

"In the third quarter of 2022, order intake increased by 71 percent and net sales rose 55 percent. Operating profit amounted to SEK 12 M (-27) in the third quarter and SEK 22 M (-37) for the first nine months."

Johan Löf, CEO of RaySearch

THIRD QUARTER (JULY-SEPTEMBER 2022)

- Order intake SEK 219.1 M {127.9}
- Net sales SEK 210.9 M {136.4}
- Operating profit SEK 12.0 M {-26.6}
- Profit after tax SEK 10.1 M {-22.0}
- Profit per share before/after dilution SEK 0.29 M {-0.64}
- Cash flow SEK -48.0 M {-10.1}
- Order backlog SEK 1,715.2 M {1,212.4} at the end of the period

NINE MONTHS (JANUARY-SEPTEMBER 2022)

- Order intake SEK 704.0 M {462.7}
- Net sales SEK 579.3 M {453.1}
- Operating profit SEK 22.0 M {-36.8}
- Profit after tax SEK 9.6 M {-31.3}
- Profit per share before/after dilution SEK 0.28 M {-0.91}
- Cash flow SEK 4.0 M {-51.6}

SIGNIFICANT EVENTS DURING THE THIRD QUARTER

- Istituto Europeo di Oncologia (IEO) placed an order on RayStation to be used at its proton center in Milan, Italy.
- Sunnybrook Health Sciences Centre in Canada placed an order on RayStation.
- RaySearch announces a partnership with Leo Cancer Care in Great Britain for the development of a streamlined treatment planning solution for upright treatments.
- New Mexico Comprehensive Cancer Center (UNMCCC) placed an order for RayStation through a public tender process.
- Harris Health System placed an order for RayStation.
- Seoul National University Hospital placed an order for RayCare.
- Henrik Bergentoft was appointed new CFO at RaySearch and took up his position November 15, 2022.
- Chairman of the Board and member of RaySearch's Board resigned.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

- McLaren Proton Therapy Center – Karmanos Cancer Institute – in Flint, Michigan in the US, placed an order for RayStation.
- Günther Mårder was elected new member of RaySearch's Board.

FINANCIAL SUMMARY¹

AMOUNTS IN SEK 000s	JUL-SEP		JAN-SEP		OCT 2021 -	FULL-YEAR
	2022	2021	2022	2021	SEP 2022	2021
Net sales	210,881	136,419	579,265	453,100	767,838	641,673
Operating profit/loss	12,007	-26,561	22,044	-36,763	5,466	-53,341
Operating margin, %	5.7	-19.5	3.8	-8.1	0.7	-8.3
Profit/loss for the period	10,073	-21,990	9,640	-31,347	-6,328	-47,315
Earnings/loss per share before/after dilution, SEK	0.29	-0.64	0.28	-0.91	-0.18	-1.38
Cash flow from operating activities	8,613	47,356	214,178	209,765	242,575	238,162
Cash flow for the period	-47,990	-10,088	4,015	-51,638	-16,050	-71,703
Return on equity, % ²	1.6	-3.3	1.5	-4.8	-1.0	-7.3
Equity/assets ratio, %, at the end of the period ²	37.4	55.0	37.4	55.0	37.4	36.0
Share price at the end of the period, SEK	47.6	61.5	47.6	61.5	47.6	56.5

¹ For definitions of key ratios, see page 20.

CEO COMMENTS



RECORD HIGH ORDER INTAKE AND NET SALES

It is gratifying to note that the quarter had the highest order intake and net sales ever for a third quarter, SEK 219 M and SEK 211 M, respectively. If we disregard for a moment the pandemic years 2020 and 2021 and instead compare with the third quarter of 2019, when we noted an order intake of SEK 197 M and net sales of SEK 144 M, order intake has increased by 11 percent and net sales by 46 percent.

Furthermore, during the first nine months of the year, we noted an increase in order intake by 52 percent and an increase in net sales by 28 percent year-on-year. The operating profit was SEK 22 M.

In October, for the first time after the pandemic, we were able to be on site at ASTRO, which is one of the most important trade shows in the USA. Together with our partner Accuray we had the pleasure of showcasing exciting innovations in online adaptive. Also, with our partners Leo Cancer Care and GE Healthcare we demonstrated new

solutions, which were received very positively and with great interest among the visitors. The interest in our products was great – the major interest in RayCare was particularly gratifying – and we conducted many demonstrations and engaged in a number of rewarding discussions with many of our clinical and industrial partners.

NEW AGREEMENTS AND ORDERS FOR RAYCARE

In September, the renowned center Instituto Europeo di Oncologia (IEO) placed an order for RayStation and RayCare for its proton clinic in Milan. IEO has been a customer for several years and uses RayStation for its photon treatment. Next fall, the center plans to take a proton machine in clinical use, and for this reason they have now chosen to expand their use of RayStation and, in connection with that, also add RayCare. During the quarter Seoul National University Hospital in South Korea also decided to purchase RayCare, after placing an order for RayStation in April. These two orders confirm the interest we see in all regions to add RayCare to create an integrated solution and get the full potential of having all our systems in a single software platform.

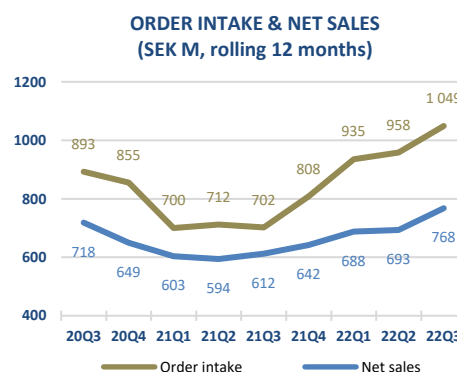
In September, one of Canada's largest hospitals, Sunnybrook Health Sciences Centre, placed an order for RayStation. We are proud to see that Sunnybrook has put their trust in us and look forward to working together with this large and well-known center. The agreement includes a complete configuration of RayStation, which will completely replace the hospital's existing treatment planning system, and has a total order value of approximately CAD 6.2 M (corresponding to approximately SEK 53 M). Of this, SEK 30 M constituted revenue in the quarter.

Another exciting event in September was the collaboration agreement we concluded with Leo Cancer Care in Great Britain. Leo Cancer Care are experts in upright radiotherapy and together with them we will develop a safe, efficient, and fully integrated solution for treatment planning for upright treatments.

After the end of the quarter, McLaren Proton Therapy Center at Karmanos Cancer Institute in Michigan, USA, placed an order for RayStation. This is of particular interest to us as the center is slated to become the first in the world to deliver proton therapy with Leo Cancer Care's upright treatment technology. Through our partnership with Leo Cancer Care, their technology can thus be integrated in conjunction with the implementation of RayStation at McLaren Proton Therapy Center.

CHANGES OF MANAGEMENT AND THE BOARD

At the beginning of the quarter, Henrik Bergentoft was appointed as the new CFO and a couple of days ago he took up his position. With his solid financial background and extensive experience as a CFO from global companies, including in the radiotherapy industry, he will be a valuable addition to RaySearch and our management team.



In September, Lars Wollung, Chairman, and Johanna Öberg, Board member and member of the audit committee, decided to resign due to their time-consuming operational assignments. I would like to take the opportunity to thank Lars and Johanna for their work and valuable contributions to RaySearch's Board.

At an Extraordinary General Meeting on November 9, Günther Mårder was elected as a new Board member. Günther is CEO of the organization Företagarna and has broad experience in entrepreneurship and the financial market. Combined with his commitment to RaySearch and the fight against cancer, I believe he will become an excellent addition to the Board.

WELL POSITIONED FOR GROWTH

Despite a mixed start to the year, the first three quarters overall indicate a positive trend. The cost-reduction program that was introduced in fall 2021 is continuing. The number of employees decreased by 13 percent year-on-year and costs for travel and market events are halved compared to the level before the pandemic. However, we have had increased costs due to initiated improvement projects in the finance department to strengthening our financial reporting. Lower capitalization and higher depreciation contribute to the fact that the effects of the program have not yet been fully reflected in the operating result. We will continue our chosen path, with a focus on sales, product development and cost control. With an order backlog that has increased to SEK 1,715 M, we have a solid foundation to generate continuous growth onwards.

Stockholm, 29 November 2022

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 2022, order intake rose 71.4 percent year-on-year to SEK 219.1 M [127.9]. License order intake increased 86.2 percent to SEK 86.0 M [46.2], while order intake for support increased 41.3 percent to SEK 97.7 M [69.1].

Order intake (amounts in SEK M)	Q3-22	Q2-22	Q1-22	Q4-21	Q3-21	Rolling 12 months	Full-Year 2021
Licenses	86.0	66.9	131.4	170.9	46.2	455.2	350.7
Hardware	25.9	21.2	24.1	35.7	7.9	106.9	65.0
Support (incl. warranty support)	97.7	118.7	111.2	130.7	69.1	458.3	365.0
Training and other	9.4	5.7	5.8	7.7	4.7	28.6	27.1
Total order intake	219.1	212.5	272.5	345.0	127.9	1,049.1	807.8
Order backlog (amounts in SEK M)	Q3-22	Q2-22	Q1-22	Q4-21	Q3-21		
Licenses	237.3	213.3	184.1	176.6	105.3		
Hardware	81.8	82.4	74.2	66.2	38.4		
Support (incl. warranty support)	1,320.5	1,169.9	1,159.9	1,053.3	1,009.2		
Training and other	75.6	74.7	70.5	66.8	59.5		
Total order backlog at the end of the period	1,715.2	1,540.3	1,488.7	1,362.9	1,212.4		

In the first nine months of 2022, order intake increased 52.2 percent to SEK 704.1 M [462.7]. License order intake increased by 58.1 percent to SEK 284.3 M [179.9] and order intake for support increased 39.8 percent to SEK 327.6 M [234.2].

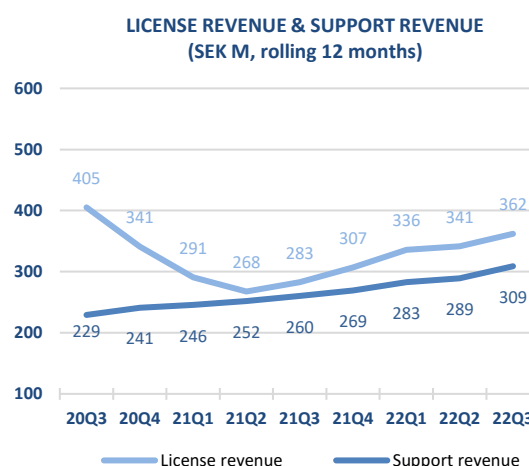
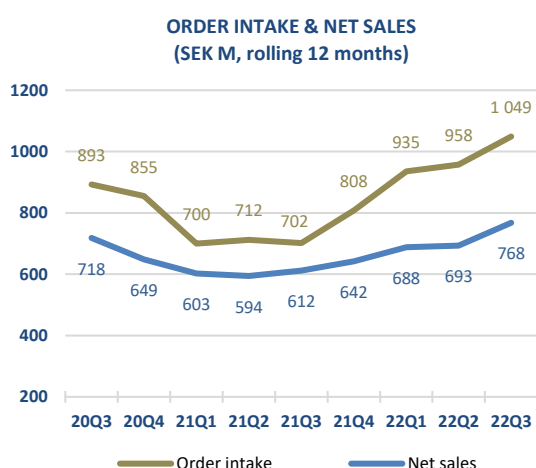
At September 30, 2022, the total order backlog amounted to SEK 1,715.2 M [1,212.2], which is expected to generate revenue of approximately SEK 608 M over the next 12 months. The remaining amount in the order backlog mainly pertains to support commitments that are primarily expected to generate revenue during a subsequent four-year period.

REVENUE

In the third quarter of 2022, net sales rose 54.6 percent to SEK 210.9 M [136.4]. The change was attributable to higher license sales, which increased 37.3 percent to SEK 76.4 M [55.7]. The change in sales at unchanged currencies was 33.3 percent [11.9].

Support revenue rose 29.8 percent to SEK 87.4 M [67.3], accounting for 41 percent [49] of net sales in the third quarter. Hardware sales, which have a limited profit margin, increased by 379.8 percent to SEK 33.9 M [7.1]. Excluding hardware, sales rose 36.8 percent year-on-year.

Revenue (amounts in SEK M)	Q3-22	Q2-22	Q1-22	Q4-21	Q3-21	Rolling 12 months	Full-year 2021
License revenue	76.4	68.4	111.7	105.5	55.7	362.1	307.1
Hardware revenue	33.9	14.8	16.6	9.2	7.1	74.5	51.5
Support revenue	87.4	73.1	76.6	71.8	67.3	308.9	268.5
Training and other revenue	13.1	3.9	3.2	2.1	6.4	22.3	14.5
Net sales	210.9	160.2	208.1	188.6	136.4	767.8	641.7
Change in sales, corresp. period, %	54.6	3.7	28.4	17.6	14.5	25.3	-1.6
Change in currency adjusted sales, corresp. period, %	33.3	-5.5	19.0	22.0	11.9	15.9	1.6



In the first nine months of 2022, net sales increased 27.8 percent to SEK 579.3 M (453.1). The change was attributable to higher license revenue, which increased 27.3 percent to SEK 256.6 (201.6).

During the first nine months of 2022, net sales had the following geographic distribution: North America, 47 percent (36), Asia 22 percent (25), Europe and the rest of the world, 31 percent (39).

OPERATING PROFIT

In the third quarter of 2022 operating profit increased to SEK 12.0 M (-26.6), representing an operating margin of 5.7 percent (-19.5). In the third quarter, operating expenses increased 22.0 percent to SEK 198.9 M (163.0).

In the third quarter, the net of exchange-rate gains and losses amounted to SEK 13.0 M (3.5) since a large portion 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 translations, the operating result for the third quarter would have totaled SEK -1,0 M (-30.1) in the third quarter.

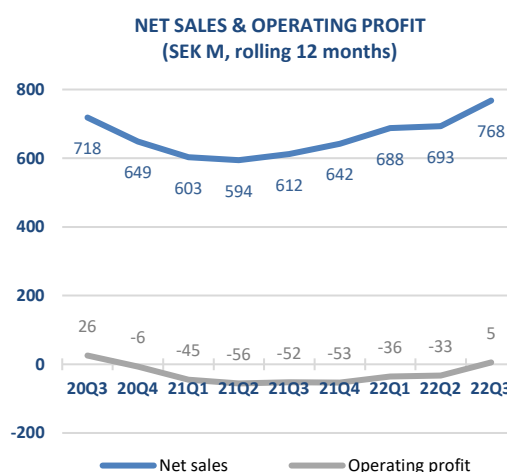
During the first nine months, the operating result increased to SEK 22.0 M (-36.8), representing an operating margin of 3.8 percent (-8.1).

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 33,3 percent in the third quarter of 2022 compared with the year-earlier period. In addition, the Group incurred an exchange rate effect of SEK 13,4 M (3.5) for balance sheet items in the third quarter. Currency effects therefore had a positive impact on net sales and operating profit in the third quarter of 2022.

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 0,9 M in the third quarter of 2022, while a corresponding change in the EUR exchange rate would have impacted consolidated operating profit by approximately +/- SEK 0,6 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, 2022, 195 employees (217) were engaged in R&D, corresponding to 52 percent (51) of the total number of employees.

Capitalization of development costs	Q3-22	Q2-22	Q1-22	Q4-21	Q3-21	Rolling 12 months	Full-year 2021
Research and development costs	51.8	59.9	64.3	79.1	57.9	255.1	270.0
Capitalization of development costs	-40.2	-46.0	-52.4	-59.3	-40.0	-197.9	-203.3
Amortization of capitalized development costs	50.9	45.4	45.0	44.1	43.2	185.4	166.7
Research and development costs	62.5	59.2	57.0	63.9	61.2	242.6	233.4

In 2022, RaySearch continued to invest in both existing products and future products. Overall, research and development costs decreased 7.8 percent to SEK 176.0 M (190.9) in the first nine months of 2022, corresponding to 30 percent (42) of the Group's net sales. The decrease was attributable to a lower number of employees in research and development.

Development costs of SEK 138.6 M (144.0) were capitalized, down 3.7 percent, representing 79 percent (75) of total research and development costs.

Amortization of capitalized development costs rose 15.3 percent to SEK 141.3 M (122.6), and the increase was attributable to the launching of new products.

Research and development costs (after adjustments for capitalization and amortization of development costs) rose 5.4 percent to SEK 178.7 M (169.5).

Amortization and depreciation

In the third quarter of 2022, total amortization and depreciation increased 25 percent to SEK 77.9 M (62.2), of which amortization of intangible fixed assets accounted for SEK 51.0 M (43.3), mainly related to capitalized development costs. Depreciation of tangible fixed- and right of use assets amounted to SEK 26.9 M (19.1).

In the first nine months of 2022, total amortization and depreciation amounted to SEK 219.0 M (180.3), of which amortization of intangible fixed assets amounted to SEK 141.5 M (122.8), mainly related to capitalized development costs. Depreciation of tangible fixed- and right of use assets amounted to SEK 77.5 M (57.4).

PROFIT AND EARNINGS PER SHARE

In the third quarter of 2022, profit after tax totaled SEK 10.1 M (-22.0), corresponding to profit per share of SEK 0.29 M (-0.64) before and after dilution. For the first nine months of 2022, profit after tax totaled SEK 9.6 M (-31.3), bringing profit per share before and after dilution to SEK 0.28 (-0.91).

Tax expense for the first nine months of the year amounted to SEK 4.5 M (-8.4), corresponding to an effective tax rate of 31.8 percent (-21.1). Previous year a tax income related to deferred tax assets in the parent company was recognized, related to tax deficits.

CASH FLOW AND LIQUIDITY

In the third quarter of 2022, cash flow from operating activities was SEK 8.6 M [47.4], and the change is attributable change in operating liabilities. Working capital mainly comprises various types of customer receivables, such as accounts receivable and current and long-term unbilled customer receivables in instances where payment plans exist. In the first nine months of 2022, cash flow from operating activities was SEK 214.2 M [209.8].

At the end of the period, the company's total customer receivables amounted to 40 percent (39) of net sales over the past 12 months. Working capital amounted to -2 percent (3) of net sales over the past 12 months. The decline is attributable to changes in operating liabilities including advance payments from customers.

In the third quarter, cash flow from investing activities was SEK -52.2 M [-45.6]. Investments in intangible fixed assets amounted to SEK -40.2 M [-40.0] and comprised capitalized development costs for the company's products – RayStation, RayCare, RayCommand and RayIntelligence. Investments in tangible fixed assets amounted to SEK -8.2 M [-5.6], mainly related to inventories and equipment in a new head office in Stockholm.

In the third quarter, cash flow from financing activities amounted to SEK -4.4 M [-11.9], and SEK -29.8 M [-84.7] during the first nine months. The change was largely due to a repayment of SEK 21 M on the company's credit facility in the second quarter.

Cash flow for the period was SEK -48.0 M [-10.1] for the third quarter and SEK 4.0 M [-51.6] for the nine first months. At September 30, consolidated cash and cash equivalents amounted to SEK 118.2 M [120.6].

FINANCIAL POSITION

At September 30, 2022, RaySearch's total assets amounted to SEK 1,724 M [1,178] and the equity/assets ratio was 37.4 percent (55.0). Current receivables amounted to SEK 417 M [339]. The receivables mainly comprise various types of customer receivables.

RaySearch's credit facilities comprise a revolving loan facility of up to SEK 150 M maturing in Mars 2025 and an overdraft facility of SEK 50 M maturing in December 2022. Chattel mortgages amounted to SEK 100 M. On September 30, 2022, short-term loans totaling SEK 0 M [0] had been raised under the company's revolving loan facility and SEK 0 M [0] of the credit facility had been drawn.

On September 30, 2022, the Group's net debt (previous year net cash) amounted to SEK 414.3 M [-53.0]. The change was due to increased lease liabilities for the new headquarter facilities in the fourth quarter 2021.

EMPLOYEES

In the January-September period of 2022, the average number of employees in the Group was 386 (418). At the end of the third quarter, the Group had 373 (428), employees, of whom 269 (319) were based in Sweden and 104 (109) 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 marginally 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

Agreement with Istituto Europeo di Oncologia

Istituto Europeo di Oncologia (IEO) placed an order for RayStation and RayCare to be used at its proton center in Milan, Italy. IEO has used RayStation for radiation treatment with photons since 2017. Now, the center has extended its use of RayStation as well as add RayCare. The combination of RayStation, RayCare and an IBA machine will provide a more integrated and unified solution throughout the complete workflow.

Agreement with Sunnybrook Health Sciences Centre

Sunnybrook Health Sciences Centre – Odette Cancer Centre – in Toronto, Canada, placed an order for RayStation. The agreement includes a complete configuration of RayStation to fully replace the hospital's existing treatment planning systems. Total order value amounts to approximately CAD 6.2 M (approximately SEK 53 M), excluding expected support services of an additional CAD 1.88 M (approximately SEK 16 M) over the next eight years.

Agreement with New Mexico Comprehensive Cancer Center

New Mexico Comprehensive Cancer Center (UNMCCC) placed an order for RayStation through a public tender process. The center is expanding its clinical radiation oncology services and as part of this investment RayStation will replace the center's current treatment planning system.

Agreement with Harris Health

Harris Health System in Texas, the USA, placed an order for RayStation to be used at its center Smith Clinic. RayStation will replace the center's current treatment planning system.

Agreement with Seoul National University Hospital

Seoul National University Hospital (SNUH) placed an order for RayCare. In the second quarter of 2022 SNUH placed an order for RayStation. SNUH is the second carbon ion center in Korea to select RaySearch with RayStation and RayCare, the first customer was Yonsei Cancer Center in Seoul.

Management change – new CFO appointed

Henrik Bergentoft was appointed new CFO of RaySearch and took up his position November 15, 2022. Henrik Bergentoft joins RaySearch from C-RAD (publ), where he also held the position as CFO.

Chairman of the Board and member of RaySearch's Board resigned

On September 30, Lars Wollung, Chairman, and Johanna Öberg, Board member and member of the audit committee, resigned from RaySearch's Board. Both stated their time-consuming operational assignments as basis for their decisions. The Board decided to appoint Hans Wigzell as new Chairman and to recruit additional members, which happened in an Extraordinary General Meeting on November 9, when Günther Mårder was appointed as new member of RaySearch's Board.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

Agreement with McLaren Proton Therapy Center

McLaren Proton Therapy Center – Karmanos Cancer Institute – placed an order for RayStation. RayStation will support the center's proton therapy program and will include advanced technology. Additionally, the center is slated to become the first center in the world to deliver proton therapy to patients with Leo Cancer Center's upright treatment technology, see RaySearch's press release from September 2, 2022.

New member of the Board elected

In an Extraordinary General Meeting on November 9, 2022, Günther Mårder was appointed as new member of RaySearch's Board. Günther Mårder is the CEO of the organization Företagarna since 2015.

THE COMPANY'S SHARE

On September 30, 2022, 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. On September 30, 2022, the total number of voting rights in RaySearch was 110,377,548.

SHARE OWNERSHIP

At September 30, 2022, the number of shareholders in RaySearch was 6,600 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	18,393	6,261,477	18.3	56.6
State Street Bank and Trust Co, W9	0	4,207,167	4,207,167	12.3	3.8
BNP Paribas Sec Services Paris, W8IMY (GC)	0	2,406,504	2,406,504	7.0	2.2
Första AP-fonden	0	1,982,448	1,982,448	5.8	1.8
Swedbank Robur Ny Teknik BTI	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
BNY Mellon SA/NV (Former BNY), W8IMY	0	1,287,791	1,287,791	3.6	1.1
Andra AP-fonden	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	593 201	593 201	1.7	0.5
Total, 10 largest shareholders	8 454 822	13 856 366	22 311 188	65.1	89.2
Others	153	11 971 432	11 971 585	34.9	10.8
Total	8 454 975	25 827 798	34 282 773	100	100

Source: Euroclear

OTHER INFORMATION

2022 ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) of RaySearch Laboratories AB (publ) took place on Wednesday, May 25, 2022, and was held only through postal voting in accordance with temporary legislation. The annual general meeting re-elected Lars Wollung, Carl Filip Bergendal, Johan Löf, Britta Wallgren, Hans Wigzell and Johanna Öberg as members of the Board. Lars Wollung was also re-elected as Chairman of the Board. The annual general meeting resolved that no dividend would 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 39 – 41 of RaySearch's 2021 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 clinics improve and save the lives of cancer patients. Through innovative software solutions, the company is continuously striving to improve and streamline workflows in clinical environments and to improve treatment outcomes for cancer patients. The customer value created 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 22 – 28 of RaySearch's 2021 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 29, 2022

The Board of Directors of RaySearch Laboratories AB (publ)

Hans Wigzell
Chairman of the Board

Johan Löf
CEO and Board member

Carl Filip Bergendal
Board member

Britta Wallgren
Board member

Günther Mårder
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, 2022 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 at the day as stated in our electronical signature

Ernst & Young AB

Anna Svanberg
Authorized Public Accountant

FOR FURTHER INFORMATION, PLEASE CONTACT:

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WEBCAST

CEO Johan Löf and CFO Henrik Bergentoft will present RaySearch's interim report for January-September 2022 in a webcast to be held in English on Tuesday, November 29, 2022, at 10:00-10:30 a.m. CET.

Link to webcast:

<https://raysearchlabs.creo.se/221129>

You can also join the webcast by phone:

Sweden: +46 8 505 583 51

UK: +44 333 300 92 67

US: +1 646 722 49 56

FINANCIAL CALENDAR

Year-end report, 2022

February 28, 2023

2022 Annual Report (published on the website)

April 27, 2023

Interim report for the first quarter, 2023

May 17, 2023

Annual General Meeting 2023

May 25, 2023

Interim report for the second quarter, 2023

August 25, 2023

Interim report for the third quarter, 2023

November 17, 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

AMOUNTS IN SEK 000s	Not	JUL-SEP		JAN-SEP		OCT 2021	FULL-YEAR
		2022	2021	2022	2021	-SEP 2022	2021
Net sales	2,3	210,881	136,419	579,265	453,100	767,838	641,673
Cost of goods sold ¹		-28,769	-6,448	-56,814	-39,464	-67,747	-50,397
Gross profit		182,112	129,971	522,451	413,636	700,091	591,276
Other operating income		17,109	6,684	40,331	27,187	45,923	32,779
Selling expenses		-79,352	-71,726	-220,460	-204,559	-316,093	-300,192
Administrative expenses		-41,269	-27,131	-124,276	-85,208	-161,104	-122,036
Research and development costs		-62,515	-61,189	-178,689	-169,522	-242,610	-233,443
Other operating expenses		-4,078	-3,170	-17,313	-18,297	-20,741	-21,725
Operating profit/loss		12,007	-26,561	22,044	-36,763	5,466	-53,341
Financial net		-2,348	-878	-7,918	-2,962	-10,288	-5,332
Profit/loss before tax		9,659	-27,439	14,126	-39,725	-4,822	-58,673
Tax		414	5,449	-4,486	8,378	-1,506	11,358
Profit/loss for the period²		10,073	-21,990	9,640	-31,347	-6,328	-47,315
Other comprehensive income							
Items to be reclassified to profit or loss							
Translation difference of foreign operations for the period		3,305	712	7,013	1,390	7,865	2,242
Comprehensive income for the period²		13,378	-21,278	16,653	-29,957	1,537	-45,073
Earnings/loss per share before and after dilution (SEK)		0.29	-0.64	0.28	-0.91	-0.18	-1.38

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 FINANCIAL POSITION IN SUMMARY

AMOUNTS IN SEK 000s	Note	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
ASSETS				
Intangible fixed assets		520,258	508,025	523,109
Tangible fixed assets and right of use assets		634,095	175,217	666,539
Deferred tax assets		27,438	26,784	28,525
Other long-term receivables		6,829	8,263	10,204
Total fixed assets		1,188,620	718,289	1,228,377
Inventories		29,443	21,295	29,991
Current receivables		387,773	317,586	383,843
Cash and cash equivalents		118,194	120,589	102,535
Total current assets		535,410	459,470	516,369
TOTAL ASSETS		1,724,030	1,177,759	1,744,746
EQUITY AND LIABILITIES				
Equity		644,964	643,428	628,312
Deferred tax liabilities		107,201	111,849	107,784
Long-term interest-bearing liabilities		478,527	50,380	491,896
Total long-term liabilities		585,728	162,229	599,680
Accounts payable		25,629	30,076	48,774
Current interest-bearing liabilities		53,940	17,226	70,381
Other current liabilities		413,769	324,800	397,599
Total current liabilities		493,338	372,102	516,754
TOTAL EQUITY AND LIABILITIES		1,724,030	1,177,759	1,744,746

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN SUMMARY

AMOUNTS IN SEK 000s	JUL-SEP		JAN-SEP		FULL-YEAR
	2022	2021	2022	2021	2021
Opening balance according to adopted Annual Report	631,587	685,672	628,312	694,351	694,351
Adjustment on correction of error (net of tax) ³	-	-20,366	-	-20,966	-20,966
Adjusted opening balance	631,587	664,706	628,312	673,385	673,385
Profit/loss for the period	10,073	-21,990	9,640	-31,347	-47,315
Translation difference for the period	3,305	712	7,013	1,390	2,242
Closing balance	644,964	643,428	644,964	643,428	628,312

³ See Note 1 for more information about correction of previous error.

CONSOLIDATED STATEMENT OF CASH FLOW IN SUMMARY

AMOUNTS IN SEK 000s		JUL-SEP		JAN-SEP		OKT 2021	FULL-YEAR
	Not	2022	2021	2022	2021	-SEP 2022	2020
Profit/loss before tax		9,659	-27,439	14,126	-39,725	-4,822	-58,673
Adjusted for non-cash items ¹⁾		74,156	57,528	215,707	162,827	279,517	226,637
Taxes paid		-1,267	682	-9,463	-9,829	18,014	17,648
Cash flow from operating activities before changes in working capital		85,548	30,771	220,370	113,273	292,709	185,612
Cash flow from changes in operating receivables		-5,839	12,102	-1,358	130,889	-115,194	17,053
Cash flow from changes in operating liabilities		-68,096	4,483	-4,834	-34,397	65,060	35,497
Cash flow from operating activities		8,613	47,356	214,178	209,765	242,575	238,162
Cash flow from investing activities		-52,209	-45,569	-180,353	-176,687	-241,297	-237,631
Cash flow from financing activities		-4,394	-11,875	-29,810	-84,716	-17,328	-72,234
Cash flow for the period		-47,990	-10,088	4,015	-51,638	-16,050	-71,703
Cash and cash equivalents at the beginning of the period		162,068	128,815	102,535	168,746	120,589	168,746
Exchange-rate difference in cash and cash equivalents		4,116	1,862	11,644	3,481	13,655	5,492
Cash and cash equivalents at the end of the period		118,194	120,589	118,194	120,589	118,194	102,535

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		JUL-SEP		JAN-SEP		FULL-YEAR
	Not	2022	2021	2022	2021	2021
Net sales	2, 3	145,713	99,038	427,594	331,943	477,055
Cost of goods sold ¹⁾		-9,155	-2,144	-18,590	-15,293	-26,477
Gross profit		136,558	96,894	409,004	316,650	450,578
Other operating income		16,992	6,467	39,931	26,706	32,227
Selling expenses		-39,675	-43,247	-119,217	-121,250	-177,313
Administrative expenses		-50,433	-27,216	-158,856	-85,387	-122,793
Research and development costs		-43,994	-58,096	-152,935	-191,345	-270,868
Other operating expenses		-3,828	-2,712	-16,857	-17,455	-20,704
Operating profit/loss		15,620	-27,910	1,070	-72,081	-108,873
Loss from financial items		4	-311	-1,069	-1,082	-1,618
Profit/loss after financial items		15,624	-28,221	1	-73,163	-110,491
Appropriations		-	-	-	-	32,615
Profit/loss before tax		15,624	-28,221	1	-73,163	-77,876
Tax on profit/loss for the period		-1,584	5,600	-1,190	14,343	14,367
Profit/loss for the period		14,040	-22,621	-1,189	-58,820	-63,509

¹⁾ Comprises costs for hardware and royalties.

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN SEK 000s	JUL-SEP		JAN-SEP		FULL-YEAR
	2022	2021	2022	2021	2021
Profit/loss for the period	14,040	-22 621	-1,189	-58,820	-63,509
Other comprehensive income	-	-	-	-	-
Comprehensive income for the period	14,040	-22,621	-1,189	-58,820	-63,509

PARENT COMPANY BALANCE SHEET IN SUMMARY

AMOUNTS IN SEK 000s	Not	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
ASSETS				
Intangible fixed assets		401	634	575
Tangible fixed assets		60,418	65,022	69,225
Shares and participations		3,958	3,958	3,958
Deferred tax assets		26,785	26,632	26,695
Long-term receivables from Group companies		-	18,252	-
Other long-term receivables		12,328	7,583	16,344
Total fixed assets		103,890	122,081	116,797
Inventories		4,039	917	6,436
Current receivables		323,246	284,584	360,363
Cash and bank balances		48,256	43,741	11,165
Total current assets		375,541	329,242	377,964
TOTAL ASSETS		479,431	451,323	494,761
EQUITY AND LIABILITIES				
Equity				
<u>Restricted equity</u>				
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
<u>Unrestricted equity</u>				
Retained earnings		118,234	181,733	181,733
Profit/loss for the year		-1,189	-58,820	-63,509
Total non-restricted equity		117,045	122,913	118,224
Total equity		117,816	183,684	178,995
Untaxed reserves		-	32,615	-
Long-term liabilities		23,511	879	6,447
Accounts payable		23,284	35,138	40,169
Current interest-bearing liabilities		-	-	21,268
Other current liabilities		254,820	199,007	247,882
Total current liabilities		278,104	234,145	309,319
TOTAL EQUITY AND LIABILITIES		479,431	451,323	494,761

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 2021 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.

Correction of error

In the second quarter, revenues for 2019 and 2020 have been corrected due to a previous error. The error was introduced in 2019 when a deal was separated into performance obligations in an incorrect way, which impacted amounts and timings for the revenues. The correction affects revenues in 2019 and 2020 in the Group and the Parent Company by SEK -23.9 M and SEK -2.8 M and the tax by SEK 5.1 M and SEK 0.6 M, respectively. The effect on 2021 is that the opening balance is adjusted by SEK -21.0 M, deferred tax assets by SEK 5.7 M and deferred income by SEK 26.7 M in the Parent Company. The effect is the same in the Group.

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			
	2022	2021	Change	OKT 2021 - SEP 2022	Full-year 2021
Revenue by type					
Licenses	76,442	55,676	37.3%	362,099	307,138
Support	87,390	67,322	29.8%	308,941	268,526
Hardware	33,906	7,066	379.8%	74,452	51,496
Training and other	13,143	6,355	106.8%	22,346	14,513
Total revenue from contracts with customers	210,881	136,419	54.6%	767,838	641,673
Revenue by geographic market					
North America	116,553	44,841	159.9%	329,828	224,341
APAC	43,553	37,692	15.5%	191,794	173,547
Europe and rest of the world	50,775	53,886	-5.8%	246,216	243,785
Total revenue from contracts with customers	210,881	136,419	54.6%	767,838	641,673
Revenue by date for revenue recognition					
Goods/services transferred at a point in time	110,348	62,742	75.9%	436,551	358,634
Services transferred over time	100,533	73,677	36.5%	331,287	283,039
Total revenue from contracts with customers	210,881	136,419	54.6%	767,838	641,673

AMOUNTS IN SEK 000s		JAN - SEP			
	2022	2021	Change	Okt 2021 - SEP 2022	Full-year 2021
Revenue by type					
Licenses	256,596	201,635	27.3%	362,099	307,138
Support	237,159	196,744	20.5%	308,941	268,526
Hardware	65,257	42,301	54.3%	74,452	51,496
Training and other	20,253	12,420	63.1%	22,346	14,513
Total revenue from contracts with customers	579,265	453,100	27.8%	767,838	641,673
Revenue by geographic market					
North America	269,418	163,931	64.3%	329,828	224,341
APAC	129,079	110,832	16.5%	191,794	173,547
Europe and rest of the world	180,768	178,337	1.4%	246,216	243,785
Total revenue from contracts with customers	579,265	453,100	27.8%	767,838	641,673
Revenue by date for revenue recognition					
Goods/services transferred at a point in time	321,853	243,936	31.9%	436,551	358,634
Services transferred over time	257,412	209,164	23.1%	331,287	283,039
Total revenue from contracts with customers	579,265	453,100	27.8%	767,838	641,673

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 June 2022, the credit loss provision amounted to SEK 43.5 M (26,0), corresponding to 11 percent (11) of total customer receivables. The Group's credit losses have historically been limited and amounted to about 1.3 percent of the company's average customer receivables over the past five years.

NOTE 5 RELATED-PARTY TRANSACTIONS

There were no transactions between RaySearch and related parties with any material impact on the company's position and earnings during the period.

NOTE 6 PLEDGED ASSETS IN THE GROUP AND PARENT COMPANY

AMOUNTS IN SEK 000s	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
Chattel mortgages	100,000	100,000	100,000
Guarantees	33 121	27,833	31,046

GROUP QUARTERLY OVERVIEW

	2022				2021			2020
AMOUNTS IN SEK 000s	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Order intake								
Total order intake	219,091	212,511	272,442	345,028	127,853	189,750	145,131	239,125
Income statement								
Net sales ¹	210,881	160,235	208,149	188,573	136,419	154,579	162,102	159,138
Change in sales, % ¹	54.6	3.7	28.4	18.5	15.2	-5.2	-22.1	-30.4
Operating profit/loss ¹	12,007	-19,527	29,564	-16,578	-26,561	-22,463	12,261	-15,289
Operating margin, % ¹	5.7	-12.2	14.2	-8.8	-19.5	-14.5	7.6	-9.6
Profit/loss for the period ¹	10,073	-19,731	19,298	-15,968	-21,990	-16,467	7,110	-14,712
Net margin, % ¹	4.8	-12.3	9.3	-8.5	-16.1	-10.7	4.4	-9.2
Cash flow								
Operating activities	8,613	79,778	125,787	28,397	47,356	58,077	104,332	51,505
Investing activities	-52,209	-67,593	-60,551	-60,944	-45,569	-70,843	-60,275	-64,094
Financing activities	-4,394	4,500	-29,916	12,482	-11,875	-61,624	-11,217	-8,909
Cash flow for the period	-47,990	16,685	35,320	-20,065	-10,088	-74,390	32,840	-21,498
Capital structure								
Equity/assets ratio, % ¹	37.4	35.2	37.5	36.0	54.6	55.7	50.9	52.2
Net debt	414,273	386,236	397,045	459,742	-52,983	-50,385	-65,952	-22,439
Debt/equity ratio ¹	0.6	0.6	0.6	0.7	-0.1	-0.1	-0.1	0.0
Net debt/EBITDA	1.4	1.6	1.8	2.3	-0.3	-0.3	-0.4	-0.1
Per share data, SEK								
Earnings/loss per share before dilution ¹	0.29	-0.58	0.56	-0.47	-0.64	-0.48	0.21	-0.43
Earnings/loss per share after dilution ¹	0.29	-0.58	0.56	-0.47	-0.64	-0.48	0.21	-0.43
Equity per share ¹	18.81	18.42	18.91	18.33	18.77	19.39	19.88	19.64
Share price at the end of the period	47.60	54.40	51.70	56.50	61.50	87.40	89.50	82.70
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	386	383	399	419	418	414	412	404

GROUP, ROLLING 12 MONTHS

AMOUNTS IN SEK 000s	Oct 2021- Sep 2022	Jul 2021- Jun 2022	Apr 2021- Mar 2022	Jan 2021- Dec 2021	Oct 2020- Sep 2021	Jul 2020- Jun 2021	Apr 2020- Mar 2021	Jan 2020- Dec 2020
Order intake								
Total order intake	1,049,070	957,845	935,073	807,762	701,859	712,486	699,868	854,755
Income statement								
Net sales ¹	767,838	693,376	687,720	641,673	612,238	594,252	602,734	648,824
Operating profit/loss ¹	5,466	-33,102	-36,038	-53,341	-52,052	-55,665	-44,853	-6,254
Operating margin, % ¹	0.7	-4.8	-5.2	-8.3	-8.5	-9.4	-7.4	-1.0
Cash flow								
Cash flow	-16,050	21,852	-69,223	-72,380	-73,136	-41,328	98,972	61,890
Cash flow adjusted for repayment of bank loans	5,218	43,120	-47,955	-22,380	-23,136	8,672	98,972	61,890

¹ See Note 1 for more information about correction of previous error.

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, 2022	Sep 30, 2021	Dec 31, 2021
Working capital			
Accounts receivable (current billed customer receivables)	143,264	151,448	170,591
Current unbilled customer receivables	160,706	82,383	146,771
Long-term unbilled customer receivables	6,829	8,263	10,204
Inventories	29,443	21,295	29,991
Other current receivables (excl. tax)	82,313	79,283	63,702
Accounts payable	-25,629	-30,076	-48,774
Other current liabilities (excl. tax)	-412,195	-296,757	-367,212
Working capital	-15,269	15,839	5,273
AMOUNTS IN SEK 000s	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
Net debt			
Current interest-bearing liabilities	53,940	17,226	70,381
Long-term interest-bearing liabilities	478,527	50,380	491,017
Cash and cash equivalents	-118,194	-120,589	-102,535
Net debt	414,273	-52,983	458,863
AMOUNTS IN SEK 000s	OCT 2021 - SEP 2022	OCT 2021 – SEP 2022	Full-year 2021
EBITDA			
Operating profit/loss ¹	5,466	-51,355	-53,341
Amortization and depreciation	288,829	236,409	250,184
EBITDA	294,295	185,054	196,843
CHANGE IN SALES AT UNCHANGED CURRENCIES	OCT 2021 - SEP 2022	OCT 2021 – SEP 2022	Full-year 2021
Net sales for the year	767,838	610,115	641,673
Currency adjustment	-59,639	31,915	20,868
Adjusted Net sales	708,199	642,030	662,541
Net sales, preceding year	610,115	726,276	651,612
Change in sales at unchanged currencies (organic growth)	16.1%	-11.2%	1.7%

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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 currently used by over 800 clinics in more than 40 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.