

“In the third quarter of 2021, license revenue rose 37 percent and support revenue rose 12 percent. Overall, net sales rose 15 percent and operating loss totaled SEK -27 M (-29).”

Johan Löf, CEO of RaySearch.

THIRD QUARTER (JULY-SEPTEMBER 2021)

- Order intake SEK 127.9 M (138.5)
- Net sales SEK 136.4 M (119.1)
- Operating loss SEK -26.6 M (-29.5)
- Loss after tax SEK -22.0 M (-26.2)
- Loss per share before/after dilution SEK -0.64 (-0.76)
- Cash flow SEK -10.1 M (pos: 21.7)
- Order backlog SEK 1,211.6 M (1,228.5) at the end of the period

NINE MONTHS (JANUARY-SEPTEMBER 2021)

- Order intake SEK 462.7 M (615.6)
- Net sales SEK 453.1 M (491.8)
- Operating loss SEK -36.8 M (profit: 11.1)
- Loss after tax SEK -31.3 M (profit: 5.1)
- Loss per share before/after dilution SEK -0.91 (earnings: 0.15)
- Cash flow SEK -51.6 M (pos: 83.4)

SIGNIFICANT EVENTS DURING THE THIRD QUARTER

- The RayStation® treatment planning system was sold to more leading cancer centers, including National Cancer Centre Singapore (NCCS), Centro de Tratamiento e Investigación sobre cáncer Luis Carlos Sarmiento Angulo (CTIC) in Colombia, and Queen Elizabeth Hospital (QEH) in Hong Kong. In addition, Iridium Network in Belgium expanded its existing RayStation installation.
- In September, Iridium Network in Belgium, one of RaySearch’s development partners for RayCare, decided to invest in RayCare as its primary oncology information system.
- In September, RayStation was taken into clinical use together with Accuray’s CyberKnife therapy device at Centre hospitalier universitaire vaudois (CHUV) in Switzerland.

THE COVID-19 PANDEMIC

- The COVID-19 pandemic with temporary reorganizations in healthcare also had a negative impact on sales in the third quarter. RaySearch expects that the negative effects of the COVID-19 pandemic on the company’s sales and earnings will continue for some months to come, mainly because orders may be delayed.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

- In October, RayCare was taken into clinical use with Accuray’s Radixact® treatment delivery system at Swiss Medical Network in Switzerland.
- RaySearch and IBA are expanding their collaboration around proton therapy in the areas of FLASH radiotherapy, proton arc therapy and the treatment of tumors in motion.
- RaySearch and Mevion Medical Systems are expanding their collaboration on the development of treatment planning methods for FLASH radiotherapy with the Mevion S250i Proton Therapy System.
- When access is granted to the new head office premises in the fourth quarter of 2021, total assets are expected to increase approximately SEK 466 M in accordance with IFRS 16.
- Torbjörn Wingårdh was appointed new CFO of RaySearch as of November 15, 2021.

FINANCIAL SUMMARY¹

AMOUNTS IN SEK 000s	JUL-SEP		JAN-SEP		OCT 2020-	FULL-YEAR
	2021	2020	2021	2020	SEP 2021	2020
Net sales	136,419	119,130	453,100	491,777	612,935	651,612
Operating profit/loss	-26,561	-29,477	-36,763	11,126	-51,355	-3,466
Operating margin, %	-19.5	-24.7	-8.1	2.3	-8.4	-0.5
Profit/loss for the period	-21,990	-26,182	-31,347	5,084	-45,511	-9,080
Earnings/loss per share before/after dilution, SEK	-0.64	-0.76	-0.91	0.15	-1.33	-0.26
Cash flow from operating activities	47,356	78,486	209,765	280,003	265,851	331,508
Cash flow for the period	-10,088	21,720	-51,638	83,388	-73,136	61,890
Return on equity, %	-3.2	-3.7	-4.6	0.7	-6.7	-1.3
Equity/assets ratio, %, at the end of the period	56.7	57.0	56.7	57.0	56.7	54.0
Share price at the end of the period, SEK	61.5	87.7	61.5	87.6	61.5	82.7

¹For definitions of key ratios, see page 20.



CEO COMMENTS

MARKET CONDITIONS REMAIN CHALLENGING

The COVID-19 pandemic once again negatively impacted RaySearch's sales in the third quarter of 2021. Market conditions were particularly challenging in Europe and North America, while the market situation improved in Asia.

In the third quarter, order intake amounted to SEK 128 M [138], down 8 percent year-on-year. However, net sales rose 15 percent to SEK 136 M [119], the result of a 37-percent increase in license revenue and a 12-percent increase in support revenue, comprising 49 percent [51] of net sales.

Operating loss totaled SEK -27 M [-29], corresponding to an operating margin of -19 percent [-25].

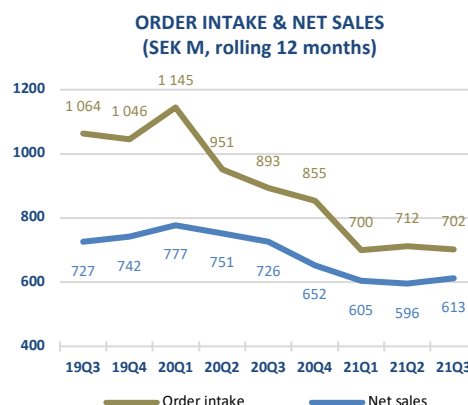
Cash flow was SEK -10 M [22] in the third quarter, attributable to investments in our new head office.

GREATER FOCUS ON COSTS

In line with the abating pandemic, we are gradually increasing our sales activities. For example, we participated in ESTRO in Madrid in August, as well as ASTRO in Chicago in October. Historically, these trade fairs have been very important for our sales. However, since physical sales activities have been restricted for so long, it may take time before the full sales effect is regained.

Since it is uncertain how long the pandemic will have a negative effect on RaySearch's revenue, we will also be further intensifying our focus on costs now. We are planning to adjust our operations in various ways to achieve substantial cost savings. For example, our travel expenses will be significantly reduced compared with the pre-pandemic period by holding virtual meetings with customers and partners whenever this proves a viable alternative to physical meetings. In a normal year, RaySearch would participate in about 150 market events all over the world. Another key cost-cutting measure is to significantly reduce this participation and shift our focus to virtual marketing events instead. Until the effects of the pandemic subside, we will neither engage consultants nor recruit any new employees.

In the upcoming quarters, however, our operating expenses will increase slightly year-on-year, mainly because several product launches have led to an increase in depreciation. Overall, we expect that profitability will remain under pressure in the short term before sales return to normal and the cost savings take full effect.



EXPANDED PRODUCT PORTFOLIO

The pandemic has posed serious challenges for RaySearch. Nonetheless, we have elected to continue our strategically important product expansion while continuing to develop our existing products.

Growth through diversification

At the end of 2020, we launched two new products – RayIntelligence and RayCommand. Both products are part of a significant diversification of our software portfolio. RayIntelligence is our platform for data-driven oncology and machine learning. The service is a cloud-based system for analysis, monitoring and continuous improvement of cancer treatment performance. This software-as-a-service (SaaS) is fully integrated with our RayStation treatment planning system and our RayCare oncology information system, enabling cancer centers to consolidate, structure and search data to personalize the treatments and improve patient outcomes. RayIntelligence is RaySearch's first system to be offered via annual subscription only, which means that customers pay for the software on a regular basis and don't need to make an upfront investment.

RayCommand is a treatment control system that offers uniform management and control of the main systems in a treatment room, i.e. the treatment device, treatment table, imaging system and patient positioning devices. In addition, RayCommand is a B2B-product that we out-license to manufacturers of radiation therapy machines, who then sell the system

to cancer centers as an integrated part of their machinery. One of our first customers for this system is MedAustron, which offers complete centers for ion beam radiation therapy. Early next year, RayCommand will be taken into clinical use for the first time, and this will take place at their center in Austria. This is a key milestone for RaySearch, particularly as the center also uses RayStation and RayCare, and this will be the first time that these three products are all taken into clinical use simultaneously.

Continued development of our product portfolio

In 2021, our development of RayStation and RayCare has continued unabated. One of the main new features in RayStation is that we introduced support for Accuray's CyberKnife device, and in September, we could announce that the first patient had been treated with a combination of both RayStation and CyberKnife. This was carried out by our customer CHUV in Switzerland. Since RayStation already supports TomoTherapy and Radixact, this means that RayStation now offers complete support for Accuray devices.

The focus for RayCare has been improved workflows and the integration of RayCare with various treatment devices. The biggest news in RayCare 5B, which is scheduled for release in December this year, is that users will be able to configure their workflows on their own, something that previously required assistance from RaySearch. That will make it easier for cancer centers to implement and adapt RayCare to their specific way of working and entail less work for RaySearch.

Another important area is the integration of RayCare with various treatment devices since this is one of the key features of an oncology information system. In October this year, a first patient was treated with Accuray's Radixact device combined with RayCare at La Clinique Générale-Beaulieu, part of the Swiss Medical Network group. This was also the first time that RayCare has been used for treatment with a photon beam linear accelerator.

Regarding the integration with Varian's TrueBeam[®], the work with Varian has intensified during the fall. When Varian releases a new version of TrueBeam, validation tests are planned. RaySearch's primary clinical partner in this testing will be Iridium Network in Antwerp, Belgium. After successful validation, Iridium plans to connect RayCare to their TrueBeam systems and to transition to RayCare as their only oncology information system. This will pave the way for other clinics who are interested in RayCare and who have been waiting for interoperability with Varian's TrueBeam to be validated.

IMPROVED EFFICIENCY – A NECESSITY

In the early stages of the pandemic, the World Health Organization (WHO) discovered that one-third of European countries had reported partial or widespread disruptions in cancer care. Some national surveys showed that as many as 10 percent or more of all new cancer cases have remained undetected over the past year. Cancer centers and their care teams will quite simply need all of the tools they can find in order to diagnose, treat and manage the inevitable wave of post-COVID cancer cases on a large scale, and as efficiently as possible.

Efficient use of resources in cancer care has long been a focus area for RaySearch. Our software enables, for example, faster and automated creation of a treatment plan for each patient, shorter treatment duration without compromising treatment quality, and more efficient scheduling of treatment devices and health professionals. In June this year, we initiated a partnership with CHUV, a Swiss center, to study the efficiencies and improvements that can be achieved with the clinical implementation of RayStation, RayCare and RayIntelligence. Our joint expectation is that we will achieve a significant improvement in the clinic's overall efficiency, as well as increasing the quality and safety of the center's radiation therapy.

It is gratifying to report that our business operations have not experienced any major problems in terms of our R&D or our delivery capacity during the pandemic. We have made it through this period due to a joint effort, and I would like to thank all our employees – especially for the flexibility, creativity and dedication they have shown when we have restructured our core business into new digital and virtual ways of working.

With our product portfolio, our stable customer base and a very strong team, we have every opportunity to succeed in both existing and new markets.

Stockholm, November 18, 2021

Johan Löf
CEO and founder

FINANCIAL INFORMATION

RaySearch operates in a market with uneven order flows where large individual orders can have a substantial impact on revenue recognition between the quarters and, because the company has limited (less than 10 percent) variable costs for license revenue, operating profit is affected by an amount that is nearly as high. For this reason, a longer perspective than a few quarters should be taken.

ORDER INTAKE AND ORDER BACKLOG

In the third quarter of 2021, order intake declined 7.7 percent to SEK 127.9 M (138.5). License order intake declined 4.3 percent to SEK 46.2 M (48.3), while order intake for support declined 12.4 percent to SEK 69.1 M (78.9).

Order intake (amounts in SEK M)	Q3-21	Q2-21	Q1-21	Q4-20	Q3-20	Rolling 12 months	Full-year 2020
Licenses	46.2	55.6	78.0	109.7	48.3	289.6	378.0
Hardware	7.9	9.3	12.1	26.7	8.3	56.0	69.5
Support (incl. warranty support)	69.1	116.6	48.6	95.9	78.9	330.1	377.4
Training and other	4.7	8.2	6.5	6.8	3.0	26.1	29.9
Total order intake	127.9	189.8	145.1	239.1	138.5	701.9	854.8
Order backlog (amounts in SEK M)	Q3-21	Q2-21	Q1-21	Q4-20	Q3-20		
Licenses	105.3	115.0	129.6	127.0	112.6		
Hardware	38.4	36.9	48.5	50.3	36.8		
Support (incl. warranty support)	1,009.2	1,001.7	974.2	942.6	1,028.3		
Training and other	59.5	59.9	54.8	49.4	50.8		
Total order backlog at the end of the period	1,212.4	1,213.4	1,207.1	1,169.2	1,228.5		

In the first nine months of 2021, order intake declined 24.8 percent to SEK 462.7 M (615.6). License order intake declined 33.0 percent to SEK 179.9 M (268.3), while order intake for support declined 16.8 percent to SEK 234.2 M (281.5). The change was largely due to the COVID-19 pandemic, which did not affect the company's operations until the second quarter of 2020.

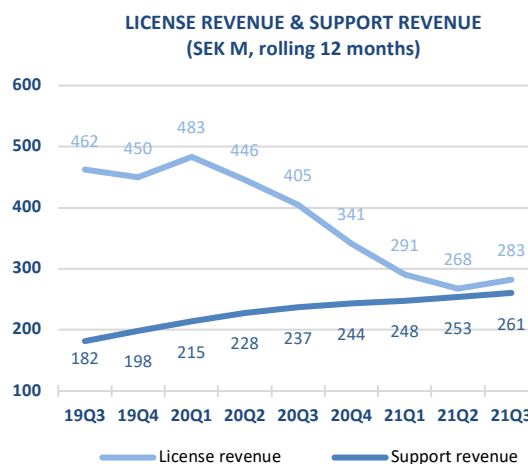
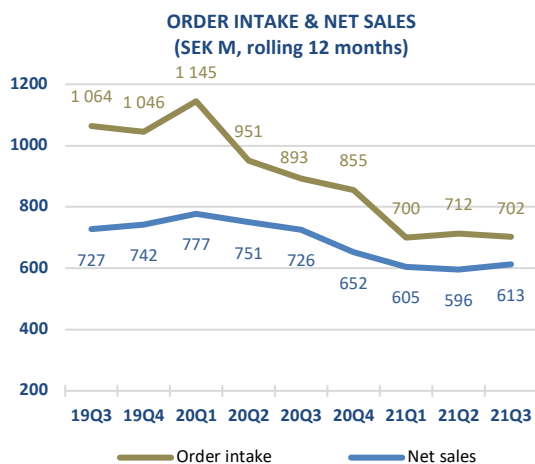
At September 30, 2021, the total order backlog amounted to SEK 1,212.2 M (1,228.5), which is expected to generate revenue of approximately SEK 407 M over the next 12 months. The remaining amount in the order backlog mainly pertains to support obligations, which are primarily expected to generate revenue over a subsequent four-year period.

REVENUE

In the third quarter of 2021, net sales rose 14.5 percent to SEK 136.4 M (119.1). The change was attributable to higher license sales, which rose 37.4 percent to SEK 55.7 M (40.5), primarily due to the COVID-19 pandemic, which had a negative impact on revenue in the third quarter of the preceding year. The change in sales at unchanged currencies was 11.9 percent (-13.7).

Support revenue rose 11.9 percent to SEK 67.3 M (60.2), accounting for 49 percent (51) of net sales in the third quarter. Hardware sales, which have a limited profit margin, declined 27.0 percent to SEK 7.1 M (9.7). Excluding hardware, sales rose 18.2 percent year-on-year.

Revenue (amounts in SEK M)	Q3-21	Q2-21	Q1-21	Q4-20	Q3-20	Rolling 12 months	Full-year 2020
License revenue	55.7	63.4	82.6	81.1	40.5	282.7	340.8
Hardware revenue	7.1	19.8	15.4	10.2	9.7	52.5	48.0
Support revenue	67.3	67.5	61.9	63.9	60.2	260.6	243.9
Training and other revenue	6.4	3.9	2.1	4.6	8.8	17.0	18.9
Net sales	136.4	154.6	162.1	159.8	119.1	612.9	651.6
Change in sales, corresp. period, %	14.5	-5.6	-22.4	-31.8	-17.5	-15.6	-12.1
Change in organic sales, corresp. period, %	11.9	4.5	-14.2	-28.5	-13.7	-11.2	-10.3



In the first nine months of 2021, net sales declined 7.9 percent to SEK 453.1 M [491.8]. The change was attributable to lower license revenue, which declined 22.4 percent to SEK 201.6 M [259.7], a result of the COVID-19 pandemic and negative currency effects. The change in sales at unchanged currencies was -3.5 percent [-0.9].

During the first nine months of 2021, net sales had the following geographic distribution: North America, 36 percent [40]; Asia, 25 percent [22]; Europe and the rest of the world, 39 percent [38].

OPERATING PROFIT

In the third quarter of 2021, operating loss totaled SEK -26.6 M [-29.5], representing an operating margin of -19.5 percent [-24.7].

The earnings improvement was largely attributable to higher license revenue and positive currency translation effects.

In the third quarter, operating expenses rose 9.7 percent to SEK 163.0 M [148.6]. The change was largely due to the increase in number of employees, and higher amortization expense.

In the third quarter, net exchange gains and losses amounted to SEK 3.5 M [-8.7], due to the fact that a large proportion of the Group's receivables are denominated in USD and EUR, which strengthened against the SEK in the third quarter compared with the end of the second quarter. Adjusted for these currency translation effects, operating loss would have totaled SEK -30.1 M [-20.8] in the third quarter and operating expenses would have risen 19.0 percent [-17.9].

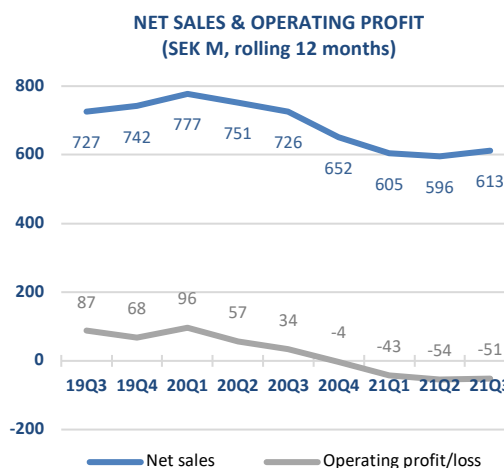
During the first nine months, operating loss totaled SEK -36.8 M [11.1], representing an operating margin of -8.1 percent [2.3]. The weaker earnings were largely attributable to lower license revenue where, for example, the first quarter of 2020 was strong and unaffected by the pandemic.

Currency effects

Consolidated sales and earnings are impacted by USD/EUR to SEK exchange rates, since most sales are invoiced in USD and EUR, while most costs are denominated in SEK.

At unchanged exchange rates, the change in sales was 11.9 percent in the third quarter of 2021 compared with the year-earlier period. In addition, the Group's exchange gains on balance sheet items amounted to SEK 3.5 M [-8.7] in the third quarter. Currency effects therefore had a positive impact on net sales and operating profit in the third quarter 2021.

A sensitivity analysis of the Group'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 third quarter of 2021, while a corresponding change in the EUR exchange rate would have impacted consolidated operating profit by approximately +/- SEK 1.6 M.



The Group follows the financial policy established by the Board, whereby exchange-rate fluctuations are not hedged.

Capitalization of development costs

RaySearch is a research and development-oriented company that makes significant investments in the development of software solutions for improved cancer treatment. At September 30, 2021, 217 employees (203) were engaged in R&D, corresponding to 51 percent (50) of the total number of employees.

Capitalization of development costs	Q3-21	Q2-21	Q1-21	Q4-20	Q3-20	Rolling 12 months	Full-year 2020
Research and development costs	57.9	68.0	64.9	65.2	51.5	256.1	243.4
Capitalization of development costs	-40.0	-52.5	-51.5	-53.1	-40.7	-197.1	-195.6
Amortization of capitalized development costs	43.2	40.1	39.2	36.8	36.3	159.4	137.2
Research and development costs	61.2	55.7	52.6	48.9	47.1	218.4	185.0

In 2021, RaySearch continued to invest in both existing products and future products. Overall, research and development costs rose 7.1 percent to SEK 190.9 M (178.2) in the first nine months of 2021, corresponding to 42 percent (36) of the Group's net sales. The increase was attributable to a higher number of employees in research and development.

Development costs of SEK 144.0 M (142.5) were capitalized, up 1.1 percent, corresponding to 75 percent (80) of total research and development costs.

Amortization of capitalized development costs rose 22.1 percent to SEK 122.6 M (100.4), and the increase was attributable to an expansion of development activities, and that amortization periods had commenced for all products, including RayCommand and RayIntelligence.

Research and development costs (after adjustments for capitalization and amortization of development costs) rose 24.5 percent to SEK 169.5 M (136.2).

Amortization and depreciation

In the third quarter of 2021, total amortization and depreciation increased 11.7 percent to SEK 62.2 M (55.7), of which amortization of intangible fixed assets accounted for SEK 43.3 M (36.3), mainly related to capitalized development costs. Depreciation of tangible fixed assets amounted to SEK 19.1 M (19.3).

Total amortization and depreciation during the first nine months amounted to SEK 180.3 M (157.7), of which amortization of intangible fixed assets amounted to SEK 122.8 M (100.6), mainly related to capitalized development costs. Depreciation of tangible fixed assets amounted to SEK 57.4 M (57.1).

PROFIT AND EARNINGS PER SHARE

In the third quarter of 2021, loss after tax totaled SEK -22.0 M (-26.2), representing loss per share of SEK -0.64 (-0.76) before and after dilution. Loss after tax during the first nine months of 2021 totaled SEK -31.3 M (profit: 5.1), bringing loss per share before and after dilution to SEK -0.91 (profit: 0.15).

Tax expense for the first nine months of the year amounted to SEK 8.4 M (-2.5), corresponding to an effective tax rate of 21.1 percent (32.8).

CASH FLOW AND LIQUIDITY

In the third quarter of 2021, cash flow from operating activities was SEK 47.4 M (78.5) and the change was largely attributable to a decrease in working capital, which mainly comprises various types of receivables from customers, such as accounts receivable and current and long-term unbilled customer receivables where payment plans have been drawn up. During the first nine months of the year, cash flow from operating activities was SEK 209.8 M (280.0).

At the end of the period, the company's total customer receivables amounted to 39 percent (35) of net sales over the past 12 months. Working capital amounted to 3 percent (9) of net sales over the past 12 months. The decline was attributable to increased payments from customers, including advance payments from customers.

During the third quarter, cash flow from investing activities was SEK -45.6 M (-45.4). Investments in intangible fixed assets amounted to SEK -40.0 M (-40.7) and consisted of capitalized development costs for the company's products – RayStation, RayCare, RayCommand and RayIntelligence. Investments in tangible fixed assets amounted to SEK -5.6 M (-4.7), mainly related to investments in a new head office in Stockholm.

Cash flow from financing activities was SEK -11.9 M [-11.4] during the third quarter of 2021 and SEK -84.7 M [-35.1] during the first nine months. The change was largely due to a repayment of SEK 50 M on the company's credit facility in the second quarter.

Cash flow for the period was SEK -10.1 M [21.7] for the third quarter and SEK -51.6 M [83.4] for the nine first months. At September 30, consolidated cash and cash equivalents amounted to SEK 120.6 M [194.1].

FINANCIAL POSITION

At September 30, 2021, RaySearch's total assets amounted to SEK 1,172 M [1,244] and the equity/assets ratio was 56.7 percent [57.0].

Current receivables amounted to SEK 339 M [340]. The receivables mainly comprise various types of customer receivables.

RaySearch's credit facilities comprise a revolving loan facility of up to SEK 300 M and an overdraft facility of SEK 50 M, both maturing in May 2022. RaySearch intends to refinance its existing credit facilities. Chattel mortgages amounted to SEK 100 M. At September 30, 2021, short-term loans totaling SEK 0 M [50] had been raised under the company's revolving loan facility and SEK 0 M [0] of the credit facility had been drawn.

At September 30, 2021, consolidated net cash amounted to SEK 53.0 M [31.5]. The change was largely due to a repayment of SEK 50 M on the company's credit facility in the second quarter.

EMPLOYEES

During the January-September period of 2021, the average number of employees in the Group was 418 [392]. At the end of the third quarter, the Group had 428 [403] employees, of whom 319 [300] were based in Sweden and 109 [103] in foreign subsidiaries.

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.

Differences in profitability between the Parent Company and the Group are attributable to the Parent Company accounting for a relatively high proportion of operating expenses, and to the capitalization of development costs being recognized in the Group but not in the Parent Company. The Parent Company was also not affected by the changes pertaining to lease recognition under IFRS 16, and instead continues to recognize lease payments as operating lease payments. This reduces operating profit compared with if IFRS 16 had been applied.

The Parent Company's current receivables mainly comprise receivables from Group companies and external customers.

SIGNIFICANT EVENTS DURING THE THIRD QUARTER

RayStation was sold to several leading cancer centers

The RayStation® treatment planning system was sold to more leading cancer centers, including National Cancer Centre Singapore (NCCS), Centro de Tratamiento e Investigación sobre cáncer Luis Carlos Sarmiento Angulo (CTIC) in Colombia, and Queen Elizabeth Hospital (QEH) in Hong Kong. In addition, Iridium Network in Belgium expanded its existing RayStation installation.

Iridium Network in Belgium invests in RayCare as its primary oncology information system

In September, Iridium Network in Belgium, one of RaySearch's development partners for RayCare, decided to invest in RayCare as its primary oncology information system.

RayStation in clinical use with CyberKnife at CHUV in Switzerland

In September, RayStation was taken into clinical use together with Accuray's CyberKnife therapy device at Centre hospitalier universitaire vaudois (CHUV) in Switzerland.

Management change

In September, RaySearch's CFO Peter Thysell resigned to take up a CFO position with another company.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

Expanded collaboration with IBA

In October, RaySearch and IBA expanded their existing collaboration around proton therapy in the areas of FLASH radiotherapy, proton arc therapy and the treatment of tumors in motion.

Expanded collaboration with Mevion

In October, RaySearch and Mevion Medical Systems expanded their existing collaboration on the development of treatment planning methods for FLASH radiotherapy with the Mevion S250i Proton Therapy System.

New head office premises increase total assets (according to IFRS 16)

When access is granted to the new head office premises in the fourth quarter of 2021, total consolidated assets are expected to increase approximately SEK 466 M in accordance with IFRS 16.

Management change

Torbjörn Wingårdh was appointed new CFO of RaySearch as of November 15, 2021.

EFFECTS OF THE COVID-19 PANDEMIC

The COVID-19 pandemic is affecting people and companies all over the world and posing a challenge for all businesses. RaySearch is monitoring the situation and the effects of the pandemic closely and is prepared to take action and align the company's operations if needed.

Effects on RaySearch's operations in the third quarter of 2021

Sales. The ongoing COVID-19 pandemic also had a negative impact on RaySearch's sales in the third quarter due to continued restrictions and rising case numbers, mainly the Delta variant in several countries. As a result, many hospitals were forced to temporarily re-prioritize and freeze investments in order to handle the COVID-19 pandemic. Market conditions were particularly challenging in North America and some European countries, while the company noted a normalization in Asia.

Delivery capacity. As a software company, RaySearch is well equipped for remote collaboration and both our R&D and delivery capacity have remained relatively unscathed by the COVID-19 pandemic to date.

COVID-19 did not have any major impact on the company's assessment items in the third quarter.

Expected future effects

It is still difficult to say how the ongoing pandemic will affect the coming quarters with any great certainty. The situation has stabilized and is beginning to normalize in many countries, but many countries have also registered an increase in new cases, mainly the Delta variant.

In addition, as soon as the vaccination program takes effect, we expect sales to normalize again since underlying need and demand for effective software solutions for cancer care remain unchanged compared with pre-pandemic levels. Since sales activities have been restricted for some time, however, it may take time before the full sales effect is regained. We see no major challenges in terms of R&D or the company's delivery capacity.

Overall, the company expects that the negative effects of the COVID-19 pandemic on the company's sales and earnings will continue for some months to come. However, due to uncertainty surrounding how long the COVID-19 pandemic will last and the extent of the economic impacts, RaySearch will continue to focus on protecting the company's cash flow and liquidity.

Major unmet need for RaySearch's software solutions unchanged. The underlying need for effective software solutions for cancer care remains unchanged since treatment for cancer patients is a high priority. The company's assessment is that the market and demand for the company's products will normalize and return to previous levels when the COVID-19 pandemic has subsided.

Continued focus on efficiencies and digitization. One effect of the COVID-19 pandemic could be a further acceleration of the ongoing digital transformation. The pandemic has drastically highlighted the major potential and benefits of digital technology, which could be positive for RaySearch's operations in the long term because the company's software solutions enable cancer centers to improve their efficiency.

THE COMPANY'S SHARE

At September 30, 2021, the total number of registered shares in RaySearch was 34,282,773, of which 8,454,975 were Class A and 25,827,798 Class B shares. The quotient value was SEK 0.50 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 September 30, 2021, the total number of voting rights in RaySearch was 110,377,548.

SHARE OWNERSHIP

At September 30, 2021, the number of shareholders in RaySearch was 6,674 according to Euroclear, and the largest shareholders were as follows:

Name	Class A shares	Class B shares	Total shares	Share capital,	
				%	Votes, %
Johan Löf	6,243,084	418,393	6,661,477	19.4	56.9
Invesco fonder	0	4,000,000	4,000,000	11.7	3.6
La Financière de l'Echiquier	0	2,254,273	2,254,273	6.6	2.0
First AP Fund	0	1,982,448	1,982,448	5.8	1.8
Swedbank Robur Funds	0	1,800,000	1,800,000	5.3	1.6
Anders Brahme	1,150,161	200,000	1,350,161	3.9	10.6
Second AP Fund	0	1,220,942	1,220,942	3.6	1.1
Carl Filip Bergendal	1,061,577	139,920	1,201,497	3.5	9.7
Nordnet Pension	0	1,015,162	1,015,162	3.0	0.9
C WorldWide Asset Management	0	851,612	851,612	2.5	0.8
Total, 10 largest shareholders	8,454,822	13,882,750	22,337,572	65.2	89.2
Others	153	11,945,048	11,945,201	34.8	10.8
Total	8,454,975	25,827,798	34,282,773	100.0	100.0

Source: Euroclear, FI and MorningStar.

OTHER INFORMATION

2022 ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) of RaySearch Laboratories AB (publ) will be held on Wednesday, May 25, 2022 at 6:00 p.m. at the company's head office premises at Eugeniavägen 18, Stockholm, Sweden. Shareholders wishing to have a matter addressed at the AGM must submit a written request thereof to the Board of Directors. The request should normally be received by the Board of Directors at least seven (7) weeks before the AGM is due to take place.

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 and legal risk, as well as financial risk pertaining to exchange-rate fluctuations, interest rates, liquidity and financing opportunities. RaySearch's risk management aims to identify, measure and reduce risks related to the Group's transactions and operations. For more information about risks and risk management, refer to pages 9-11 and 39-40 of RaySearch's 2020 Annual Report. There have been no significant changes with any impact on the risks reported. This also applies to the risks and uncertainties arising from the COVID-19 pandemic that could affect RaySearch's sales, earnings and financial position.

SEASONAL VARIATIONS

RaySearch's customers are healthcare providers and the company's operations are somewhat characterized by seasonal variations that are typical for the industry, whereby the fourth quarter is normally the strongest – mainly because many customers have budgets that follow the calendar year.

ENVIRONMENT AND SUSTAINABILITY

Sustainability is a key aspect of RaySearch's strategy and operations, and the company is working actively to become a sustainable enterprise. The primary aim of RaySearch's operations is to help cancer centers improve and save the lives of cancer patients. With our innovative software solutions, we are continuously striving to improve and streamline workflows in clinical environments and to improve treatment outcomes for cancer patients. The customer value we create presents business opportunities for RaySearch, but also major social benefit and economic gains.

The negative environmental impact of the company's products is limited. 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 economically viable. More information about the company's environmental and sustainability initiatives is available in the company's Sustainability Report on pages 62-68 of RaySearch's 2020 Annual Report.

The Board of Directors and CEO give their assurance that this interim report gives a true and fair view of the Group's and the Parent Company's operations, position and earnings, and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, November 18, 2021

The Board of Directors of RaySearch Laboratories AB (publ)

Lars Wollung
Chairman of the Board

Johan Löf
CEO and Board member

Carl Filip Bergendal
Board member

Britta Wallgren
Board member

Hans Wigzell
Board member

Johanna Öberg
Board member

AUDITOR'S REVIEW REPORT

INTRODUCTION

We have performed a review of the interim financial information (interim report) for RaySearch Laboratories AB (publ) at September 30, 2021 and for the nine-month period that ended on that date. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our review.

SCOPE OF THE REVIEW

We have conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical audit and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards.

The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the opinion expressed on the basis of a review does not give the same assurance as an opinion expressed on the basis of an audit.

OPINION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act for the Group, and in accordance with the Swedish Annual Accounts Act for the Parent Company.

Stockholm, November 18, 2021

Ernst & Young AB

Anna Svanberg
Authorized Public Accountant

FOR FURTHER INFORMATION, PLEASE CONTACT:

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Peter Thysell, CFO

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E-mail: peter.thysell@raysearchlabs.com

The information contained in this interim report is such that RaySearch Laboratories AB (publ) is obliged to disclose under the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication on November 18, 2021 at 7:45 a.m. CET.

TELECONFERENCE

CEO Johan Löf and CFO Peter Thysell will present RaySearch's interim report for January-September 2021 at a teleconference to be held in English on Thursday, November 18, 2021 at 10:00-10:30 a.m. CET.

For login details to the teleconference, please register on:

<http://emea.directeventreg.com/registration/5435207>

FINANCIAL CALENDAR

Year-end report, 2021	February 23, 2022
2021 Annual Report (published on the website)	April 29, 2022
Interim report for the first quarter, 2022	May 18, 2022
Annual General Meeting 2022	May 25, 2022
Interim report for the second quarter, 2022	August 25, 2022
Interim report for the third quarter, 2022	November 17, 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

AMOUNTS IN SEK 000s	Note	JUL-SEP		JAN-SEP		OCT 2020-	FULL-YEAR
		2021	2020	2021	2020	-SEP 2021	2020
Net sales	2.3	136,419	119,130	453,100	491,777	612,935	651,612
Cost of goods sold ¹		-6,448	-8,088	-39,464	-33,820	-49,018	-43,374
Gross profit		129,971	111,042	413,636	457,957	563,917	608,238
Other operating income		6,684	2,228	27,187	6,383	39,087	18,283
Selling expenses		-71,726	-62,551	-204,559	-217,590	-278,198	-291,229
Administrative expenses		-27,131	-22,207	-85,208	-79,500	-111,998	-106,290
Research and development costs		-61,189	-47,085	-169,522	-136,173	-218,390	-185,041
Other operating expenses		-3,170	-10,904	-18,297	-19,951	-45,773	-47,427
Operating profit/loss		-26,561	-29,477	-36,763	11,126	-51,355	-3,466
Loss from financial items		-878	-1,177	-2,962	-3,561	-2,413	-3,012
Profit/loss before tax		-27,439	-30,654	-39,725	7,565	-53,768	-6,478
Tax		5,449	4,472	8,378	-2,481	8,257	-2,602
Profit/loss for the period²		-21,990	-26,182	-31,347	5,084	-45,511	-9,080
Other comprehensive income							
Items to be reclassified to profit or loss							
Translation difference of foreign operations for the period		712	-368	1,390	-687	39	-2,037
Comprehensive income for the period²		-21,278	-26,550	-29,957	4,397	-45,472	-11,118
Earnings/loss per share before and after dilution (SEK)		-0.64	-0.76	-0.91	0.15	-1.33	-0.26

¹ Comprises costs for hardware and license costs paid, but not amortization of capitalized development costs, which is included in research and development costs.

² Fully (100 percent) attributable to Parent Company shareholders.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN SUMMARY

AMOUNTS IN SEK 000s	JUL-SEP		JAN-SEP		FULL-YEAR
	2021	2020	2021	2020	2020
Opening balance	685,672	736,415	694,351	705,468	705,468
Profit/loss for the period	-21,990	-26,182	-31,347	5,084	-9,080
Other comprehensive income for the period	712	-368	1,390	-687	-2,037
Closing balance	664,394	709,865	664,394	709,865	694,351

CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN SUMMARY

AMOUNTS IN SEK 000s	Note	Sep 30, 2021	Sep 30, 2020	Dec 31, 2020
ASSETS				
Intangible fixed assets		508,025	470,590	486,817
Tangible fixed assets		175,217	207,540	186,768
Deferred tax assets		21,076	21,224	7,226
Other long-term receivables		8,263	10,980	26,928
Total fixed assets		712,581	710,334	707,739
Inventories		21,295	13,760	9,110
Current receivables		317,586	326,229	399,309
Cash and cash equivalents		120,589	194,140	168,746
Total current assets		459,470	534,129	577,165
TOTAL ASSETS		1,172,051	1,244,463	1,284,904
EQUITY AND LIABILITIES				
Equity		664,394	709,865	694,351
Deferred tax liabilities		111,849	123,573	108,749
Long-term interest-bearing liabilities		50,380	66,013	53,788
Total long-term liabilities		162,229	189,586	162,537
Accounts payable		30,076	11,128	19,864
Current interest-bearing liabilities		17,226	96,651	92,519
Other current liabilities		298,126	237,233	315,633
Total current liabilities		345,428	345,012	428,016
TOTAL EQUITY AND LIABILITIES		1,172,051	1,244,463	1,284,904

CONSOLIDATED STATEMENT OF CASH FLOW IN SUMMARY

AMOUNTS IN SEK 000s		JUL-SEP		JAN-SEP		OCT 2020	FULL-YEAR
	Note	2021	2020	2021	2020	-SEP 2021	2020
Profit/loss before tax		-27,439	-30,654	-39,725	7,565	-53,768	-6,478
Adjusted for non-cash items ¹⁾		57,528	63,267	162,827	165,658	231,392	234,223
Taxes paid		682	-8,176	-9,829	-21,151	-16,890	-28,212
Cash flow from operating activities before changes in working capital		30,771	24,437	113,273	152,072	160,734	199,533
Cash flow from changes in operating receivables		12,102	71,485	130,889	141,095	41,946	52,152
Cash flow from changes in operating liabilities		4,483	-17,436	-34,397	-13,164	63,171	79,823
Cash flow from operating activities		47,356	78,486	209,765	280,003	265,851	331,508
Cash flow from investing activities		-45,569	-45,372	-176,687	-161,499	-245,362	-225,593
Cash flow from financing activities		-11,875	-11,394	-84,716	-35,116	-93,625	-44,025
Cash flow for the period		-10,088	21,720	-51,638	83,388	-73,136	61,890
Cash and cash equivalents at the beginning of the period		128,815	173,728	168,746	113,858	194,140	113,858
Exchange-rate difference in cash and cash equivalents		1,862	-1,308	3,481	-3,106	-415	-7,002
Cash and cash equivalents at the end of the period		120,589	194,140	120,589	194,140	120,589	168,746

¹⁾ These amounts mainly include amortization of capitalized development costs, right-of-use assets and unrealized currency effects.

PARENT COMPANY INCOME STATEMENT IN SUMMARY

AMOUNTS IN SEK 000s	Note	JUL-SEP		JAN-SEP		FULL-YEAR
		2021	2020	2021	2020	2020
Net sales		99,038	81,281	331,943	363,388	489,623
Cost of goods sold ¹⁾		-2,144	-3,928	-15,293	-19,649	-24,095
Gross profit		96,894	77,353	316,650	343,739	465,528
Other operating income		6,467	-4,724	26,706	-1,844	9,163
Selling expenses		-43,247	-36,679	-121,250	-123,887	-167,012
Administrative expenses		-27,216	-22,258	-85,387	-79,854	-106,702
Research and development costs		-58,096	-51,613	-191,345	-178,648	-243,950
Other operating expenses		-2,712	-4,212	-17,455	-11,600	-38,713
Operating loss		-27,910	-42,133	-72,081	-52,094	-81,686
Profit/loss from financial items		-311	3	-1,082	394	17
Loss after financial items		-28,221	-42,130	-73,163	-51,700	-81,669
Appropriations		-	-	-	-	82,306
Profit/loss before tax		-28,221	-42,130	-73,163	-51,700	637
Tax on profit for the period		5,600	6,077	14,343	8,290	-4,136
Loss for the period		-22,621	-36,053	-58,820	-43,410	-3,499

¹⁾ Comprises costs for hardware and royalties but not amortization of capitalized development costs, which is included in research and development costs.

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN SEK 000s	JUL-SEP		JAN-SEP		FULL-YEAR
	2021	2020	2021	2020	2020
Loss for the period	-22,621	-36,053	-58,820	-43,410	-3,499
Other comprehensive income	-	-	-	-	-
Comprehensive income for the period	-22,621	-36,053	-58,820	-43,410	-3,499

PARENT COMPANY BALANCE SHEET IN SUMMARY

AMOUNTS IN SEK 000s	Note	Sept 30, 2021	Sept 30, 2020	Dec 31, 2020
ASSETS				
Intangible fixed assets		634	867	808
Tangible fixed assets		65,022	40,408	43,863
Shares and participations		3,958	1,911	1,911
Deferred tax assets		20,924	17,066	5,879
Long-term receivables from Group companies		18,252	39,820	25,426
Other long-term receivables		7,583	7,876	9,411
Total fixed assets		116,373	107,948	87,298
Inventories		917	439	176
Current receivables		284,584	352,823	356,270
Cash and bank balances		43,741	102,083	107,711
Total current assets		329,242	455,345	464,157
TOTAL ASSETS		445,615	563,293	551,455
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		17,141	17,141	17,141
Statutory reserve		43,630	43,630	43,630
Total restricted equity		60,771	60,771	60,771
Unrestricted equity				
Retained earnings		202,699	206,198	206,198
Loss for the year		-58,820	-43,410	-3,499
Total non-restricted equity		143,879	162,788	202,699
Total equity		204,650	223,559	263,470
Untaxed reserves		32,615	114,921	32,615
Long-term liabilities		879	-	879
Accounts payable ¹⁾		35,138	14,851	30,156
Current interest-bearing liabilities		0	49,762	49,649
Other current liabilities ¹⁾		172,333	160,200	174,686
Total current liabilities		207,471	224,813	254,491
TOTAL EQUITY AND LIABILITIES		445,615	563,293	551,455

¹ Comparative figures have been reclassified from other current liabilities to accounts payable with regard to intra-group accounts payable; 6.5 MSEK for Sept 30, 2020 and 11.1 MSEK for Dec 31, 2020.

NOTES, GROUP

NOTE 1 ACCOUNTING POLICIES

The RaySearch Group applies International Financial Reporting Standards (IFRS) as adopted by the EU. The accounting policies applied are consistent with those described in the 2020 Annual Report for RaySearch Laboratories AB (publ), which is available at www.raysearchlabs.com. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act.

RaySearch Laboratories AB (publ) is the Parent Company of the RaySearch Group. The Parent Company applies the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. The Parent Company's operations are consistent with the Group's operations in all material respects.

Differences in profitability between the Parent Company and the Group are attributable to the Parent Company accounting for a relatively high proportion of operating expenses, and to the capitalization of development costs being recognized in the Group but not in the Parent Company. The Parent Company was also not affected by IFRS 16, and will continue to recognize lease payments on a straight-line basis over the lease term. This reduces operating profit compared with if IFRS 16 had been applied.

The Parent Company's current receivables mainly comprise receivables from Group companies and external customers.

NOTE 2 REVENUE FROM CONTRACTS WITH CUSTOMERS

RaySearch conducts sales of goods and services in various regions. Revenue from sales of licenses and hardware is recognized in profit or loss at a point in time, while revenue from sales of training and support is recognized over time.

AMOUNTS IN SEK 000s	JUL-SEP			OCT 2020- SEP 2021	Full-year 2020
	2021	2020	Change		
Revenue by type					
Licenses	55,676	40,510	37.4%	282,713	340,802
Support	67,322	60,164	11.9%	260,641	243,913
Hardware	7,066	9,685	-27.0%	52,533	48,026
Training and other	6,355	8,771	-27.5%	17,048	18,871
Total revenue from contracts with customers	136,419	119,130	14.5%	612,935	651,612
Revenue by geographic market					
North America	44,841	39,692	13.0%	207,010	241,476
APAC	37,692	33,349	13.0%	164,625	162,078
Europe and rest of the world	53,886	46,089	16.9%	241,300	248,058
Total revenue from contracts with customers	136,419	119,130	14.5%	612,935	651,612
Revenue by date for revenue recognition					
Goods/services transferred at a point in time	62,742	50,195	25.0%	335,246	388,828
Services transferred over time	73,677	68,935	6.9%	277,689	262,784
Total revenue from contracts with customers	136,419	119,130	14.5%	612,935	651,612

AMOUNTS IN SEK 000s	JAN-SEP				
	2021	2020	Change	OCT 2020- SEP 2021	Full-year 2020
Revenue by type					
Licenses	201,635	259,724	-22.4%	282,713	340,802
Support	196,744	180,016	9.3%	260,641	243,913
Hardware	42,301	37,794	11.9%	52,533	48,026
Training and other	12,420	14,243	-12.8%	17,048	18,871
Total revenue from contracts with customers	453,100	491,777	-7.9%	612,935	651,612
Revenue by geographic market					
North America	163,931	198,397	-17.4%	207,010	241,476
APAC	110,832	108,285	2.4%	164,625	162,078
Europe and rest of the world	178,337	185,095	-3.7%	241,300	248,058
Total revenue from contracts with customers	453,100	491,777	-7.9%	612,935	651,612
Revenue by date for revenue recognition					
Goods/services transferred at a point in time	243,936	297,518	-18.0%	335,246	388,828
Services transferred over time	209,164	194,259	7.7%	277,689	262,784
Total revenue from contracts with customers	453,100	491,777	-7.9%	612,935	651,612

NOTE 3 ESTIMATES

Preparation of the interim report requires that company management make estimates that affect the carrying amounts. 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 4 FINANCIAL INSTRUMENTS

RaySearch's financial assets and liabilities comprise billed and unbilled receivables, cash and cash equivalents, accrued expenses, accounts payable, bank loans and lease liabilities. Long-term receivables and lease liabilities are discounted, while other financial assets and liabilities have short maturities. Accordingly, the fair values of all financial instruments are deemed to correspond approximately to their carrying amounts.

The provision for expected credit losses is a weighted assessment of payment history, reports from external credit rating agencies and other customer-specific information. At the end of September 2021, the credit loss provision amounted to SEK 26.0 M (20.8), corresponding to 11 percent (8) of total customer receivables. The increased credit loss provision despite lower total receivables was mainly related to a customer in the US. While the Group's credit losses have historically been limited, incurred credit losses have increased over the past five years to about 1.1 percent of the company's average customer receivables.

NOTE 5 RELATED-PARTY TRANSACTIONS

In March, the Parent Company issued a short-term loan of SEK 200,000 to Vinstandelsstiftelsen RayFoundation on market terms. The short-term loan was repaid in full to the Parent Company in the second quarter.

In 2021, in addition to his Board assignment, Chairman of the Board Lars Wollung has also served as senior advisor to the company on a consultancy basis. The consultancy engagement is remunerated on market terms with a fixed fee of SEK 250,000 per quarter.

NOTE 6 PLEDGED ASSETS IN THE GROUP AND PARENT COMPANY

AMOUNTS IN SEK 000s	Sep 30, 2021	Sep 30, 2020	Dec 31, 2020
Chattel mortgages	100,000	100,000	100,000
Guarantees	27,833	15,145	14,340

The year-on-year increase was largely attributable to bank guarantees issued for the new office premises.

GROUP QUARTERLY OVERVIEW

AMOUNTS IN SEK 000s	2021				2020			2019
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Order intake								
Total order intake	127,853	189,750	145,131	239,125	138,480	177,133	300,018	277,217
Income statement								
Net sales	136,419	154,579	162,102	159,835	119,130	163,758	208,889	234,499
Change in sales, %	14.5	-5.6	-22.4	-31.8	-17.5	-13.7	20.7	6.9
Operating profit/loss	-26,561	-22,463	12,261	-14,592	-29,477	-10,954	51,557	22,468
Operating margin, %	-19.5	-14.5	7.6	-9.1	-24.7	-6.7	24.7	9.6
Profit/loss for the period	-21,990	-16,467	7,110	-14,164	-26,182	-9,196	40,462	18,937
Net margin, %	-16.1	-10.7	4.4	-8.9	-22.0	-5.6	19.4	8.1
Cash flow								
Operating activities	47,356	58,077	104,332	51,505	78,486	135,443	66,074	81,139
Investing activities	-45,569	-70,843	-60,275	-64,094	-45,372	-55,913	-60,214	-60,992
Financing activities	-11,875	-61,624	-11,217	-8,909	-11,394	-13,618	-10,104	-12,370
Cash flow for the period	-10,088	-74,390	32,840	-21,498	21,720	65,912	-4,244	7,777
Capital structure								
Equity/assets ratio, %	56.7	57.8	52.7	54.0	57.0	56.2	55.8	55.8
Net debt	-52,983	-50,385	-65,952	-22,439	-31,476	206	73,231	56,869
Debt/equity ratio	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.1	0.1
Net debt/EBITDA	-0.3	-0.3	-0.4	-0.1	-0.1	0.0	0.3	0.2
Per share data, SEK								
Earnings/loss per share before dilution	-0.64	-0.48	0.21	-0.41	-0.76	-0.27	1.18	0.55
Earnings/loss per share after dilution	-0.64	-0.48	0.21	-0.41	-0.76	-0.27	1.18	0.55
Equity per share	19.38	20.00	20.49	20.25	20.71	21.48	21.79	20.58
Share price at the end of the period	61.5	87.40	89.50	82.70	87.50	86.50	57.60	107.20
Other								
No. of shares before/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	418	414	412	404	399	391	386	331

GROUP, ROLLING 12 MONTHS

AMOUNTS IN SEK 000s	Oct 2020-	Jul 2020-	Apr 2020-	Jan 2020-	Oct 2019-	Jul 2019-	Apr 2019-	Jan 2019-
	Sep 2021	Jun 2021	Mar 2021	Dec 2020	Sep 2020	Jun 2020	Mar 2020	Dec 2019
Order intake								
Total order intake	701,859	712,486	699,868	854,755	892,846	951,160	1,144,639	1,046,238
Income statement								
Net sales	612,935	595,646	604,825	651,612	726,276	751,495	777,395	741,584
Operating profit/loss	-51,355	-54,271	-42,762	-3,466	33,594	56,726	96,489	68,169
Operating margin, %	-8.4	-9.1	-7.1	-0.5	4.6	7.5	12.4	9.2
Cash flow								
Cash flow	-73,136	-41,328	98,972	61,890	91,165	55,970	-5,811	-3,385
Cash flow adjusted for repayment of bank loans	-23,136	8,672	98,972	61,890	91,165	55,970	69,189	71,615

DEFINITIONS OF KEY RATIOS

The interim report refers to a number of 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 measures used to complement the IFRS financial statements are described below.

Non-IFRS measures	Definition	Reason for using the measure
Order intake	The value (transaction price) of all orders received and changes to existing orders during the current period	Order intake is an indicator of future revenue and thus a key figure for the management of RaySearch's operations
Order backlog	The value of orders at the end of the period that the company has yet to deliver and recognize as revenue, meaning remaining performance obligations.	The order backlog shows the value of orders already booked by RaySearch that will be converted to revenue in the future.
Net sales/Order intake	Recognized net sales in relation to total order intake during the corresponding period	The measurement is used to monitor the recognized revenue in relation to sales, which is part of the reason for the change in order backlog.
Change in sales	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
Change in sales at unchanged currencies	Change in sales at unchanged exchange rates, i.e. excluding currency effects	This measure is used to monitor underlying change in sales driven by alterations 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 measure the margin before sales, research, development and administrative expenses
Operating profit/loss	Calculated as profit for the period before financial items and tax	Operating profit/loss provides an overall picture of the total generation of earnings in operating activities
Operating profit adjusted for currency translation effects	Calculated as operating profit less other operating income/expenses	Operating profit provides an overall picture of the total generation of earnings in operating activities excluding currency translation effects for balance sheet items
Operating margin	Operating profit 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 shows the percentage of net sales remaining after the company's expenses have been deducted
Cash flow adjusted for changes in bank loans	Cash flow for the period less cash flow from changes to bank loans	The measurement shows the underlying cash flow before financing activities, but including amortization of lease liabilities.
Equity per share	Equity divided by number of shares at the end of the period	The measurement shows the return generated on the owners' invested capital per share
Rolling 12 months' sales, operating profit or other results	Sales, operating profit or other results measured over the past 12-month period	This measure is used to more clearly illustrate the trends for sales, operating profit and other results, which is relevant because RaySearch's revenue is subject to monthly variations
Working capital	Working capital comprises inventories, operating receivables and operating liabilities, and is obtained from the statement of financial position. Operating receivables comprise accounts receivable, other current/long-term receivables and non-interest bearing prepaid expenses and accrued income. Operating liabilities include other non-interest bearing long-term liabilities, advance payments from customers, accounts payable, other current liabilities and non-interest bearing accrued expenses and deferred income.	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	Shows the return generated on the owners' invested capital from a shareholder perspective
Equity/assets ratio	Equity expressed as a percentage of total assets at the end of the period	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	This 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
EBITDA	Operating profit before financial items, tax, depreciation/amortization and impairment	The measurement is a way to evaluate the result without taking into consideration financial decisions or taxes
Net debt/EBITDA	Net debt at the end of the period in relation to operating profit before depreciation and amortization over the past 12-month period	A relevant measure from a credit perspective that shows the company's ability to handle its debt

CALCULATION OF FINANCIAL MEASURES NOT INCLUDED IN THE IFRS FRAMEWORK

AMOUNTS IN SEK 000s	Sep 30, 2021	Sep 30, 2020	Dec 31, 2020
Working capital			
Accounts receivable (current billed customer receivables)	151,448	141,732	156,811
Current unbilled customer receivables	82,383	100,942	143,941
Long-term unbilled customer receivables	8,263	10,877	26,928
Inventories	21,295	13,760	9,110
Other current receivables (excl. tax)	79,283	42,996	74,980
Accounts payable	-30,076	-11,128	-19,864
Other current liabilities (excl. tax)	-296,757	-237,170	-312,791
Working capital	15,839	62,009	79,115
Net debt			
Current interest-bearing liabilities	17,226	96,651	92,519
Long-term interest-bearing liabilities	50,380	66,013	53,788
Cash and cash equivalents	-120,589	-194,140	-168,746
Net debt	-52,983	-31,476	-22,439
EBITDA			
Operating profit/loss	-51,355	33,594	-3,466
Amortization and depreciation	236,409	205,611	213,293
EBITDA	185,054	239,205	209,827
CHANGE IN SALES AT UNCHANGED CURRENCIES			
Net sales for the year	610,115	726,276	651,612
Currency adjustment	31,915	-6,466	13,805
Adjusted Net sales	642,030	719,810	665,417
Net sales, preceding year	726,276	726,528	741,584
Organic growth	-11.2%	0.9%	-10.3%

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ABOUT RAYSEARCH

RaySearch Laboratories AB (publ) is a medical technology company that develops innovative software solutions for improved cancer treatment. The company develops and markets the RayStation treatment planning system and RayCare oncology information system to cancer centers all over the world and distributes the products through licensing agreements with leading medical technology companies.

In December 2020, the RayCommand treatment control system and RayIntelligence oncology analytics system were also launched. RaySearch's software is now used by more than 2,600 centers 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

VISION AND MISSION

The company's vision is a world where cancer is conquered and RaySearch's mission is to provide innovative software to continuously improve cancer treatment.

STRATEGY

A radiation therapy center essentially needs two software platforms for its operations: a treatment planning system, and an information system. With RayStation and RayCare, RaySearch will strengthen its position and continue to grow with high profitability. The company's strategy is based on a strong focus on innovative software development with leading functionality, support for efficient workflows – including via digitization and automation with machine learning – broad support for a wide range of treatment modes and radiation therapy devices, close collaboration with world-leading cancer centers and industrial partners, and extensive investment in research and development.

BUSINESS MODEL

RaySearch's main revenue is generated by customers paying an initial license fee for the right to use RaySearch's software and an annually recurring service fee for access to updates and support. All software systems are developed at RaySearch's head office in Stockholm, and distributed and supported by the company's global marketing organization.