599	13,417	13,417
Loans	–	–	102	102
Cash and cash equivalents	122,420	122,420	108,045	108,045

	2021-12-31		2020-12-31	
<b>Financial liabilities recognized at amortized cost:</b>	<b>Fair value</b>	<b>Carrying amount</b>	<b>Fair value</b>	<b>Carrying amount</b>
Accounts payable	22,641	22,641	17,071	17,071
Liabilities to credit institutions (invoice discounting solution)	–	–	–	–
Liability for contingent consideration, acquisition of Cyrpa international	–	–	–	–
<b>Total financial liabilities recognized at amortized cost:</b>	<b>22,641</b>	<b>22,641</b>	<b>17,071</b>	<b>17,071</b>

	Group	
<b>Accounts payables aging, total accounts payable</b>	<b>2021</b>	<b>2020</b>
Due within 30 days	14,125	9,270
Due within 60 days	–	–
Due after 60 days	–	–
Past due at the end of the financial year	8,516	7,801
<b>Total accounts payable</b>	<b>22,641</b>	<b>17,071</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 unused credit facility of SEK 20 million with 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	18 MSEK	0 MSEK	12 months as of June 2021	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, 2020	29,484	-34,598	-2,469	-7,582
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>
Cash flow	13,414	–	3,162	16,577
Acquisition – leasing			-2,629	-2,629
Exchange rate differences	961			961
<b>Net debt as of December 31st, 2021</b>	<b>122,420</b>	<b>–</b>	<b>-9,413</b>	<b>113,007</b>

Parent Company	Cash and cash equivalents	Leasing debt	Total
<b>Net debt</b>			
Net debt as of January 1st, 2020	1,061	-1,364	-303
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>
Net debt as of January 1st, 2020			
Cash flow	-564	1,925	1,361
Acquisition – leasing		-307	-307
Exchange rate differences	9		9
<b>Net debt as of December 31st, 2020</b>	<b>60,566</b>	<b>-6,841</b>	<b>53,725</b>

## 7. Inventory

Inventories consists of:

	2021	2020
Spare parts	5,595	6,605
Finished goods	11,626	19,097
	<b>17,222</b>	<b>25,702</b>

## 8. Prepaid expenses and accrued income

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

	Group		Parent Company	
	2021	2020	2021	2020
Prepaid expenses	4,990	2,925	2,948	2,142
Accrued income	11,599	13,418	0	0
	<b>16,589</b>	<b>16,343</b>	<b>2,948</b>	<b>2,142</b>

## 9. Related-party transactions

Besides reimbursement to management and board of directors there were no transactions with related parties during 2021. During 2020 C-RAD procured business cards from

Transmedia Com amounting to 2 KSEK. Transmedia Com is closely related to CEO Tim Thurn.

## 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.

	2021	2020
Purchasing,%	0	0
Sales,%	100	100

Operating assets/liabilities in respect of related party	2021	2020
C-RAD AB (Parent Company) has a claim on C-RAD Positioning AB	61,783	59,372
C-RAD AB (Parent Company) has a debt to/claim on C-RAD Imaging AB	-205	-264
C-RAD AB (Parent Company) has a claim on C-RAD Innovation AB	161	136
C-RAD AB (Parent Company) has a claim on C-RAD Incorporated	6,217	3,275
C-RAD AB (Parent Company) has a claim on C-RAD GmbH	752	3,706
C-RAD AB (Parent Company) has a claim on Cyrpa International Sprl	5,546	5,726
C-RAD AB (Parent Company) has a claim on C-RAD (Shanghai) Medical Device Co Ltd	467	413

Loans or commitments to, or for related parties and senior executives	2021	2020
Loans from shareholders total	0	0

### Share options issued to directors

There are no share options issued to directors. Senior executives have received 101 609 issued stock options and others received 132 862.

## 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 one segment, Positioning: Positioning: Development and sales of products in the field of patient positioning during radiotherapy, including Catalyst, Sentinel and HIT lasers. Up until 2019 the group had an additional segment, Imaging: Development of imaging devices and detectors for

cancer treatments and dosimetry, a business activity that ceased in 2019 wherefore it is no longer reported separately.

Segment reporting is based on the same accounting policies as applied in the consolidated reporting in 2021. Sales by country is based on sales to customers in each country. No individual customer represented over 10 percent of net sales in 2021.

Revenue by area	2021	2020
Sweden	21,730	4,351
Other Nordic countries	5,371	5,226
DACH (Germany, Austria, Switzerland)	40,599	34,167
France	13,906	4,054
RoE (Rest of Europe)	46,273	56,306
US	50,550	26,262
OEM	655	2,934
Asia	82,069	88,328
	<b>261,152</b>	<b>221,628</b>

Revenue per product category	2021	2020
Positioning products	211,847	183,424
HIT Lasers	15,643	14,079
Life Cycle Business	33,662	24,125
Distribution	0	0
GEMini	0	0
	<b>261,152</b>	<b>221,628</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 29, deferred income.

Contractual assets	2021	2020
Short-term contractual assets related to products	212,071	172,459
Short-term contractual assets related to Life Cycle Business	33,143	28,267
Long-term contractual assets related to Life Cycle Business	180,094	149,721
<b>Total contractual assets</b>	<b>425,309</b>	<b>350,448</b>



## 12. Other operating income/expenses

Other operating income	2021	2020
Contributions received	126	1,131
Other revenue	1,168	1,004
	<b>1,294</b>	<b>2,135</b>

Other operating expenses	2021	2020
Currency exchange gain/loss	-569	-2,966
Other expenses	-1,074	-749
Write-down of current assets	0	-18
	<b>-1,643</b>	<b>-3,734</b>

## 13. Remuneration to auditors

	Group		Parent Company	
Öhrlings PricewaterhouseCoopers AB	2021	2020	2021	2020
Audit assignment	846	673	712	543
Audit outside audit assignment	169	244	169	244
Tax consultation	51	30	0	30
Other services	37	20	37	20
	<b>1,103</b>	<b>967</b>	<b>918</b>	<b>837</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 2021 amounted to:

	Group		Parent Company	
	2021-12-31	2020-12-31	2021-12-31	2020-12-31
Leasing debt premises	6,948	8,191	6,255	7,923
Leasing debt cars	2,472	1,756	586	536
Due within 1 year:	3,046	2,511	1,923	1,810
Due in more than 1 year but within 5 years:	6,374	7,436	4,919	6,649
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	2021-12-31	2020-12-31
Contracts for premises	6,803	8,124
Cars	2,471	1,741
<b>Total</b>	<b>9,273</b>	<b>9,865</b>

Acquired right-of-use assets during 2021 amounted to 2,480 (10,524) KSEK.

In the income statement, the following is reported:

Depreciation of right-of-use assets	2021	2020
Contracts for premises	-2,189	-2,185
Cats	-889	-649
<b>Total</b>	<b>-3,078</b>	<b>-2,834</b>
Interest expense (included in financial items)	-149	-117
Expenses for short-term and low value leasing contracts	-72	-243

Total cash flow related to leasing contracts amounted to -3,162 [-2,512] KSEK during 2021.

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 2021.

#### 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 contract 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	
	2021	2020	2021	2020
Women	15	14	5	3
Men	47	45	3	3
<b>Total</b>	<b>62</b>	<b>59</b>	<b>8</b>	<b>6</b>

	Group		Parent Company	
	2021	2020	2021	2020
<b>Salaries and remuneration:</b>				
Board of Directors and Chief Executive Officer	3,414	3,391	3,414	3,391
Other employees	52,459	49,918	6,512	4,636
<b>Total salaries and remuneration</b>	<b>55,873</b>	<b>53,309</b>	<b>9,926</b>	<b>8,027</b>

	Group		Parent Company	
Social security and pension costs:	2021	2020	2021	2020
Social security contributions according to law and agreements	10,437	8,003	3,587	2,617
Pension costs Board and CEO	259	215	259	215
Pension costs other employees	3,799	2,839	690	419
<b>Total social security and pension costs</b>	<b>14,494</b>	<b>11,058</b>	<b>4,535</b>	<b>3,251</b>
<b>Total payroll</b>	<b>70,367</b>	<b>64,366</b>	<b>14,461</b>	<b>11,278</b>

	2021		2020	
Directors and senior executives	Number on balance sheet day	Men, %	Number on balance sheet day	Men, %
Directors	6	54	6	67
CEO and other senior executives	7	81	5	100

### 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	2021	2020
Lars Nyberg	400	400
Director	2021	2020
Peter Hamberg	50	200
Kicki Wallje-Lund	230	225
Jenny Rosberg	180	0
Åsa Hedin	200	200
David Sjöström	200	200
Per-Arne Blomquist	230	225
<b>Total remuneration – Board of Directors</b>	<b>1,490</b>	<b>1,450</b>

In conjunction with the Annual general meeting Peter Hamberg left board and Jenny Rosberg was elected.

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

Variable remuneration is based on sales, orders and result.

2021	Base salary	Variable remuneration	Pension and health insurance	Benefits	Other remuneration	Total
Tim Thurn, CEO	1,723	177	259	13	24	2,195
Other senior executives (average 7)	7,742	523	645	230	65	9,204
<b>Total</b>	<b>9,495</b>	<b>700</b>	<b>903</b>	<b>243</b>	<b>88</b>	<b>11,400</b>

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>

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	2019/2022	2020/2023	2021/2024
Number of subscribed warrants (one warrant equals one share)	94,991	100,000	39,480
Start date	2019-05-23	2020-05-26	2021-05-24
Earliest date for exercise	2022-02-01	2023-02-01	2024-02-01
Last date for exercise	2022-04-30	2023-04-30	2024-04-30
Exercise price (SEK/share)	47.64	40.04	63.21
Average warrant price (SEK/warrant)	3.28	4.60	11.50
Total paid-in capital as per balance sheet day (SEK)	295,452	479,192	454,020
Additional capital increase on exercise (SEK)	4,525,371	4,004,000	2,495,531
<b>Total capital increase upon full exercise (SEK)</b>	<b>4,820,823</b>	<b>4,483,192</b>	<b>2,949,551</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 2021 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 10 percent. During the year 93,000 warrants were converted into share related to the warrant program 2018.

## 17. Financial income and financial expenses

	Group		Parent Company	
	2021	2020	2021	2020
Interest income on cash and cash equivalents	10	8	3	0
Positive currency exchange difference	0	29	130	0
	<b>10</b>	<b>37</b>	<b>133</b>	<b>0</b>

	Group		Parent Company	
	2021	2020	2021	2020
Interest expense on other liabilities	154	119	4	1
Borrowing costs	15	617	0	0
Other financial cost	97	5	0	0
Impairment of shares in Group companies	0	0	2,026	2,096
	<b>266</b>	<b>741</b>	<b>2,030</b>	<b>2,097</b>

## 18. Tax expense

	Group		Parent Company	
	2021	2020	2021	2020
Profit (loss) before tax	35,739	16,380	-1,499	-9,782
Tax rate, %	20.6	21.4	20.6	21.4
Expected tax income/expense	-7,362	-3,505	309	2,093
	Group		Parent Company	
<b>Tax effect on non-deductible expenses and tax-exempt revenue</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Other tax-exempt revenue	0	2,332	0	0
Other non-deductible expenses	-176	-444	-419	-514
Deferred tax asset not recorded	-3,099	-399	0	0
Tax revenue based on previously not accounted deferred tax	0	0	0	0
<b>Tax recognized in income statement</b>	<b>-10,637</b>	<b>-2,016</b>	<b>-110</b>	<b>1,579</b>
	Group		Parent Company	
<b>Tax revenue consists of the following components:</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Tax revenue carryforwards, not utilizes	392	3,579	0	1,579
Utilization of deferred tax from previous periods	-11,029	-5,595	-110	0

## 19. Deferred tax

At the beginning of the year, the Group had a tax deficit of SEK 171 million. When the Group started to report a profit in 2018, and the future expectations were to report a profit, the deferred tax was booked for the Swedish companies where full group contribution rights exist with regards to tax income. For 2021, the reported tax expense amounted to SEK 10.6 million and the total book value of the tax receivable as of the last December amounted to SEK 13.1 million. Other tax deficits are attributable to subsidiaries in France, Germany,

Belgium, China and the United States. Accumulated tax losses in the foreign subsidiaries amounted to SEK 104.5 million on the balance sheet date. The total remaining tax deficit as of December 31, 2021 is SEK 167.9 million. In USA there is a time limit of 20 years to offset the tax deficit against future profits, in other countries there is currently no time limit for utilizing this loss against future taxable gains. Deferred taxes arising from temporary differences and unused tax losses are as follows:

	2021-12-31	2020-12-31
Tax loss carryforwards	13,085	23,674
<b>Recognized as:</b>		
Deferred tax asset	13,085	23,674

## 20. Property, plant and equipment

Group	Equipment
<b>Accumulated cost</b>	
Opening balance 2020-01-01	11,957
Exchange rate differences	-147
Purchases	1,517
Disposals	-88
Write-downs	0
<b>Closing balance 2020-12-31</b>	<b>13,239</b>
Exchange rate differences	109
Purchases	1,226
Disposals	0
Write-downs	0
<b>Closing balance 2021-12-31</b>	<b>14,574</b>
<b>Accumulated depreciation/amortization</b>	
Opening balance 2020-01-01	9,223
Exchange rate differences	-146
Depreciation/amortization	1,053
Disposals	-70
<b>Closing balance 2020-12-31</b>	<b>10,061</b>
Exchange rate differences	108
Depreciation/amortization	1,090
Disposals	0
<b>Closing balance 2021-12-31</b>	<b>11,260</b>
<b>Carrying amount</b>	
Per 2019-12-31	2,733
Per 2020-12-31	3,178
Per 2021-12-31	3,314



Parent Company		Equipment
Opening balance 2020-01-01		434
Purchases		463
<b>Closing balance 2020-12-31</b>		<b>897</b>
Purchases		0
<b>Closing balance 2021-12-31</b>		<b>897</b>
<b>Accumulated depreciation/amortization</b>		
Opening balance 2020-01-01		418
Depreciation/amortization		45
<b>Closing balance 2020-12-31</b>		<b>464</b>
Depreciation/amortization		93
<b>Closing balance 2021-12-31</b>		<b>556</b>
<b>Carrying amount</b>		
Per 2019-12-31		16
Per 2020-12-31		433
Per 2021-12-31		341
<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 2020-01-01	89,775	13,468	103,243
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>
Purchases	4,572	0	4,572
Reclassifications	0	0	0
Exchange rate differences	238	6	244
<b>Closing balance 2021-12-31</b>	<b>98,091</b>	<b>14,732</b>	<b>112,822</b>
<b>Accumulated depreciation/amortization</b>			
Opening balance 2020-01-01	75,503	9,905	85,408
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>
Exchange rate differences	200	6	206
Depreciation/amortization	3,823	1,703	5,526
Reclassifications	0	0	0
Write-downs	0	0	0
<b>Closing balance 2021-12-31</b>	<b>82,247</b>	<b>13,624</b>	<b>95,871</b>
<b>Carrying amount</b>			
Per 2019-12-31			17,834
Per 2020-12-31			17,867
Per 2021-12-31			16,951

Parent Company	Patents, licenses and similar rights
<b>Accumulated cost</b>	
Opening balance 2020-01-01	8,475
Purchases	0
<b>Closing balance 2020-12-31</b>	<b>8,475</b>
Purchases	0
<b>Closing balance 2021-12-31</b>	<b>8,475</b>
<b>Accumulated depreciation/amortization</b>	
Opening balance 2020-01-01	5,791
Depreciation/amortization	847
<b>Closing balance 2020-12-31</b>	<b>6,638</b>
Depreciation/amortization	847
<b>Closing balance 2021-12-31</b>	<b>7,486</b>
<b>Carrying amount</b>	
Per 2019-12-31	2,684
Per 2020-12-31	1,836
Per 2021-12-31	989

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	2021	2020
Work performed in-house	4,114	3,101
Externally acquired	458	2,165
	<b>4,572</b>	<b>5,266</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 2021-12-31</b>				
Discount factor, %	12,45	–	12.45	
Impairment	0	–	0	0
<b>Per 2020-12-31</b>				
Discount factor, %	12.45	–	12.45	
Impairment	0	–	0	0

### 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

	Parent Company	
Share in group companies	2021	2020
Opening cost	163,844	161,748
Shareholder contribution C-RAD Innovation AB	0	0
Shareholder contribution C-RAD Imaging AB	0	0
Shareholder contribution Cyrpa International Sprl	2,026	2,096
Acquisition of shares C-RAD (Shanghai) Medical Systems Co Ltd	0	0
<b>Closing balance</b>	<b>165,871</b>	<b>163,844</b>
Opening impairment	-60,314	-58,218
Impairment for the year	-2,026	-2,096
<b>Closing accumulated impairment</b>	<b>-62,340</b>	<b>-60,314</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	103,095	19,948
C-RAD Imaging AB/556643-6043/Uppsala	116,000	100	0	21,393	18,301
C-RAD Innovation AB/556602-5382/Uppsala	100,000	100	866	3,551	2,833
C-RAD Incorporated/Florida/USA	1,000	100	64	-90,662	-7,405
C-RAD GmbH/Berlin/Germany	1,000	100	250	3,472	1,532
C-RAD (Shanghai) Medical Device Co Ltd/China	N/A	100	1,502	1,120	153
Cyrpa International Sprl /Brussels/Belgium	200	100	1,538	339	322

	Parent Company	
Receivables, Group companies	2021	2020
Opening balance, carrying amount	75,553	40,285
Payment of loan to subsidiary	4,323	35,268
Impairment	0	0
<b>Closing balance, carrying amount</b>	<b>79,876</b>	<b>75,553</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 32,889,415 B

shares with one vote per share. The total number of shares is 33,752,302 and the number of votes is 41,518,285.

Shares (Thousands)	2021	2020
Opening balance	5,049	4,654
New share issue	14	396
<b>Closing balance</b>	<b>5,063</b>	<b>5,049</b>

The share	2021	2020
Number of shares per Dec. 31	33,752	33,659
Average number of shares	33,739	33,260
Number of outstanding warrants	234	295
Number of outstanding warrants with dilution effect	195	295
Number of outstanding shares incl. warrants with dilution effect	33,934	33,294
Earnings per average number of shares	0.74	0.43
Earnings per share, diluted	0.74	0.43
Equity per share	6.85	5.94
Equity per share, diluted	6.84	5.94
Share price, balance sheet date	55.70 SEK	48.20 SEK
Dividend per share	0	0

Number of outstanding warrants at year end is 234,471, and belong to employees in line with warrant program of 2019, 2020 and 2021. On the balance sheet day, the share price was

higher than the exercise price for all outstanding warrants from 2019-2020, why they imply a dilution on the earnings per share and equity per share.

Earnings per share, basic (SEK)	2021	2020
Profit for the year	25,101,915	14,364,730
Average number of shares	33,738,910	33,259,984
<b>Earnings per share, basic</b>	<b>0.74</b>	<b>0.43</b>

Earnings per share, diluted (SEK)	2021	2020
Profit for the year	25,101,915	14,364,730
Number of outstanding shares incl. warrants with dilution effect	33,933,901	33,293,909
<b>Earnings per share, diluted</b>	<b>0.74</b>	<b>0.43</b>

## 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	
	2021	2020	2021	2020
Opening balance	376,262	271,440	367,977	263,155
Rights issue	3,739	104,354	3,739	104,354
Issued warrants	454	468	454	468
<b>Closing balance</b>	<b>380,455</b>	<b>376,262</b>	<b>372,171</b>	<b>367,977</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. Pledged assets

	Group	Parent Company
	2021-12-31	2020-12-31
<b>For own provisions and liabilities</b>		
Mortgages on business assets NUTEK	1,500	1,500
Mortgages on business assets Nordea	18,500	18,500
<b>Total pledged assets</b>	<b>20,000</b>	<b>20,000</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.

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

	Group		Parent Company	
	2021	2020	2021	2020
Depreciation/amortization	9,707	9,031	940	893
Provisions	391	289	0	0
Currency differences	0	0	-3,184	3,966
Other adjustments	-1	-1	0	0
Write-down of current assets	0	0	0	0
Impairment of shares in or claims on subsidiaries	0	0	2,026	2,096
	<b>10,098</b>	<b>9,319</b>	<b>-217</b>	<b>6,956</b>

## 26. Cash and cash equivalents

Group	2021-12-31		2020-12-31	
	Fair value	Carrying amount	Fair value	Carrying amount
Cash and cash equivalents in SEK	79,152	79,152	62,733	62,733
Cash and cash equivalents in EUR	31,523	31,523	42,306	42,306
Cash and cash equivalents in USD	11,405	11,405	2,999	2,999
Cash and cash equivalents in GBP	341	341	8	8
<b>Total cash and cash equivalents</b>	<b>122,420</b>	<b>122,420</b>	<b>108,045</b>	<b>108,045</b>

Parent Company	2021-12-31		2020-12-31	
	Fair value	Carrying amount	Fair value	Carrying amount
Cash and cash equivalents in SEK	60,436	60,436	61,042	61,042
Cash and cash equivalents in EUR	1	1	26	26
Cash and cash equivalents in USD	130	130	53	53
<b>Total cash and cash equivalents</b>	<b>60,567</b>	<b>60,567</b>	<b>61,121</b>	<b>61,121</b>

## 27. Accounts receivable

Group	2021-12-31	2020-12-31
Accounts receivable gross	97,079	60,497
Provision for bad debts	-417	0
<b>Accounts receivable</b>	<b>96,662</b>	<b>60,497</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	2021-12-31	2020-12-31
Carrying amount, January 1	0	0
Provision for doubtful receivables	-417	0
<b>Carrying amount, December 31</b>	<b>-417</b>	<b>0</b>



## 28. Provisions

At the beginning of the year, the Group had a tax deficit of SEK 171 million. When the Group started to report a profit in 2018, and the future expectations were to report a profit, the deferred tax was booked for the Swedish companies where full group contribution rights exist with regards to tax income. For 2021, the reported tax expense amounted to SEK 10.6 million and the total book value of the tax receivable as of

the last December amounted to SEK 13.1 million. Other tax deficits are attributable to subsidiaries in France, Germany, Belgium, China and the United States. Accumulated tax losses in the foreign subsidiaries amounted to SEK 104.5 million on the balance sheet date. The total remaining tax deficit as of December 31, 2021 is SEK 167.9 million and there is currently no time limit for utilizing this loss against future taxable gains.

<b>Opening provision 2020-01-01</b>	<b>2,494</b>
Used provisions	-1,781
New provision	2,070
<b>Closing balance 2020-12-31</b>	<b>2,782</b>
Used provisions	-1,648
New provision	2,039
<b>Closing balance 2021-12-31</b>	<b>3,174</b>

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

## 29. Accrued expenses and deferred income

	Group		Parent Company	
	2021	2020	2021	2020
Accrued personnel-related expenses	9,430	5,224	2,539	1,047
Deferred income	14,645	15,151	0	0
Other accrued expenses	7,749	12,024	771	1,766
<b>Closing balance</b>	<b>31,824</b>	<b>32,399</b>	<b>3,310</b>	<b>2,813</b>

## 30. Contingent liabilities and assets

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

### 31. Proposed appropriation of profits

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

Retained loss	-133,518,976
Share premium reserve	372,170,213
Loss for the year	-1,608,981
<b>Total retained earnings</b>	<b>237,042,256</b>

The Board and the President propose that the retained earnings of SEK 237,042,256 be carried forward.

### 32. Significant events after the reporting period

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On March 22nd C-RAD announced an order from the University Hospital Regensburg. The order includes multiple systems and a multiyear service agreement. The total order value is approximately 10 MSEK. On March 31st C-RAD announced an order to a US protontherapy center for systems and services amounting to a total order value of

approximately 9 MSEK.

### 33. Critical accounting estimates and judgements

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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 2.0 MSEK in the financial statements for 2021.

**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.

**E)** Accounts receivable. The health care sector occasionally entails prolonged credit time due to the administration of various approvals at the customer. This may lead to overdue payments from customers, especially common in China. Management continuously monitors receivables and its accurate valuation.

Five-Year Summary	2021	2020	2019	2018	2017
<b>Key figures, amounts in MSEK</b>					
Order intake	353.5	312.6	269.8	246.8	192.5
Revenue	261.2	221.6	205.4	190.1	133.1
Gross profit/loss	165.7	131.6	121.0	110.1	78.6
Operating profit/loss	36.0	17.1	-9.6	0.8	-10.0
Profit/loss before tax	35.7	16.4	-11.4	0.2	-10.9
Profit/loss after tax tax	25.1	14.4	-13.8	21.2	-10.9
Total assets	306.7	270.5	157.8	146.6	118.1
Order backlog	425.3	350.5	267.1	194.0	139.8
Equity ratio%	75	74	53	64	60
Average number of employees	62	59	55	52	48

## DEFINITIONS

### Gross Profit

Gross profit is the difference between net sales and cost of products sold and is presented on a separate line in the income statement.

### Operating income

The measure is presented in the income statement as C-RAD consider it to provide users of the financial statements with a better understanding of the Group's operating performance from a financial perspective.

### 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 6, 2022.

Uppsala April 13, 2022

**Lars Nyberg**  
Chairman of the Board

**Per-Arne Blomquist**  
Director

**Kicki Wallje-Lund**  
Director

**Jenny Rosberg**  
Director

**David Sjöström**  
Director

**Åsa Hedin**  
Director

**Tim Thurn**  
Chief Executive Officer

Our Audit Report was submitted on April 13, 2022.  
Öhrlings PricewaterhouseCoopers AB

**Johan Engstam**  
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 2021 except for the corporate governance statement on pages 28-31. The annual accounts and consolidated accounts of the company are included on pages 24-76 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 2021 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 2021 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 28-31. 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 consolidated income statement and the consolidated statement of financial positioning for 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 responsibilities 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 radiation treatment of cancer patients. The business is conducted through subsidiaries in Sweden, the USA, 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 as set out in the table below. These, together with qualitative considerations, 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.

### Capitalized development expenditure

The value of capitalized development expenditures amounts to SEK 16 million as of December 31, 2021. Important estimates and assessments are presented in notes 5.8, 21 and note 33 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 have also examined the internal control linked to the assessment of which expenses are activatable. 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 1-23. The Board of Directors and the Managing Director are responsible for this other information. The information in the "Remuneration Report 2021" which is published on the company's website at the same time as this report also constitutes 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

### The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss

#### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of C-RAD AB (publ) for the year 2021 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 Directors 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 Directors 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's 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 ESEF report

#### Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Di-

rectors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for C-RAD AB (publ) for the financial year 2021. Our examination and our opinion relate only to the statutory requirements. In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

### **Basis for Opinions**

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of ABC AB (publ) 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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Board of Directors (and the Managing Director) are responsible for ensuring that the Esef report has been prepared in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to form an opinion with reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed. RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements. Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report. The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and

Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements. The reasonable assurance engagement involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors (and the Managing Director), but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The reasonable assurance engagement also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director. The procedures mainly include a technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts [and consolidated accounts]. Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, statement of financial position, statement of changes in equity and the statement of cash flow.

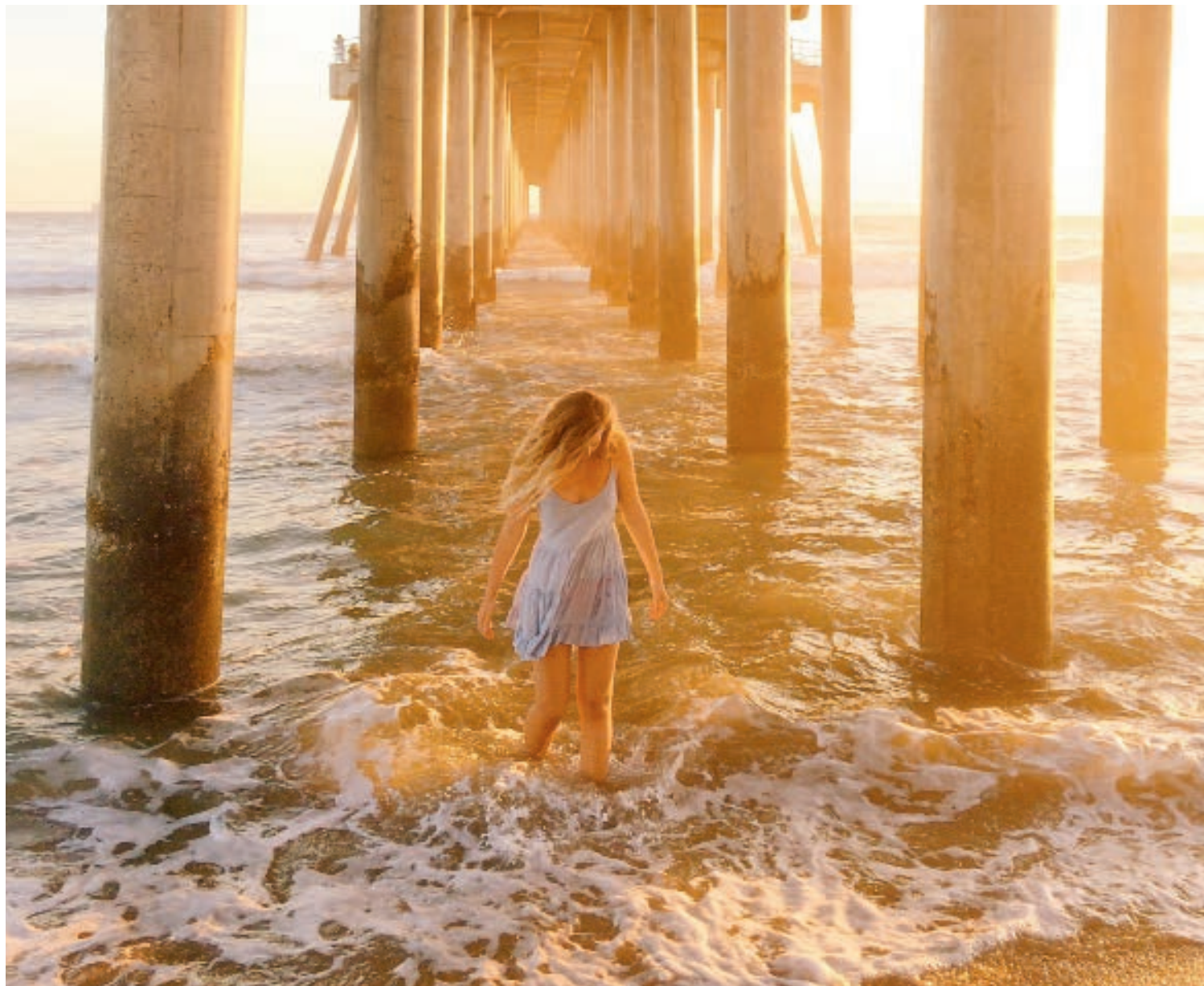
### **The auditor's examination of the corporate governance statement**

The Board of Directors is responsible for that the corporate governance statement on pages 28-31 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/ the Annual Accounts Act for Credit Institutions and Securities Companies/ the Annual Accounts Act for Insurance Companies.

Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of C-RAD AB (publ) by the general meeting of the shareholders on the 7 May 2021 and has been the company's auditor since the 28 April 2017.

Stockholm 13 April 2022

Öhrlings PricewaterhouseCoopers AB

**Johan Engstam**

Authorized Public Accountant





**C-RAD AB (publ)**

**C-RAD Positioning AB**

**C-RAD Innovation AB**

**C-RAD Imaging AB**

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