

“During the fourth quarter of 2021, order intake rose 44 percent and net sales 18 percent. Operating loss amounted to SEK -17 M (-15).”

Johan Löf, CEO of RaySearch

FOURTH QUARTER (OCTOBER – DECEMBER 2021)

- Order intake SEK 345.0 M (239.1)
- Net sales SEK 188.0 M (159.8)
- Operating loss SEK -16.8 M (-14.6)
- Loss after tax SEK -16.0 M (-14.2)
- Loss per share before/after dilution SEK -0.47 (-0.41)
- Cash flow SEK -20.7 M (-21.5)
- Order backlog SEK 1,362.9 M (1,169.2) at the end of the period

TWELVE MONTHS (JANUARY – DECEMBER 2021)

- Order intake SEK 807.8 M (854.8)
- Net sales SEK 641.1 M (651.6)
- Operating loss SEK -53.5 M (-3.5)
- Loss after tax SEK -47.3 M (-9.1)
- Loss per share before/after dilution SEK -1.38 (-0.26)
- Cash flow SEK -72.4 M (pos: 61.9)

SIGNIFICANT EVENTS DURING THE FOURTH QUARTER

- In October, RayCare was taken into clinical use with Accuray's Radixact® treatment delivery system at Swiss Medical Network in Switzerland.
- RaySearch secured a large order for RayStation from Lanzhou Ion Therapy, a Chinese manufacturer of accelerator systems.
- RaySearch and IBA have expanded their collaboration in proton therapy around the areas of FLASH radiotherapy, proton arc therapy and management of uncertainty regarding the location of the tumor.
- RaySearch and Mevion Medical Systems have expanded their collaboration on the development of advanced treatment planning techniques for FLASH delivery with the Mevion S250i Proton Therapy System.
- A new version of RaySearch's RayCare oncology information system was launched (5B). This version allows clinics to configure and tailor their workflows for radiation therapy.
- Launch of new version of RaySearch's advanced treatment planning system RayStation (11B), with new features for adaptive workflows, brachytherapy and ion-radiation therapy.
- During the fourth quarter, RaySearch relocated its head office to new premises, which has a significant impact on total consolidated assets.
- New CFO of RaySearch took over on November 15, 2021.
- RaySearch signed an agreement with Proton International Arkansas to provide RayStation at the UAMS Radiation Oncology Center.

THE COVID-19 PANDEMIC

- The COVID-19 pandemic, with substantial reorganizations in healthcare, had a negative impact on sales also in the fourth 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.

NO SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

FINANCIAL SUMMARY¹

AMOUNTS IN SEK 000s	OCT-DEC		JAN-DEC	
	2021	2020	2021	2020
Net sales	188,040	159,835	641,140	651,612
Operating loss	-16,762	-14,592	-53,525	-3,466
Operating margin, %	-8.9	-9.1	-8.3	-0.5
Loss for the period	-15,955	-14,164	-47,302	-9,080
Loss per share before/after dilution, SEK	-0.47	-0.41	-1.38	-0.26
Cash flow from operating activities	54,988	51,505	264,753	331,508
Cash flow for the period	-20,739	-21,498	-72,377	61,890
Return on equity, %	-2.4	-2.0	-7.0	-1.3
Equity/assets ratio, %, at the end of the period	37.1	54.0	37.1	54.0
Share price at the end of the period, SEK	56.5	82.7	56.5	82.7

¹ For definitions of key ratios, see page 20.



CEO COMMENTS

STRONG ORDER INTAKE IN THE FOURTH QUARTER OF 2021

The pandemic had a negative effect on RaySearch sales. It is very gratifying, therefore, that order intake rose 44 percent in the fourth quarter of 2021 compared with the year-on-year period. We noted a clearly positive trend in Asia, while market conditions in some European countries and North America remained challenging.

Towards the end of last year, however, we began to note increased opportunities for physical interaction with customers. One example was in October, when we met customers at the ASTRO Annual Meeting in Chicago, which is the leading trade fair in our field. We also arranged two major user meetings for customers – one in Europe and one in the US. The European meeting was fully virtual, but the meeting in the US was hybrid, with both physical and remote

participants. In the past, these customer meetings have been very important for our sales, and it was gratifying to see the high number of participants and the great interest in our products.

LARGE ORDERS, NEW COLLABORATION AGREEMENTS AND KEY MILESTONES

RaySearch received several significant orders during the quarter. One of these was a major RayStation order in China for carbon ion therapy, which is a highly advanced method of radiotherapy that may be effective for tumors that are difficult to treat with more conventional approaches. The carbon ion therapy market is gaining momentum in China with several facilities either under construction, or in a planning phase. The order from Lanzhou Ion Therapy Co includes RayStation licenses for three new carbon ion centers in China.

At the end of December, RaySearch signed an agreement with Proton International Arkansas to provide RayStation at the UAMS Radiation Oncology Center. RaySearch's products are now present in 30 proton therapy centers in North America, which is by far the majority of existing proton centers.

RaySearch also entered into a collaboration agreement with Mevion for the development of next-generation treatment planning techniques for proton radiotherapy treatment with FLASH, which complements Mevion's advanced HYPERSCAN delivery system.

Another important collaboration agreement during the quarter was between RaySearch and IBA. The agreement will expand the partnership in proton therapy between the companies in the areas of FLASH, proton arc therapy and management of uncertainty regarding the location of the tumor.

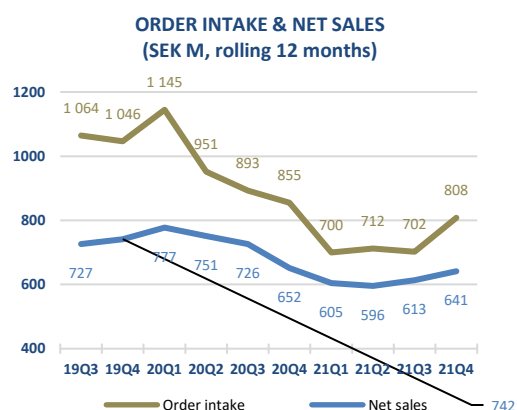
One key milestone during the fourth quarter was that RayCare is now fully integrated and in clinical use with Accuray's Radixact machine. Another was that Iridium Network in Antwerp in Belgium decided to invest in RayCare as its primary oncology information system.

Yet another important milestone was that in October, Heidelberg Ion Beam Therapy Center treated its first patient using helium ion therapy with RayStation treatment planning system. This is a world first for helium ion treatments with the modern pencil-beam scanning technique. The center will initiate a large clinical trial in this field.

CONTINUED DEVELOPMENT OF OUR PRODUCT PORTFOLIO

We are a company with a strong R&D focus. During the pandemic, our priority was to maintain our strategically important product expansion, while continuing to develop our existing products. In line with the development plan, new versions of RayStation (11B), RayCare (5B) and RayCommand (2B) were released in December.

RayStation 11B offers improvements for adaptive radiation therapy and tools for combined treatments, such as brachytherapy combined with external radiotherapy. Both of these features are at the forefront of new possibilities in



radiotherapy. In addition, RayStation is the first treatment planning system on the market to support clinical evaluation of linear energy transfer (LET) for protons and other ions.

The focus for RayCare 5B has been improved workflows and the integration of RayCare with various treatment machines. The biggest news in the latest version of RayCare is that users can now configure their own workflows, something that previously required assistance from RaySearch. It is now easier for clinics to implement and configure RayCare to their specific way of working. Another important area is the integration of RayCare with treatment machines, since this is one of the key features of an oncology information system.

RayCommand is a treatment control system that serves as a link between the treatment machine and the treatment planning and oncology information systems, and helps to achieve efficient coordination between the multitude of systems in a treatment room. In the latest version we have implemented the functions needed for MedAustron, one of our first customers of this system, to be able to safely and efficiently take the product into clinical use in all its treatment rooms, something that is planned to happen this spring.

For RayIntelligence, development continued during the quarter and we are looking forward to presenting news about this product in 2022.

INCREASED FOCUS ON COSTS

Our costs increased in the fourth quarter, mainly due to increased marketing activities and the relocation of our head office to new premises at New Karolinska. The vast majority of these costs were non-recurring and we are now expecting a cost level for full-year 2022 that is on par with the year-on-year, but with the costs redirected to our core business of product development and sales activities. To ensure this, we intend to strengthen our purchasing processes and the monitoring of our financial performance.

LOOKING AHEAD WITH CONFIDENCE

It is gratifying to report that our operational activities – R&D and our delivery capacity – are still relatively unaffected by the pandemic.

Although 2021 was a challenging year in many respects, we decided to continue investing in and developing both existing and new products, and to relocate our head office to new premises.

In 2022, we will continue to develop our products and focus on costs. At the same time, we are expecting that market conditions will continue to improve, partly the result of better access to existing and potential customers, but also due to the growing need faced by cancer centers all over the world for effective cancer care. Since our total order backlog of 1,363 is the highest ever, we have a solid foundation in place for resuming growth during the year.

With products that are better than ever and a very strong team, we are well-positioned to grow without increasing our costs in 2022.

Finally, I would like to thank all our employees for the flexibility, creativity, and dedication you have continued to show in the second year of this pandemic. While these past two years have been challenging, the most difficult times seem to be over, and we are looking forward to 2022 with confidence.

Stockholm, February 23, 2022

Johan Löf
CEO and founder

FINANCIAL INFORMATION

ORDER INTAKE AND ORDER BACKLOG

In the fourth quarter of 2021, order intake rose 44.3 percent to SEK 345.0 M (239.1). License order intake increased 55.8 percent to SEK 170.9 M (109.7) while order intake for support increased 36.3 percent to SEK 130.7 M (95.9).

Order intake (amounts in SEK M)	Q4-21	Q3-21	Q2-21	Q1-21	Q4-20	Full-year 2021	Full-year 2020
Licenses	170.9	46.2	55.6	78.0	109.7	350.7	378.0
Hardware	35.7	7.9	9.3	12.1	26.7	65.0	69.5
Support (incl. warranty support)	130.7	69.1	116.6	48.6	95.9	365.0	377.4
Training and other	7.7	4.7	8.2	6.5	6.8	27.1	29.9
Total order intake	345.0	127.9	189.8	145.1	239.1	807.8	854.8

Order backlog (amounts in SEK M)	Q4-21	Q3-21	Q2-21	Q1-21	Q4-20
Licenses	176.6	105.3	115.0	129.6	127.0
Hardware	66.2	38.4	36.9	48.5	50.3
Support (incl. warranty support)	1,053.3	1,009.2	1,001.7	974.2	942.6
Training and other	66.8	59.5	59.9	54.8	49.4
Total order backlog at the end of the period	1,362.9	1,212.4	1,213.4	1,207.1	1,169.2

For full-year 2021, order intake declined 5.5 percent to SEK 807.8 M (854.8). License order intake declined 7.2 percent to SEK 350.7 M (378.0), while order intake for support declined 3.3 percent to SEK 365.0 M (377.4). The change was largely due to the COVID-19 pandemic, which did not affect the company's operations until the second quarter of 2020.

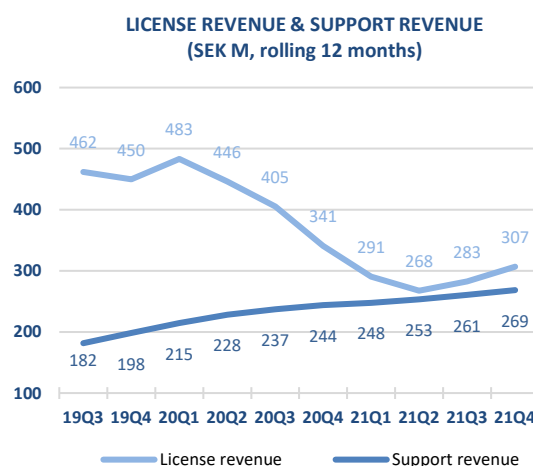
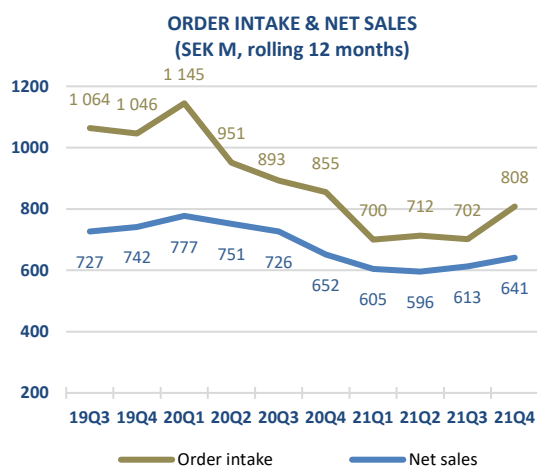
At December 31, 2021, the total order backlog amounted SEK 1,362.9 M (1,169.2), which is expected to generate revenue of approximately SEK 350 M over the next 12 months. The remaining amount in the order backlog mainly pertains to support obligations, which are primarily expected to generate revenue over a subsequent four-year period.

REVENUE

In the fourth quarter of 2021, net sales rose 17.6 percent to SEK 188.0 M (159.8). The change was attributable to higher license sales, which rose 29.5 percent to SEK 105.0 M (81.1), primarily due to the COVID-19 pandemic, which had a negative impact on revenue in the fourth quarter of 2020. The change in sales at unchanged currencies was 22.0 percent (-28.5).

In the fourth quarter, support revenue rose 12.3 percent to SEK 71.8 M (63.9), accounting for 38 percent (40) of net sales. Hardware sales, which have a limited profit margin, declined 9.8 percent to SEK 9.2 M (10.2). Excluding hardware, sales rose 19.5 percent compared with the corresponding period in 2020.

Revenue (amounts in SEK M)	Q4-21	Q3-21	Q2-21	Q1-21	Q4-20	Full-year 2021	Full-year 2020
License revenue	105.0	55.7	63.4	82.6	81.1	306.6	340.8
Hardware revenue	9.2	7.1	19.8	15.4	10.2	51.5	48.0
Support revenue	71.8	67.3	67.5	61.9	63.9	268.5	243.9
Training and other revenue	2.1	6.4	3.9	2.1	4.6	14.5	18.9
Net sales	188.0	136.4	154.6	162.1	159.8	641.1	651.6
Change in sales, corresp. period, %	17.6	14.5	-5.6	-22.4	-31.8	-1.6	-12.1
Change in organic sales, corresp. period, %	22.0	11.9	4.5	-14.2	-28.5	1.6	-10.3



For full-year 2021, net sales declined 1.6 percent to SEK 641.1 M [651.6]. The change was attributable to lower license revenue, which declined 10.0 percent to SEK 306.6 M [340.8], a result of the COVID-19 pandemic. The change in sales at unchanged currencies was 1.6 percent [-10.3].

In 2021, net sales had the following geographic distribution: North America, 35 percent [37]; Asia, 27 percent [25]; Europe and the rest of the world, 38 percent [38].

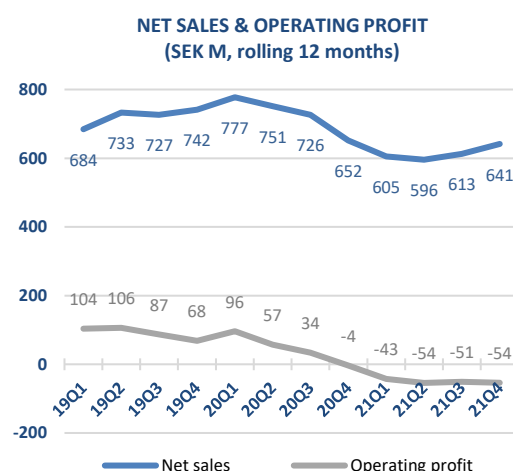
OPERATING PROFIT

In the fourth quarter of 2021, operating loss totaled SEK -16.8 M [-14.6], representing an operating margin of -8.9 percent [-9.1]. The increased loss was largely attributable to higher operating expenses, which was partly offset by higher license revenue and positive currency translation effects.

In the fourth quarter, operating expenses increased 17.4 percent to SEK 204.8 M [174.4]. The change was largely due to increased selling expenses, higher costs in conjunction with the relocation of the head office and increased amortization expense. Selling expenses were lower in the year-earlier quarter due to the cancellation of marketing and sales activities due to the pandemic.

In the fourth quarter, net exchange gains and losses amounted to SEK 1.8 M [-15.6], 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 fourth quarter compared with the end of the third quarter. Adjusted for these currency translation effects, operating loss would have totaled SEK -18.6 M [profit: 1.0] in the fourth quarter and operating expenses would have increased 30.1 percent [19.4].

For full-year 2021, operating loss increased to SEK -53.5 M [-3.5], representing an operating margin of -8.3 percent [-0.5]. The weaker result is largely due to lower license revenue, which was partly offset by higher support revenue, as well as increased selling expenses and costs related to the new office premises and increased amortization expense.



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 22 percent in the fourth quarter of 2021, compared with the year-earlier period. In addition, the Group's exchange gains on balance sheet items amounted to SEK 1.8 M [-15.5] in the fourth quarter. Currency effects therefore had a positive impact on net sales and operating profit in the fourth 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 2.7 M in the fourth quarter of

2021, while a corresponding change in the EUR exchange rate would have impacted consolidated operating profit by approximately +/- SEK 1.8 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 December 31, 2021, some 211 employees (200) were engaged in research and development, corresponding to 50 percent (49) of the total number of employees.

Capitalization of development costs	Q4-21	Q3-21	Q2-21	Q1-21	Q4-20	Full-year 2021	Full-year 2020
Research and development costs	74.7	57.9	68.0	64.9	65.2	265.6	243.4
Capitalization of development costs	-59.3	-40.0	-52.5	-51.5	-53.1	-203.3	-195.6
Amortization of capitalized development costs	44.1	43.2	40.1	39.2	36.8	166.7	137.2
Research and development costs	59.6	61.2	55.7	52.6	48.9	229.1	185.0

In 2021, RaySearch continued to invest in both existing products and future products. Overall, research and development costs rose 9.1 percent to SEK 265.6 M (243.4) in 2021, corresponding to 41 percent (37) of the Group's net sales. The increase was attributable to a higher number of employees in research and development.

Development costs of SEK 203.3 M (195.6) were capitalized, increase 3.9 percent, representing 72 percent (80) of total research and development costs.

Amortization of capitalized development costs rose 21.5 percent to SEK 166.7 M (137.2). 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 23.8 percent to SEK 229.1 M (185.0).

Amortization and depreciation

In the fourth quarter of 2021, total amortization and depreciation increased 24.6 percent to SEK 69.9 M (56.1), of which amortization of intangible fixed assets accounted for SEK 44.2 M (36.9), mainly related to capitalized development costs. Depreciation of tangible fixed assets amounted to SEK 25.7 M (19.2).

Total amortization and depreciation for the year amounted to SEK 250.2 M (213.8), of which amortization of intangible fixed assets totaled SEK 167.0 M (137.3), mainly related to capitalized development costs. Depreciation of tangible fixed assets amounted to SEK 83.1 M (76.5).

PROFIT AND EARNINGS PER SHARE

In the fourth quarter of 2021, loss after tax totaled SEK -16.0 M (-14.2), representing loss per share of SEK -0.47 (-0.41) before and after dilution. For full-year 2021, loss after tax totaled SEK -47.3 M (-9.1), representing loss per share of SEK -1.38 (-0.26) before and after dilution.

Tax expense for the year amounted to SEK 11.6 M (-2.6), corresponding to an effective tax rate of 19.6 percent (30.5).

CASH FLOW AND LIQUIDITY

In the fourth quarter of 2021, cash flow from operating activities was SEK 55.0 M (51.5) 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. In 2021, cash flow from operating activities was SEK 264.8 M (331.5).

At the end of the period, the company's total customer receivables amounted to 57 percent (50) of net sales over the past 12 months. Working capital amounted to 7 percent (12) of net sales over the past 12 months. The decline was attributable to increased payments from customers, including advance payments from customers.

During the fourth quarter, cash flow from investing activities was SEK -77.8 M (-64.1). Investments in intangible fixed assets amounted to SEK -59.3 M (-53.1) and consisted of capitalized development costs for the company's products – RayStation, RayCare, RayCommand and RayIntelligence. Investments in tangible fixed assets amounted to SEK -18.6 M (-11.0), mainly related to investments in a new head office in Stockholm.

Cash flow from financing activities was SEK 2.1 M (-8.9) for the fourth quarter of 2021 and SEK -82.6 M (-44.0) for the full-year. The change for the full-year 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 -20.7 M (-21.5) in the fourth quarter, and SEK -72.4 M (61.9) for the full-year. At December 31, 2021, consolidated cash and cash equivalents amounted to SEK 102.5 M (168.7).

FINANCIAL POSITION

At December 31, 2021, RaySearch's total assets amounted to SEK 1,752 M (1,285) and the equity/assets ratio was 37.1 percent (54.0). The change in total assets and the equity/assets ratio was largely attributable to an increase in right-of-use assets related to rented premises following the granting of access to the new head office premises.

Current receivables amounted to SEK 429 M (408). 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 December 31, 2021, a short-term loan of SEK 0 M (50) was raised under the company's revolving loan facility and SEK 21 M (0) of the credit facility had been drawn.

At December 31, 2021, the Group's net debt amounted to SEK 459.7 M (-22.4). The change was largely due to an increase in lease liabilities following the granting of access to the new head office premises during the fourth quarter.

EMPLOYEES

In 2021, the average number of employees in the Group was 419 (394). At the end of the fourth quarter, the Group had 418 (405) employees, of whom 308 (300) were based in Sweden and 110 (105) 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 FOURTH QUARTER

Order intake Lanzhou

RaySearch secured a large order for RayStation from Lanzhou Ion Therapy, a Chinese manufacturer of accelerator systems. The total order value was SEK 56 M including a five-year service agreement.

Expanded collaboration with IBA

In October, RaySearch and IBA decided to expand their existing collaboration in proton therapy around the areas of FLASH radiotherapy, proton arc management of uncertainty regarding the location of the tumor.

Expanded collaboration with Mevion

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

New versions of RayStation and RayCare released

New versions of RaySearch's treatment planning system and oncology information system were launched in December. RayStation 11B offers new features for adaptive workflows, brachytherapy and ion-radiation therapy. RayCare 5B allows clinics to configure and tailor their workflows for radiation therapy.

New head office premises increases total assets

During the fourth quarter, RaySearch relocated its head office to new premises, which increased total consolidated assets by SEK 482 M.

Management change

Torbjörn Wingårdh became CFO of RaySearch on November 15, 2021.

Agreement signed with Proton International Arkansas

In December, RaySearch signed an agreement with Proton International Arkansas to provide RayStation at the UAMS Radiation Oncology Center, which is scheduled to open in 2023. The center will use RayStation as its treatment planning system.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

No significant events after the end of the reporting period.

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 fourth quarter of 2021

Sales. The ongoing COVID-19 pandemic had a negative impact on RaySearch's sales also in the fourth quarter due to continued restrictions and rising case numbers. 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.

In the fourth quarter, COVID-19 did not have any major impact on the company's assessment items.

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.

In addition, as soon as the vaccination program takes full 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 pandemic will last and the extent of the economic impacts, RaySearch will continue to focus on 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 pandemic could be a further acceleration of the ongoing rapid 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 December 31, 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 is SEK 0.50 and the company's share capital amounts 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 December 31, 2021, the total number of voting rights in RaySearch was 110,377,548.

SHARE OWNERSHIP

At December 31, 2021, the number of shareholders in RaySearch was 6,878 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	356,147	6,599,231	19.2	56.9
Invesco fonder	0	4,226,299	4,226,299	12.3	3.8
La Financière de l'Echiquier	0	2,652,567	2,652,567	7.7	2.4
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
Avanza Pension	0	561,194	561,194	1.6	0.5
C WorldWide Asset Management	0	824,190	824,190	2.4	0.7
Total, 10 largest shareholders	8,454,822	13,963,707	22,418,529	65.4	89.2
Others	153	11,864,091	11,864,244	34.6	10.8
Total	8,454,975	25,827,798	34,282,773	100.0	100.0

Source: Euroclear

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.

Proposed dividend

Since the company is in the midst of an expansive and capital-intensive phase, the Board of RaySearch proposes that no dividend be paid for the 2021 fiscal year.

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.

REVIEW

This year-end report has not been reviewed by the company's auditors.

The Board of Directors and CEO give their assurance that this year-end 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, February 23, 2022

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

FOR FURTHER INFORMATION, PLEASE CONTACT:

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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 February 23, 2022 at 7:45 a.m. CET.

WEBCAST

CEO Johan Löf and CFO Torbjörn Wingårdh will present RaySearch's year-end report for January-December 2021 at a webcast to be held in English on Wednesday, February 23, 2022 between 10:00-10:30 p.m. CET.

For login details to the webcast, please register on:

<https://raysearchlabs.creo.se/220223>

FINANCIAL CALENDAR

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		OCT-DEC		JAN-DEC	
	Note	2021	2020	2021	2020
Net sales	2.3	188,040	159,835	641,140	651,612
Cost of goods sold ¹		-9,994	-9,554	-49,458	-43,374
Gross profit		178,046	150,281	591,682	608,238
Other operating income		5,269	11,900	32,456	18,283
Selling expenses		-100,054	-73,639	-304,613	-291,229
Administrative expenses		-37,029	-26,790	-122,237	-106,290
Research and development costs		-59,566	-48,868	-229,088	-185,041
Other operating expenses		-3,428	-27,476	-21,725	-47,427
Operating loss		-16,762	-14,592	-53,525	-3,466
Profit/loss from financial items		-2,370	549	-5,332	-3,012
Loss before tax		-19,132	-14,043	-58,857	-6,478
Tax		3,177	-121	11,555	-2,602
Loss for the period²		-15,955	-14,164	-47,302	-9,080
Other comprehensive income					
Items to be reclassified to profit or loss					
Translation difference of foreign operations for the period		884	-1,351	2,274	-2,038
Comprehensive income for the period²		-15,071	-15,515	-45,028	-11,118
Loss per share before and after dilution (SEK)		-0.47	-0.41	-1.38	-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		OCT-DEC		JAN-DEC	
		2021	2020	2021	2020
Opening balance according to adopted Annual Report		664,394	709,865	694,351	705,468
Loss for the period		-15,955	-14,164	-47,302	-9,080
Translation difference for the period		884	-1,351	2,274	-2,037
Closing balance		649,323	694,350	649,323	694,351

CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN SUMMARY

AMOUNTS IN SEK 000s	Note	Dec 31, 2021	Dec 31, 2020
ASSETS			
Intangible fixed assets		523,109	486,817
Tangible fixed assets		666,820	186,768
Deferred tax assets		22,825	7,226
Other long-term receivables		7,856	26,928
Total fixed assets		1,220,610	707,739
Inventories		31,571	9,110
Current receivables		397,440	399,309
Cash and cash equivalents		102,535	168,746
Total current assets		531,546	577,165
TOTAL ASSETS		1,752,156	1,284,904
EQUITY AND LIABILITIES			
Equity		649,323	694,351
Deferred tax liabilities		107,784	108,749
Long-term interest-bearing liabilities		491,896	53,788
Total long-term liabilities		599,680	162,537
Accounts payable		48,774	19,864
Current interest-bearing liabilities		70,381	92,519
Other current liabilities		383,998	315,633
Total current liabilities		503,153	428,016
TOTAL EQUITY AND LIABILITIES		1,752,156	1,284,904

CONSOLIDATED STATEMENT OF CASH FLOW IN SUMMARY

AMOUNTS IN SEK 000s		OCT-DEC		JAN-DEC	
	Note	2021	2020	2021	2020
Loss before tax		-19,132	-14,043	-58,857	-6,478
Adjusted for non-cash items ¹⁾		64,390	68,565	227,217	234,223
Taxes paid		23,164	-7,061	13,335	-28,212
Cash flow from operating activities before changes in working capital		68,422	47,461	181,695	199,533
Cash flow from changes in operating receivables		-103,835	-88,943	27,054	52,152
Cash flow from changes in operating liabilities		90,401	92,987	56,004	79,823
Cash flow from operating activities		54,988	51,505	264,753	331,508
Cash flow from investing activities		-77,843	-64,094	-254,530	-225,593
Cash flow from financing activities		2,116	-8,909	-82,600	-44,025
Cash flow for the period		-20,739	-21,498	-72,377	61,890
Cash and cash equivalents at the beginning of the period		120,589	194,140	168,746	113,858
Exchange-rate difference in cash and cash equivalents		2,685	-3,896	6,166	-7,002
Cash and cash equivalents at the end of the period²⁾		102,535	168,746	102,535	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		OCT-DEC		JAN-DEC	
	Note	2021	2020	2021	2020
Net sales		138,553	126,235	470,496	489,623
Cost of goods sold ¹⁾		-10,554	-4,446	-25,847	-24,095
Gross profit		127,999	121,789	444,649	465,528
Other operating income		5,198	11,007	31,904	9,163
Selling expenses		-56,086	-43,125	-177,336	-167,012
Administrative expenses		-38,854	-26,848	-124,241	-106,702
Research and development costs		-79,523	-65,302	-270,868	-243,950
Other operating expenses		-3,249	-27,113	-20,704	-38,713
Operating loss		-44,515	-29,592	-116,596	-81,686
Profit/loss from financial items		-536	-377	-1,618	17
Loss after financial items		-45,051	-29,969	-118,214	-81,669
Appropriations		32,615	82,306	32,615	82,306
Profit/loss before tax		-12,436	52,337	-85,599	637
Tax on profit/loss for the period		1,610	-12,426	15,953	-4,136
Profit/loss for the period		-10,826	39,911	-69,646	-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		OCT-DEC		JAN-DEC	
		2021	2020	2021	2020
Profit/loss for the period		-10,826	39,911	-69,646	-3,499
Other comprehensive income		-	-	-	-
Comprehensive income for the period		-10,826	39,911	-69,646	-3,499

PARENT COMPANY BALANCE SHEET IN SUMMARY

AMOUNTS IN SEK 000s	Note	Dec 31, 2021	Dec 31, 2020
ASSETS			
Intangible fixed assets		575	808
Tangible fixed assets		69,225	43,863
Shares and participations		3,958	1,911
Deferred tax assets		22,573	5,879
Long-term receivables from Group companies		-	25,426
Other long-term receivables		7,650	9,411
Total fixed assets		103,981	87,298
Inventories		6,642	176
Current receivables		364,531	356,270
Cash and bank balances		11,165	107,711
Total current assets		382,338	464,157
TOTAL ASSETS		486,319	551,455
EQUITY AND LIABILITIES			
Equity			
<u>Restricted equity</u>			
Share capital		17,141	17,141
Statutory reserve		43,630	43,630
Total restricted equity		60,771	60,771
<u>Unrestricted equity</u>			
Retained earnings		202,699	206,198
Loss for the year		-69,646	-3,499
Total non-restricted equity		133,053	202,699
Total equity		193,824	263,470
Untaxed reserves		-	32,615
Long-term liabilities		6,447	879
Accounts payable ¹⁾		49,215	30,156
Current interest-bearing liabilities		21,268	49,649
Other current liabilities ¹⁾		215,565	174,686
Total current liabilities		286,048	254,491
TOTAL EQUITY AND LIABILITIES		486,319	551,455

¹ The reclassification of comparative figures is based on other current liabilities to accounts payable pertaining to intra-Group accounts payable of SEK 11.1 M.

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		OCT-DEC			
	2021	2020	Change	Full-year 2021	Full-year 2020
Revenue by type					
Licenses	104,970	81,078	29.5%	306,605	340,802
Support	71,782	63,897	12.3%	268,526	243,913
Hardware	9,195	10,232	-10.1%	51,496	48,026
Training and other	2,093	4,628	-54.8%	14,513	18,871
Total revenue from contracts with customers	188,040	159,835	17.6%	641,140	651,612
Revenue by geographic market					
North America	60,247	43,079	39.9%	224,178	241,476
APAC	62,289	53,793	15.8%	173,121	162,078
Europe and rest of the world	65,504	62,963	4.0%	243,841	248,058
Total revenue from contracts with customers	188,040	159,835	17.6%	641,140	651,612
Revenue by date for revenue recognition					
Goods/services transferred at a point in time	114,165	91,310	25.0%	358,101	388,828
Services transferred over time	73,875	68,525	7.8%	283,039	262,784
Total revenue from contracts with customers	188,040	159,835	17.6%	641,140	651,612

AMOUNTS IN SEK 000s		JAN-DEC			
	2021	2020	Change	Full-year 2021	Full-year 2020
Revenue by type					
Licenses	306,605	340,802	-10.0%	306,605	340,802
Support	268,526	243,913	10.1%	268,526	243,913
Hardware	51,496	48,026	7.2%	51,496	48,026
Training and other	14,513	18,871	-23.1%	14,513	18,871
Total revenue from contracts with customers	641,140	651,612	-1.6%	641,140	651,612
Revenue by geographic market					
North America	224,178	241,476	-7.2%	224,178	241,476
APAC	173,121	162,078	6.8%	173,121	162,078
Europe and rest of the world	243,841	248,058	-1.7%	243,841	248,058
Total revenue from contracts with customers	641,140	651,612	-1.6%	641,140	651,612
Revenue by date for revenue recognition					
Goods/services transferred at a point in time	358,101	388,828	-7.9%	358,101	388,828
Services transferred over time	283,039	262,784	7.7%	283,039	262,784
Total revenue from contracts with customers	641,140	651,612	-1.6%	641,140	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 December 2021, the credit loss provision amounted to SEK 39.1 M (23.6), corresponding to 11 percent (7) 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	Dec 31, 2021	Dec 31, 2020
Chattel mortgages	100,000	100,000
Guarantees	31,046	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			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order intake								
Total order intake	345,028	127,853	189,750	145,131	239,125	138,480	177,133	300,018
Income statement								
Net sales	188,040	136,419	154,579	162,102	159,835	119,130	163,758	208,889
Change in sales, %	17.6	14.5	-5.6	-22.4	-31.8	-17.5	-13.7	20.7
Operating profit/loss	-16,762	-26,561	-22,463	12,261	-14,592	-29,477	-10,954	51,557
Operating margin, %	-8.9	-19.5	-14.5	7.6	-9.1	-24.7	-6.7	24.7
Profit/loss for the period	-15,955	-21,990	-16,467	7,110	-14,164	-26,182	-9,196	40,462
Net margin, %	-8.5	-16.1	-10.7	4.4	-8.9	-22.0	-5.6	19.4
Cash flow								
Operating activities	54,988	47,356	58,077	104,332	51,505	78,486	135,443	66,074
Investing activities	-77,843	-45,569	-70,843	-60,275	-64,094	-45,372	-55,913	-60,214
Financing activities	2,116	-11,875	-61,624	-11,217	-8,909	-11,394	-13,618	-10,104
Cash flow for the period	-20,739	-10,088	-74,390	32,840	-21,498	21,720	65,912	-4,244
Capital structure								
Equity/assets ratio, %	37.1	56.7	57.8	52.7	54.0	57.0	56.2	55.8
Net debt	459,742	-52,983	-50,385	-65,952	-22,439	-31,476	206	73,231
Debt/equity ratio	0.7	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.1
Net debt/EBITDA	2.3	-0.3	-0.3	-0.4	-0.1	-0.1	0.0	0.3
Per share data, SEK								
Earnings/loss per share before dilution	-0.47	-0.64	-0.48	0.21	-0.41	-0.76	-0.27	1.18
Earnings/loss per share after dilution	-0.47	-0.64	-0.48	0.21	-0.41	-0.76	-0.27	1.18
Equity per share	18.94	19.38	20.00	20.49	20.25	20.71	21.48	21.79
Share price at the end of the period	56.5	61.50	87.40	89.50	82.70	87.50	86.50	57.60
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	419	418	414	412	404	399	391	386

GROUP, ROLLING 12 MONTHS

AMOUNTS IN SEK 000s	Jan 2021- Dec 2021	Oct 2020- Sep 2021	Jul 2020- Jun 2021	Apr 2020- Mar 2021	Jan 2020- Dec 2020	Oct 2019- Sep 2020	Jul 2019- Jun 2020	Apr 2019- Mar 2020
Order intake								
Total order intake	807,762	701,859	712,486	699,868	854,755	892,846	951,160	1,144,639
Income statement								
Net sales	641,140	612,935	595,646	604,825	651,612	726,276	751,495	777,395
Operating profit/loss	-53,525	-51,355	-54,271	-42,762	-3,466	33,594	56,726	96,489
Operating margin, %	-8.3	-8.4	-9.1	-7.1	-0.5	4.6	7.5	12.4
Cash flow								
Cash flow	-72,380	-73,136	-41,328	98,972	61,890	91,165	55,970	-5,811
Cash flow adjusted for repayment of bank loans	-22,380	-23,136	8,672	98,972	61,890	91,165	55,970	69,189

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	Dec 31, 2021	Dec 31, 2020
Working capital		
Accounts receivable (current billed customer receivables)	210,923	156,811
Current unbilled customer receivables	147,991	143,941
Long-term unbilled customer receivables	7,856	26,928
Inventories	31,571	9,110
Other current receivables (excl. tax)	74,804	74,980
Accounts payable	-48,774	-19,864
Other current liabilities (excl. tax)	-380,475	-312,791
Working capital	43,896	79,115
Net debt		
Current interest-bearing liabilities	70,381	92,519
Long-term interest-bearing liabilities	491,896	53,788
Cash and cash equivalents	-102,535	-168,746
Net debt	459,742	-22,439
EBITDA		
Operating loss	-53,525	-3,466
Amortization and depreciation	250,184	213,293
EBITDA	196,659	209,827
CHANGE IN SALES AT UNCHANGED CURRENCIES		
Net sales for the year	641,140	651,612
Currency adjustment	20,868	13,805
Adjusted Net sales	662,008	665,417
Net sales, preceding year	651,612	741,584
Organic growth	1.6%	-10.3%

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Corp. Reg. No. 556322-6157

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 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.