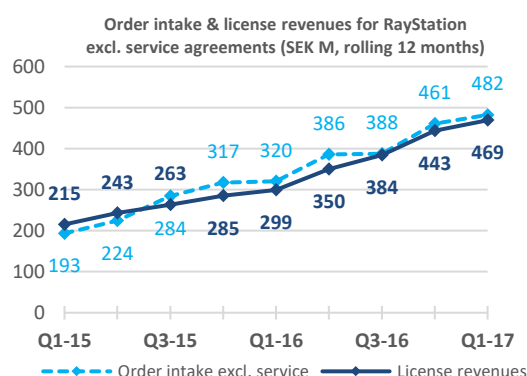
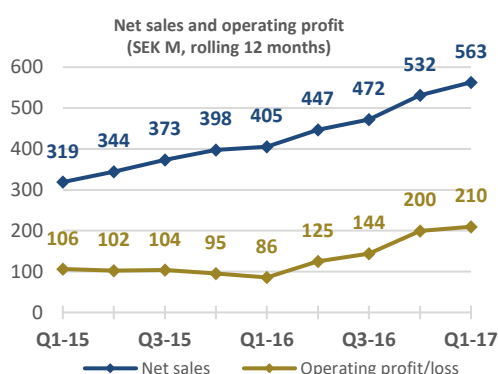


“The positive trend continued in the first quarter and net sales increased 33 percent to SEK 127 M [95], of which revenues from RayStation® rose 39 percent to SEK 112 M [81], and operating profit rose 43 percent to SEK 33 M [23]. MD Anderson has become collaboration partner regarding RayCare® and the development work is progressing as planned,” says Johan Löf, President and CEO of RaySearch.

THREE MONTHS (JANUARY-MARCH 2017)

- Net sales SEK 126.8 M [95.4], of which revenues from RayStation SEK 112.3 M [80.8]
- Profit after tax SEK 26.3 M [17.8], and earnings per share before/after dilution SEK 0.77 [0.52]
- Operating profit SEK 33.5 M [23.4]
- Cash flow negative SEK 3.0 M (neg: 5.2)
- Order intake excl. service agreements SEK 104.9 M [81.9], of which RayStation SEK 93.8 M [72.6]
- At the end of the period, order backlog for RayStation was SEK 58.1 M [47.1]



SIGNIFICANT EVENTS DURING THE FIRST QUARTER

- RayStation 6 was launched*, making RayStation the only treatment planning system that can create plans for Accuray's TomoTherapy™ treatment system, in addition to conventional linear accelerators.
- RayStation was chosen by several leading cancer clinics, including Nottingham City Hospital in the UK, Zhuozhou in China, the Tata Memorial Centre in India, Kennestone Hospital (part of WellStar Health System) and Sharp Memorial Hospital (part of Sharp HealthCare) in the US. In addition, among others, the Maryland Proton Treatment Center, in partnership with the University of Maryland, have expanded their RayStation installations.
- The University Health Network (UHN) in Canada has exclusively licensed a new artificial intelligence (AI) technology for automated radiation therapy treatment planning (AutoPlanning) to RaySearch.
- Long-term collaborative agreement with MD Anderson related to RayCare*.
- RaySearch's CEO and founder, Johan Löf was named Sweden's foremost entrepreneur in the Swedish final of the EY Entrepreneur of the Year 2016 competition.

NO SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

FINANCIAL SUMMARY

AMOUNTS IN SEK 000S	JAN-MAR		APR 2016-	FULL-YEAR
	2017	2016	MAR 2017	2016
Net sales	126,788	95,401	562,855	531,468
Operating profit	33,466	23,352	209,673	199,559
Operating margin, %	26.4	24.5	37.3	37.5
Profit for the period	26,274	17,760	159,922	151,408
Earnings per share before/after dilution, SEK	0.77	0.52	4.66	4.42
Cash flow from operating activities	39,387	21,863	138,372	120,848
Cash flow before financing activities	7,985	-4,212	26,096	13,899
Return on equity, %	6.4	5.8	38.8	38.8
Equity/assets ratio at the end of the period, %	66.2	66.5	66.2	64.2
Share price at the end of the period, SEK	235.00	120.50	235.00	184.50

* Regulatory approval is required in some markets.



CEO COMMENTS

CONTINUED POSITIVE TREND DURING THE FIRST QUARTER

We see a continued positive trend for RayStation. Order intake excluding service agreements rose 29 percent to SEK 94 M (73) in the first quarter, mainly driven by continued strong sales in Europe and North America.

RayStation is already well-established in all major global markets as the most advanced treatment planning system for radiation therapy, and global demand for our innovative software is growing. One of RayStation's strengths is that the system can support more types of radiation therapy devices than any other treatment planning system, and the launch of RayStation 6, for example, has made RayStation the only treatment planning system that can create plans for Accuray's TomoTherapy™ treatment system, in addition to conventional linear accelerators.

RayStation helps to improve the radiation therapy process and to extend the lifetime of therapy devices, which means they can be used more efficiently. This means that clinics that want to improve and develop their care are no longer dependent on buying the latest hardware – they can achieve similar, positive outcomes by choosing RayStation as their treatment planning system.

Proton therapy is a key area of focus for RaySearch. Due to the two new proton orders we secured in the first quarter, our customers now include a total of 29 proton therapy centers, which gives us a market share of about 30 percent.

In 2017, our global marketing organization will be expanded by adding more employees as well as more subsidiaries, in order to accelerate sales of RayStation and ensure the best-possible customer service.

INCREASED SALES AND IMPROVED EARNINGS

In the first quarter, net sales increased 33 percent to SEK 127 M (95), of which revenues from RayStation rose 39 percent to SEK 112 M (81). Operating profit rose 43 percent to SEK 33 M (23), representing an operating margin of 26 percent (24). We are working actively to strengthen our cash flow, which led to a positive cash flow before financing activities of SEK 8 M (neg: 4) in the first quarter.

NEXT-GENERATION ONCOLOGY SOFTWARE

RaySearch's overall objective is to improve cancer care through innovative software. Improving treatment outcomes and quality of life for cancer patients worldwide is the underlying driver of everything we create, and all decisions we make. The launch of RayCare, a next-generation oncology information system, in December 2017 will be an important milestone for both inpatient oncology units and RaySearch. RayCare brings integrated cancer treatment within reach of many cancer clinics, and will create clinical opportunities that existing systems simply cannot do. The response we have received for the clinical value to date has been tremendously positive, and shows how much this system is needed.

To ensure that we meet clinical needs, our development activities are conducted in close collaboration with leading cancer clinics. Our current partners include the University of California, San Francisco in the US, the University Medical Center Groningen in the Netherlands and the radiation therapy department of the Iridium Kankernetwerk in Belgium, and we can now announce that MD Anderson has joined as collaboration partner regarding RayCare. Solving the coordination, safety and efficiency needs of the world's largest cancer care clinics is one of our most exciting challenges to date. Our development model based on partnership with leading clinics provides excellent conditions for success by combining the extensive clinical knowledge and resources of our partners with RaySearch's ability to develop innovative software solutions.

To accelerate the pace of RayCare's development, we will be expanding our development department in 2017, and establishing development offices in two strategic cities: Toronto and San Francisco. These regions are home to many of our business partners and also offer good access to talented people, which will increase our ability to recruit personnel with the right knowledge.

CLEAR PLAN AND SOLID BASE FOR CONTINUED FOCUS

Our sales and earnings will continue to vary by quarter, since order intake remains subject to relatively large fluctuations. However, we are seeing continued sales growth, a steady rise in our recurring support revenues from RayStation and cash flow improvements. Combined with a clear strategic plan, this provides a stable base for continued investments in both RayStation and RayCare.

To date, 400 cancer clinics in 28 countries have purchased RayStation. At the same time, there are more than 8,000 radiation therapy clinics worldwide, and that number is expected to grow over the next decade. The driving forces include rising cancer rates, growing awareness of the advantages of radiation therapy and major investment in cancer therapies in Asia. While the market is growing steadily, we will continue to grow considerably faster than the market. Our aim is that at least 3,000 clinics will have purchased RayStation within ten years, representing a market share of at about 30 percent.

Software is now driving many of the advances in cancer treatment. RaySearch is uniquely positioned to contribute to this development and we have excellent prospects for succeeding with our joint mission – to continue the advancement of cancer care by developing innovative software solutions that save lives and improve quality of life for cancer patients.

Stockholm, May 19, 2017

Johan Löff

President and CEO of RaySearch Laboratories AB (publ)

FINANCIAL INFORMATION

ORDER INTAKE

In the first quarter of 2017, order intake excluding service agreements rose 28.1 percent to SEK 104.9 M [81.9], of which order intake for RayStation excluding service agreements rose 29.2 percent and amounted to SEK 93.8 M [72.6]. During the first quarter, order intake in North America and Europe was particularly strong. At March 31, 2017, the order backlog for RayStation was SEK 58.1 M [47.1].

Order intake (amounts in SEK M)	Q1-17	Q4-16	Q3-16	Q2-16	Q1-16	Rolling 12 months	Full-year 2016
Order intake excl. service agreements – RayStation	93.8	176.3	91.2	120.8	72.6	482.2	461.0
Order intake excl. service agreements – Partners	11.1	12.7	9.8	8.3	9.3	41.9	40.1
Total order intake excl. service agreements	104.9	189.0	101.1	129.1	81.9	524.1	501.1
Order backlog for RayStation at the end of the period	58.1	67.6	55.5	65.2	47.1	58.1	67.6

REVENUES

In the first quarter of 2017, net sales rose 32.9 percent to SEK 126.8 M [95.4]. Net sales consist of license revenues from sales of the RayStation treatment planning system, sales of software modules via partners, and support revenues. The growth in net sales was largely a result of sharply increased revenues from RayStation, which rose 39.0 percent to SEK 112.3 M [80.8]. In the first quarter, net sales had the following geographic distribution: North America, 37 percent [26]; Asia, 4 percent [15]; Europe and the rest of the world, 59 percent [59].

Revenues (amounts in SEK M)	Kv1-17	Q4-16	Q3-16	Q2-16	Q1-16	Rolling 12 months	Full-year 2016
License revenues – RayStation	99.8	164.3	104.5	100.7	74.0	469.2	443.4
License revenues – Partners	11.1	12.7	9.8	8.3	9.3	41.9	40.1
Support revenues – RayStation	11.5	9.5	8.0	6.9	6.7	35.9	31.1
Support revenues – Partners	3.4	3.9	3.3	2.8	5.4	13.4	15.4
Training and other revenues – RayStation	1.0	1.0	0.1	0.3	0.1	2.4	1.5
Net sales	126.8	191.4	125.7	119.0	95.4	562.9	531.5
Sales growth, corresp. period, %	32.9%	45.0%	25.0%	53.6%	8.7%	38.9%	33.7%
Organic sales growth, corresp. period, %	28.1%	39.2%	24.0%	55.4%	8.7%	35.9%	31.6%

Recurring support revenues from RayStation rose 73 percent to SEK 11.5 M [6.7], representing 10.3 percent [8.3] of total revenues from RayStation.

Revenues from sales of software modules via partners declined 1 percent to SEK 14.5 M [14.6], representing 11.4 percent [15.3] of net sales.

OPERATING PROFIT

In the first quarter of 2017, operating profit increased to SEK 33.5 M [23.4], representing an operating margin of 26.4 percent [24.5]. The earnings increase was mainly due to sharply increased sales of RayStation.

The continued expansion of RaySearch's research and development departments and global marketing organization has led to higher operating expenses. This cost increase was offset by sales growth in the first quarter of 2017.

Other operating income and expenses pertain to exchange-rate gains and losses, with the net of these amounting to a loss of SEK 4.2 M [loss: 2.6] in the first quarter of 2017. This was mainly due to the large proportion of accounts receivable denominated in USD and EUR, both of which weakened against the SEK in the first quarter compared with the end of the fourth quarter.

Currency effects

The company is impacted by exchange-rate trends in the USD and EUR against the SEK, since invoicing is mainly denominated in USD and EUR, while most costs are in SEK.

At unchanged exchange rates, organic sales growth was 28.1 percent in the first quarter of 2017, compared with the year-on-year period.

A sensitivity analysis of the company's currency exposure shows that a 1-percentage point change in the USD exchange rate against the SEK would have impacted consolidated operating profit by approximately +/- SEK 2.4 M in the first quarter of 2017, while a corresponding change in the EUR exchange rate would have impacted consolidated operating profit by approximately +/- SEK 0.5 M.

The company follows the financial policy established by the Board of Directors, whereby exchange-rate changes are not hedged. Overall, currency effects had a positive effect on net sales and operating profit in the first quarter of 2017, compared with the year-on-year period.

Capitalization of development expenditure

At March 31, 2017, some 116 (103) employees were engaged in research and development. Research and development expenditure includes payroll costs, consulting fees, computer equipment and premises.

Capitalization of development expenditure	Kv1-17	Q4-16	Q3-16	Q2-16	Q1-16	Rolling 12 months	Full-year 2016
Research and development expenditure	39.6	42.3	32.9	35.5	30.6	150.3	141.3
Capitalization of development expenditure	-29.8	-31.0	-22.8	-25.7	-24.8	-109.4	-104.4
Amortization of capitalized develop. expenditure	14.7	13.7	14.0	14.8	13.7	57.3	56.3
Research and development expenditure after adjustments for capitalization and amortization of development expenditure	24.5	25.0	24.1	24.6	19.5	98.2	93.2

Research and development expenditure totaled SEK 39.6 M (30.6), of which development expenditure of SEK 29.8 M (24.8) was capitalized. The increase mainly pertained to RayCare, which will be launched in December 2017 as planned. In the first quarter, amortization of capitalized development expenditure amounted to SEK 14.7 M (13.7). After adjustments for capitalization and amortization of development expenditure, research and development costs totaled SEK 24.5 M (19.5).

Amortization and depreciation

In the first quarter of 2017, total amortization and depreciation was SEK 17.7 M (16.5), of which amortization of intangible fixed assets accounted for SEK 14.7 M (13.7), primarily related to capitalized development expenditure, and depreciation of tangible fixed assets accounted for SEK 3.0 M (2.8).

PROFIT/LOSS FOR THE PERIOD AND EARNINGS PER SHARE

Profit after tax for the first quarter of 2017 was SEK 26.3 M (17.8), corresponding to earnings per share before and after dilution of SEK 0.77 (0.52). Tax expense for the quarter was SEK 6.4 M (expense: 5.2), corresponding to an effective tax rate of 19.5 percent (22.5).

CASH FLOW AND LIQUIDITY

In the first quarter of 2017, cash flow from operating activities was SEK 39.4 M (21.9). Improved earnings were offset by a year-on-year increase in working capital. The increase in working capital was mainly a result of higher accounts receivable and accrued income due to high sales growth. At the end of the period, accounts receivable amounted to 43 percent (41) of net sales over the past 12 months. Several measures have been taken to reduce the period between revenue recognition and payment, and the results of these measures are provisionally positive.

In the first quarter, cash flow from investing activities was a negative SEK 31.4 M (neg: 26.1). Investments in intangible fixed assets amounted to a negative SEK 29.8 M (neg: 24.8), and comprised capitalized development expenditure for RayStation and RayCare. Investments in tangible fixed assets amounted to a negative SEK 2.6 M (neg: 1.3) and, in addition, financial leasing was used to finance an additional SEK 1.0 M (0.0).

Cash flow before financing activities was SEK 8.0 M (neg: 4.2) in the first quarter of 2017.

Cash flow from financing activities amounted to a negative SEK 11.0 M (neg: 1.0), mainly attributable to a repayment of SEK 10 M on the company's revolving credit facility.

Cash flow for the period amounted to a negative SEK 3.0 M (neg: 5.2) and at March 31, 2017, the Group's cash and cash equivalents amounted to SEK 84.4 M (54.6).

FINANCIAL POSITION

At March 31, 2017, RaySearch's total assets amounted to SEK 736 M (508) and the equity/assets ratio was 66.2 percent (66.5).

Current receivables amounted to SEK 341.2 M (207.0). The receivables mainly comprised accounts receivable and accrued income, and the increase was primarily the result of sharp sales growth.

In September 2016, the company's credit facility was increased from SEK 50 M to SEK 100 M, whereby chattel mortgages increased to SEK 100 M. The credit facility matures in September 2019, and consists of a revolving credit facility of up to SEK 75 M and an overdraft facility of SEK 25 M. During the first quarter, SEK 10 MSEK has been amortized and at March 31, 2017, a total amount of SEK 40 M had been utilized under the terms of the revolving loan. Of the company's overdraft facility of SEK 25 M, an amount of SEK 16.2 M has been blocked as collateral for bank guarantees.

At March 31, 2017, consolidated net debt was negative SEK 32.9 M (neg: 4.8).

EMPLOYEES

At the end of the first quarter, the Group had 208 employees (180), of whom 168 were based in Sweden, and 40 in foreign subsidiaries. The average number of employees during the January-March period of 2017 was 201 (177).

PARENT COMPANY

RaySearch Laboratories AB (publ) is the Parent Company of the RaySearch Group. Since the Parent Company's operations are consistent with the Group's operations in all material respects, the comments for the Group are also largely relevant for the Parent Company. However, the capitalization of development expenditure and items related to finance leases are recognized in the Group, but not in the Parent Company. The Parent Company's current receivables mainly comprise receivables from Group companies and accounts receivable.

SIGNIFICANT EVENTS DURING THE PERIOD

RayStation 6 has been launched

In January, it was announced that the latest version of RayStation had been launched, making RayStation the only treatment planning system that can create plans for Accuray's TomoTherapy™ treatment system, in addition to conventional linear accelerators. RayStation 6 also includes other significant new functionality, including a Monte Carlo pencil beam scanning (PBS) model for dose computation, PBS planning with block aperture computation, simultaneous optimization of multiple beamsets, MRI-based planning and automatic reset.

RayStation chosen by several leading cancer clinics

In the first quarter of 2017, several of the world's largest and most respected cancer clinics have chosen RayStation as their treatment planning system, including Nottingham City Hospital in the UK, Zhuozhou in China, the Tata Memorial Centre in India, Kennestone Hospital (part of WellStar Health System) and Sharp Memorial Hospital (part of Sharp HealthCare) in the US. In addition, among others, the Maryland Proton Treatment Center, in partnership with the University of Maryland, have expanded their RayStation installations.

New AI technology for automated treatment planning

In February, it was announced that University Health Network (UHN) in Canada had exclusively licensed to RaySearch a new artificial intelligence (AI) technology for automated radiation therapy treatment planning (AutoPlanning).

Johan Löf named Sweden's foremost entrepreneur

In February, RaySearch's CEO and founder, Johan Löf, was named Sweden's foremost entrepreneur in the Swedish final of the EY Entrepreneur of the Year 2016 competition. The jury citation was: "Johan Löf has created a company that brings benefits to both individuals and society. Advanced products, combined with personal and commercial drive, distinguish his business. Continued expansion is on the agenda for this entrepreneur who improves quality of life for millions of people."

Long-term collaborative agreement with MD Anderson related to RayCare

In March, it was announced that RaySearch had entered a long-term collaborative agreement with the University of Texas MD Anderson Cancer Center in Houston, Texas for RayCare, the next-generation oncology information system (OIS) developed by RaySearch. Johan Löf says: “By combining MD Anderson’s extensive clinical knowledge and resources with RaySearch’s capacity for innovative development, this partnership has all the prerequisites for success.”

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

RaySearch published its Annual Report on April 28, 2017. The Annual Report can be downloaded at www.raysearchlabs.com and a printed version of the Annual Report can be ordered via ir@raysearchlabs.com.

THE COMPANY’S SHARE

At March 31, 2017, the total number of registered shares in RaySearch was 34,282,773, of which 8,694,975 were Class A and 25,587,798 Class B shares. The quotient value was SEK 0.50 per share and the company’s share capital amounted to SEK 17,141,386.50. Each Class A share entitles the holder to ten votes, and each Class B share to one vote, at a general meeting. At March 31, 2017, the total number of votes in RaySearch was 112,537,548.

In April, 40,000 Class A shares were converted to Class B shares at the request of shareholders. The total number of registered shares in RaySearch thereafter amounted to 34,282,773, of which 8,654,975 are Class A and 25,627,798 are Class B shares. The total number of votes thereafter amounted to 112,177,548.

SHARE OWNERSHIP

At March 31, 2017, the number of shareholders in RaySearch was 5,749 and, according to Euroclear, the largest shareholders were as follows:

Name	Class A shares	Class B shares	Total shares	Share capital, %	Votes, %
Johan Löf	6,243,084	618,393	6,861,477	20.0	56.0
Lannebo Funds	0	4,032,869	4,032,869	11.8	3.6
Swedbank Robur Funds	0	2,968,239	2,968,239	8.7	2.7
Second AP Fund	0	1,891,775	1,891,775	5.5	1.7
First AP Fund	0	1,409,118	1,409,118	4.1	1.3
Anders Brahme	1,390,161	0	1,390,161	4.1	12.4
Montanaro funds	0	1,385,000	1,385,000	4.0	1.2
Carl Filip Bergendal	1,061,577	144,920	1,206,497	3.5	9.6
JPMorgan Chase (UK)	0	936,853	936,853	2.7	0.8
Goldman Sachs	0	809,542	809,542	2.4	0.7
Total, 10 largest shareholders	8,694,822	14,196,709	22,891,531	66.8	89.9
Others	153	11,391,089	11,391,242	33.2	10.1
Total	8,694,975	25,587,798	34,282,773	100.0	100.0

OTHER INFORMATION

2017 ANNUAL GENERAL MEETING

The 2017 Annual General Meeting of RaySearch Laboratories AB (publ) will be held at RaySearch's office, Sveavägen 44 in Stockholm, Sweden, on Tuesday, May 23, 2017 at 6:00 p.m.

Shareholders representing approximately 66 percent of the total number of votes propose the reelection of Board members Carl Filip Bergendal, Johan Löf and Hans Wigzell, the new election of Johanna Öberg, and that Carl Filip Bergendal be elected as Chairman of the Board.

For more information about the 2017 Annual General Meeting, visit the company's website www.raysearchlabs.com.

Proposed dividend

Since the company is amid an expansive and capital-intensive phase, the Board of RaySearch proposes that no dividend be paid for the 2016 fiscal year. A dividend of SEK 8.6 M was paid for the 2015 fiscal year, corresponding to SEK 0.25 per share.

RISKS AND UNCERTAINTIES

As a global Group with operations in different parts of the world, RaySearch is exposed to various risks and uncertainties, such as market risk, operational risk and financial risk. Risk management at RaySearch aims to identify, measure and reduce risks related to the Group's transactions and operations. No significant changes have been made to the risk assessment compared with the 2016 Annual Report. For a more detailed description of RaySearch's risks and risk management, refer to pages 7-9 and 31-32 of the 2016 Annual Report.

SEASONAL VARIATIONS

Revenues from RaySearch are subject to seasonal variations that are typical of the industry, whereby the fourth quarter is normally the strongest, mainly because many clinics' budget year follows the calendar year, and the second quarter is normally the weakest.

ENVIRONMENT AND SUSTAINABILITY

RaySearch works actively to reduce its negative environmental impact and to become a sustainable company. The company's products, comprising software to improve radiation therapy for cancer treatment, have a limited negative impact on the environment. The company's environmental impact is mainly related to the purchase of goods and services, energy use and transportation. RaySearch aims to contribute to sustainable development and therefore works actively to improve the company's environmental performance wherever this is financially viable. RaySearch has an established environmental policy, and promotes social responsibility and long-term sustainable development based on sound ethical, social and environmental principles.

REVIEW

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

Stockholm, May 19, 2017

The Board of Directors of RaySearch Laboratories AB (publ)

Johan Löf

President/CEO and Board member

FOR FURTHER INFORMATION, PLEASE CONTACT:

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E-mail: peter.thysell@raysearchlabs.com

The information contained in the interim report is such that RaySearch Laboratories AB (publ) is obliged to disclose under the EU's Market Abuse Regulation and the Securities Market Act. The information was submitted for publication on May 19, 2017 at 7:45 a.m. CET.

FINANCIAL CALENDAR

2017 Annual General Meeting

May 23, 2017

Interim report for the first six months of 2017

August 24, 2017

Interim report for the third quarter, 2017

November 22, 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

AMOUNTS IN SEK 000S	JAN-MAR		APR 2016-	FULL-YEAR
	2017	2016	MAR 2017	2016
Net sales	126,788	95,401	562,855	531,468
Cost of goods sold ¹⁾	-9,982	-5,253	-31,601	-26,872
Gross profit	116,806	90,148	531,254	504,596
Other operating income	-	2,631	14,738	17,369
Selling expenses	-38,953	-31,502	-164,292	-156,841
Administrative expenses	-15,624	-13,260	-68,655	-66,291
Research and development expenditure	-24,513	-19,460	-98,260	-93,207
Other operating expenses	-4,250	-5,205	-5,112	-6,067
Operating profit	33,466	23,352	209,673	199,559
Result from financial items	-841	-429	-1,886	-1,474
Profit before tax	32,625	22,923	207,787	198,085
Tax	-6,351	-5,163	-47,865	-46,677
Profit for the period²⁾	26,274	17,760	159,922	151,408
Other comprehensive income				
Items to be reclassified to profit or loss				
Translation difference of foreign operations for the period	378	487	-2,276	-2,167
Comprehensive income for the period²⁾	26,652	18,247	157,646	149,241
Earnings per share before and after dilution (SEK)	0.77	0.52	4.66	4.42

¹⁾ Does not include amortization of capitalized development expenditure, which is included in research and development expenditure.

²⁾ 100 percent attributable to Parent Company shareholders.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN SUMMARY

AMOUNTS IN SEK 000S	JAN-MAR		FULL-YEAR
	2017	2016	2016
Opening balance	460,188	319,517	319,517
Profit for the period	26,274	17,760	151,408
Translation difference for the period	378	487	-2,167
Dividend paid	-	-	-8,570
Closing balance	486,840	337,764	460,188

CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN SUMMARY

AMOUNTS IN SEK 000S	MAR 31, 2017	MAR 31, 2016	DEC 31, 2016
ASSETS			
Intangible fixed assets	258,305	206,240	243,219
Tangible fixed assets	35,336	40,317	35,667
Deferred tax assets	455	57	512
Other long-term receivables	15,941	-	2,267
Total fixed assets	310,037	246,614	281,665
Current receivables	341,427	207,025	347,869
Cash and cash equivalents	84,432	54,644	87,720
Total current assets	425,859	261,669	435,589
TOTAL ASSETS	735,896	508,283	717,254
EQUITY AND LIABILITIES			
Equity	486,840	337,764	460,188
Deferred tax liabilities	73,920	53,797	70,601
Long-term liabilities	51,563	37,151	61,527
Accounts payable	13,156	17,861	11,943
Other current liabilities	110,417	61,710	112,995
TOTAL EQUITY AND LIABILITIES	735,896	508,283	717,254

CONSOLIDATED STATEMENT OF CASH FLOW IN SUMMARY

AMOUNTS IN SEK 000S	JAN-MAR		FULL-YEAR
	2017	2016	2016
Profit before tax	32,625	22,923	198,085
Adjusted for non-cash items ¹⁾	11,093	12,013	75,238
Taxes paid	-4,166	-6,747	-19,218
Cash flow from operating activities before changes in working capital	39,552	28,189	254,105
Cash flow from changes in working capital	165	-6,326	-133,257
Cash flow from operating activities	39,387	21,863	120,848
Cash flow from investing activities	-31,402	-26,075	-106,949
Cash flow from financing activities	-10,991	-1,013	12,291
Cash flow for the period	-3,006	-5,225	26,190
Cash and cash equivalents at the beginning of the period	87,720	59,705	59,705
Exchange-rate difference in cash and cash equivalents	-282	164	1,825
Cash and cash equivalents at the end of the period	84,432	54,644	87,720

¹⁾ These amounts primarily include amortization of capitalized development expenditure.

PARENT COMPANY INCOME STATEMENT IN SUMMARY

AMOUNTS IN SEK 000S	JAN-MAR		FULL-YEAR
	2017	2016	2016
Net sales	102,035	79,550	460,728
Cost of goods sold ¹⁾	-6,649	-2,599	-15,418
Gross profit	95,386	76,951	445,310
Other operating income	-	2,631	17,369
Selling expenses	-23,705	-19,758	-106,745
Administrative expenses	-15,749	-13,503	-67,178
Research and development expenditure	-39,599	-30,586	-141,312
Other operating expenses	-4,250	-5,205	-6,067
Operating profit	12,083	10,530	141,377
Result from financial items	-656	-278	2,012
Profit after financial items	11,427	10,252	143,389
Appropriations	-	-	-40,144
Profit before tax	11,427	10,252	103,245
Tax	-2,775	-2,361	-25,817
Profit for the period	8,652	7,891	77,428

¹⁾ Does not include amortization of capitalized development expenditure, which is included in research and development expenditure.

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN SEK 000S	JAN-MAR		FULL-YEAR
	2017	2016	2016
Profit for the period	8,652	7,891	77,428
Other comprehensive income	-	-	-
Comprehensive income for the period	8,652	7,891	77,428

PARENT COMPANY BALANCE SHEET IN SUMMARY

AMOUNTS IN SEK 000S	MAR 31, 2017	MAR 31, 2016	DEC 31, 2016
ASSETS			
Tangible fixed assets	21,219	25,761	21,316
Shares and participations	640	564	640
Deferred tax assets	455	57	512
Other long-term receivables	2,275	-	2,267
Total fixed assets	24,589	26,382	24,735
Current receivables	358,396	235,015	350,149
Cash and cash equivalents	62,080	43,789	66,984
Total current assets	420,476	278,804	417,133
TOTAL ASSETS	445,065	305,186	441,868
EQUITY AND LIABILITIES			
Equity	246,813	177,195	238,161
Untaxed reserves	77,695	37,551	77,695
Deferred tax liabilities	-	163	-
Long-term liabilities	40,000	25,000	50,000
Accounts payable	16,256	20,285	16,249
Other current liabilities	64,301	44,992	59,763
TOTAL EQUITY AND LIABILITIES	445,065	305,186	441,868

NOTES

NOTE 1 ACCOUNTING POLICES

The RaySearch Group applies International Financial Reporting Standards (IFRS) as adopted by the EU. The Swedish Financial Reporting Board's recommendation, RFR 1 Supplementary Accounting Rules for Corporate Groups, has also been applied. The Parent Company applies the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act, Chapter 9, Interim report. The accounting policies applied are consistent with those described in the 2016 Annual Report for RaySearch Laboratories AB (publ), which is available on www.raysearchlabs.com. New or revised IFRS reporting requirements for 2017 have not impacted RaySearch during the period. This year-end report in summary for the Group was prepared in accordance with IAS 34 Interim Financial Reporting and the applicable provisions of the Swedish Annual Accounts Act.

NOTE 2 ESTIMATES

Preparation of the year-end report requires that company management makes estimates that affect the carrying amounts of assets, liabilities, revenues and expenses. The actual outcome could deviate from these estimates. The critical sources of uncertainty in the estimates are the same as those in the most recent Annual Report.

NOTE 3 FINANCIAL INSTRUMENTS

RaySearch's financial assets and liabilities comprises accounts receivable, cash and cash equivalents, accrued income, accrued expenses, accounts payable, bank loans and financial leasing. Long-term accounts receivable and accrued income are discounted, while other financial assets and liabilities have short terms. Accordingly, the fair values of all financial instruments are deemed to correspond approximately to their carrying amounts. RaySearch has not applied net accounting to any financial assets or liabilities, and has no agreements that permit offsetting.

NOTE 4 RELATED-PARTY TRANSACTIONS

There were no transactions between RaySearch and related parties that materially affected the company's position and earnings during the period.

NOTE 5 CURRENT RECEIVABLES

AMOUNTS IN SEK 000S	MAR 31, 2017	MAR 31, 2016
Accounts receivable	242,133	165,952
Prepaid expenses and accrued income	93,407	32,997
Other current receivables	5,887	8,076
Total current receivables	341,427	207,025

NOTE 6 OTHER CURRENT LIABILITIES

AMOUNTS IN SEK 000S	MAR 31, 2017	MAR 31, 2016
Tax liabilities	9,960	999
Accrued expenses and prepaid income	87,675	42,574
Other current liabilities	25,938	35,998
Total current receivables	123,573	79,571

NOTE 7 PLEDGED ASSETS IN THE GROUP AND PARENT COMPANY

AMOUNTS IN SEK 000S	MAR 31, 2017	MAR 31, 2016
Chattel mortgages	100,000	50,000
Guarantees	16,152	4,000

GROUP QUARTERLY OVERVIEW

AMOUNTS IN SEK 000s	2017	2016				2015		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Income statement								
Net sales	126,788	191,355	125,730	118,982	95,401	131,957	100,570	77,342
Sales growth, %	32.9	45.0	25.0	53.8	8.7	22.4	40.5	49.1
Operating profit	33,466	100,249	38,465	37,493	23,352	44,302	20,085	-2,114
Operating margin, %	26.4	52.4	30.6	31.5	24.5	33.6	20.0	-2.7
Profit for the period	26,274	75,924	28,887	28,837	17,760	33,311	14,480	-2,605
Net margin, %	20.7	39.7	23.0	24.2	18.6	25.2	14.4	-3.4
Cash flow								
Operating activities	39,387	73,866	10,211	14,908	21,863	41,224	13,093	18,458
Investing activities	-31,402	-31,207	-23,320	-26,347	-26,075	-27,564	-18,579	-27,546
Cash flow before financing activities	7,985	42,659	-13,109	-11,439	-4,212	13,660	-5,486	-9,088
Financing activities	-10,991	13,940	8,955	-9,591	-1,013	-1,234	-1,012	-1,004
Cash flow for the period	-3,006	56,599	-4,154	-21,030	-5,225	12,426	-6,498	-10,092
Capital structure								
Equity/assets ratio, %	66.2	64.2	65.8	64.3	66.5	65.9	62.3	63.4
Net debt	-32,869	-26,193	30,420	16,018	-4,784	-8,512	4,816	-0,820
Debt/equity ratio	-0.1	-0.1	0.1	0.0	0.0	0.0	0.0	0.0
Net debt/EBITDA	-0.1	-0.1	0.1	0.1	0.0	-0.1	0.0	0.0
Per share data, SEK								
Earnings/loss per share before dilution	0.77	2.21	0.84	0.83	0.52	0.97	0.42	-0.08
Earnings/loss per share after dilution	0.77	2.21	0.84	0.83	0.52	0.97	0.42	-0.08
Equity per share	14.20	13.42	11.26	10.40	9.85	9.32	8.36	7.95
Share price at the end of the period	235.0	184.5	198.50	119.00	120.50	122.50	119.00	108.00
Other								
No. of shares before and after dilution, 000s	34,282.8	34,282.8	34,282.8	34,282.8	34,282.8	34,282.8	34,282.8	34,282.8
Average no. of employees	201	192	185	181	177	175	164	150

GROUP, ROLLING 12 MONTHS

AMOUNTS IN SEK 000s	Apr 2016- Mar 2017	Jan 2016- Dec 2016	Oct 2015- Sep 2016	Jul 2015- Jun 2016	Apr 2015- Mar 2016	Jan 2015- Dec 2015	Oct 2014- Sep 2015	Jul 2014- Jun 2015
Income statement								
Net sales	562,855	531,468	472,070	446,909	405,268	397,600	373,423	344,455
Operating profit	209,673	199,559	143,612	125,232	85,625	95,344	103,809	101,949
Operating margin, %	37.3	37.5	30.4	28.0	21.1	24.0	27.8	29.6

DEFINITIONS OF KEY RATIOS

The interim report refers to several non-IFRS financial measures that are used to provide investors and company management with additional information to assess the company's operations. The various non-IFRS financial measures that are used to complement the financial information reported in accordance with IFRS are described below.

Non-IFRS financial measures	Definition	Reason for using the measure
Order intake excluding service agreements	The value of all orders received and changes to existing orders during the current period excluding the value of service agreements.	Order intake is an indicator of future revenues and is thus a key figure for the management of RaySearch's operations.
Order intake for RayStation excluding service agreements	The value of orders received and changes to existing orders for RayStation during the current period, excluding the value of service agreements.	Order intake is an indicator of future revenues and is thus a key figure for the management of RaySearch's main operational areas.
Order backlog for RayStation	The value of orders for RayStation at the end of the period that the company has yet to deliver and recognize as revenue.	The order backlog shows the value of orders already booked by RaySearch that will be converted to revenues in the future.
Sales growth	The change in net sales compared with the year-earlier period expressed as a percentage	The measure is used to track the performance of the company's operations between periods
Organic sales growth	Sales growth excluding currency effects.	This measure is used to monitor underlying sales growth driven by changes in volume, pricing and mix for comparable units between different periods.
Gross profit	Net sales minus cost of goods sold.	Gross profit is used to illustrate the margin before sales, research, development and administrative expenses.
Operating profit	Calculated as earnings before financial items and tax.	Operating profit/loss provides an overall picture of the total generation of earnings in operating activities.
Operating margin	Operating profit/loss expressed as a percentage of net sales.	Together with sales growth, the operating margin is a key element for monitoring value creation.
Net margin	Profit for the period as a percentage of net sales for the period.	The net margin illustrates the percentage of net sales remaining after the company's expenses have been deducted.
Equity per share	Equity divided by number of shares at the end of the period	Illustrates the return generated on the owners' invested capital per share from a shareholder perspective.
Rolling 12 months' sales, operating profit/loss or other results	Sales, operating profit/loss or other results measured over the last 12-month period.	This measure is used to more clearly illustrate the trends for sales, operating profit/loss and other results, which is relevant because RaySearch's revenues are subject to monthly variations.
Working capital	The Group's working capital is calculated as current operating receivables less current operating liabilities.	This measure shows how much working capital is tied up in operations and can be shown in relation to net sales to demonstrate the efficiency with which working capital has been used.
Return on equity	Calculated as profit/loss for the period as a percentage of average equity. Average equity is calculated as the sum of equity at the end of the period plus equity at the end of the year-earlier period, divided by two.	Illustrates the return generated on the owners' invested capital from a shareholder perspective.
Equity/assets ratio	Equity expressed as a percentage of total assets.	This is a standard measure to show financial risk, and is expressed as the percentage of the total restricted equity financed by the owners.
Net debt	Interest-bearing liabilities less cash and cash equivalents and interest-bearing current and long-term receivables	The measure shows the Group's total indebtedness
Debt/equity ratio	Net debt in relation to equity	The measure shows financial risk and is used by management to monitor the Group's indebtedness
Net debt/EBITDA	Net debt in relation to operating profit before depreciation over the past 12-month period	A relevant measure from a credit perspective that shows the company's ability to repay its debts

CALCULATION OF FINANCIAL MEASURES NOT INCLUDED IN THE IFRS REGULATORY FRAMEWORK

AMOUNTS IN SEK 000s	Mar 31, 2017	Mar 31, 2016	Dec 31, 2016
Working capital			
Accounts receivable	242,133	165,952	282,535
Other current receivables	99,294	41,073	65,334
Accounts payable	-13,156	-17,861	-11,943
Other current liabilities	-110,417	-61,710	-112,995
Working capital	217,854	127,454	222,931

AMOUNTS IN SEK 000s	Mar 31, 2017	Mar 31, 2016	Dec 31, 2016
Net debt			
Current interest-bearing liabilities	-	12,709	-
Long-term interest-bearing liabilities	51,563	37,151	61,527
Cash and cash equivalents	-84,432	-54,644	-87,720
Interest-bearing receivables	-	-	-
Net debt	-32,869	-4,784	-26,193

AMOUNTS IN SEK 000s	Apr 2016- Mar 2017	Apr 2015- Mar 2016	Full-year 2016
EBITDA			
Operating profit	209,673	85,625	199,559
Amortization and depreciation	68,594	61,030	67,339
EBITDA	278,267	146,655	266,898

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ABOUT RAYSEARCH

RaySearch Laboratories is a medical technology company that develops advanced software solutions for improved radiation therapy of cancer. RaySearch develops and markets the RayStation treatment planning system to clinics all over the world and distributes the products through licensing agreements with leading medical technology companies. The company is also developing the next-generation oncology information system, RayCare, which comprises a new product area for RaySearch, and will be launched in 2017. RaySearch's software is currently used by over 2,600 clinics in more than 65 countries. The company was founded in 2000 as a spin-off from the Karolinska Institute in Stockholm and the share has been listed on Nasdaq Stockholm since 2003.

More information about RaySearch is available at www.raysearchlabs.com.

BUSINESS CONCEPT

RaySearch's mission is to contribute to the advancement of cancer care by developing innovative software solutions that improve quality of life for cancer patients and save lives.

BUSINESS MODEL

RaySearch's revenues are generated when customers pay an initial license fee for the right to use RaySearch's software and an annual service fee for access to updates and support. The RayStation treatment planning system is being developed at RaySearch's head office in Stockholm, and is distributed and supported by the company's global marketing organization.

STRATEGY

A radiation therapy clinic essentially needs two software platforms for its operations: an information system and a treatment planning system. With RayStation and the planned launch of RayCare in 2017, RaySearch will further strengthen its position and continue to grow with high profitability. The strategy rests on a strong focus on software development, leading functionality, broad support for many different types of treatment techniques and radiation therapy devices, as well as extensive investments in research and development.