

RAYSEARCH LABORATORIES AB (PUBL)

YEAR-END REPORT 2014

JANUARY 1 – DECEMBER 31, 2014

- Net sales for the period amounted to SEK 285.2 M (204.5)
- Profit after tax was SEK 59.8 M (loss: 20.8) and earnings per share were SEK 1.75 (loss: 0.61)
- Operating profit amounted to SEK 79.4 M (loss: 25.7)
- Cash flow totaled SEK 16.8 M (beg: 23.7)
- Order intake excluding service agreements amounted to SEK 229.8 M (170.2), out of which the contribution from RayStation® was SEK 158.9 M (89.2)
- RayStation® order backlog totaled SEK 31.5 M
- Sales and service company formed in Germany, distribution agreements signed for Australia, New Zealand and Thailand
- First orders for RayStation® from the UK and Thailand
- Settlement agreement signed regarding patent dispute with Prowess
- First proton therapy treatments with RayStation®
- RayStation® 4.5 and RayStation® 4.7 released
- Strategic collaboration agreement signed with Mevion
- Credit facility expanded
- The Board of Directors proposes that no dividend be paid for 2014

EVENTS AFTER THE END OF THE REPORT

- CFO leaves RaySearch

“Throughout 2014, we experienced significantly increased interest in RayStation®, and the year ended very strongly. In the fourth quarter, we recorded the highest quarterly RayStation® sales ever. It may be worth noting that revenues from RayStation® in the fourth quarter of 2014 were higher than for the full-year 2013. It is highly pleasing that the number of new RayStation® customers in 2014 alone, equaled the accumulated number of customers from the launch of RayStation® in 2009 until the end of 2013,” says Johan Löf, CEO of RaySearch.

“Overall, revenues rose 39.5 percent to SEK 285.2 M (204.5) in 2014, resulting in a significant increase in operating profit to SEK 79.4 M (loss: 25.7). I can say with great satisfaction that the company has never been as strong as it is today,” Johan Löf concludes.

SUMMARY OF FINANCIAL RESULTS

AMOUNTS IN SEK 000S	JAN-DEC		OCT-DEC	
	2014	2013	2014	2013
Net sales	285,217	204,470	107,782	90,113
Operating profit/loss	79,360	-25,721	52,767	406
Operating margin, %	27.8	-12.6	48.9	0.5
Profit/loss for the period	59,832	-20,841	40,696	5,093
Earnings/loss per share, SEK	1.75	-0.61	1.19	0.15
Share price at the end of the period, SEK	53.00	27.40	53.00	27.40

The information in the year-end report is such that RaySearch is required to disclose publicly in accordance with the Swedish Securities and Clearing Operations Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication on February 12, 2015 at 7:45 a.m.

CEO COMMENTS

INTEREST IN RAYSTATION® CONTINUES TO GROW

Throughout 2014, we experienced significantly increased interest in RayStation®, and the year ended very strongly. In 2014, the order intake for RayStation® rose sharply to SEK 158.9 M (89.2). We received several orders from the US, China, Japan, Italy and South Korea, for example, as well as our first orders from the UK and Thailand. As a result, about 190 clinics in 19 countries have now purchased RayStation®. It is highly pleasing that the number of new RayStation® customers in 2014 alone, equaled the accumulated number of customers from the launch of RayStation® in 2009 until the end of 2013.

We are also continuing to build our sales organization. In April, for example, we opened a subsidiary in Germany, and in July, we participated for the first time as an exhibitor at the major German Radiation Oncology Congress, DEGR0. We also signed a new distribution agreement with the Australian distributor AlphaXRT, which thereby assumed responsibility for marketing, sales and service of RayStation® in Australia and New Zealand as of April 1. Our local distributor in Japan, Hitachi Medical Systems, also assumed responsibility for marketing, sales and service of RayStation® as of April 1. At the end of the year, we also signed a distribution agreement with the Thai distributor KEC, which has already resulted in two orders.

SHARPLY IMPROVED EARNINGS DUE TO SALES RECORD FOR RAYSTATION®

In the January to September period, revenues from RayStation® were significantly higher year-on-year. This trend continued during the fourth quarter, resulting in the highest-ever quarterly sales for RayStation®. It may be worth noting that revenues from RayStation® in the fourth quarter of 2014 were higher than for the full-year 2013. Overall, this meant that revenues from RayStation more than doubled in 2014. This revenue increase was partially offset by a decline in partner sales during the year, due to Philips, Nucletron and Brainlab reporting lower revenues than in 2013. However, sales through IBA Dosimetry and Varian increased.

Overall, revenues rose 39.5 percent to SEK 285.2 M (204.5) in 2014, resulting in a significant increase in operating profit to SEK 79.4 M (loss: 25.7). The settlement with Prowess also contributed to the earnings improvement, due to settlement costs being charged to 2013 and a decline in legal expenses upon finalization of the process.

PATENT PROCESS CONCLUDED

In May 2011, we were sued by the US company Prowess, which claimed that we infringed on a US patent licensed by Prowess. RaySearch believed that there was no infringement and, in addition, that the patent should be invalidated since there was prior art in numerous older publications describing the same methods. However, the cost of running this case all the way to trial and through a potential appeal process would have been very high. In April 2014, we therefore entered into a settlement agreement with Prowess, entailing that RaySearch will pay Prowess a fixed amount spread out over three years and that Prowess will drop the lawsuit. The total cost of the settlement was SEK 34.8 M, which was charged to 2013.

NEW PARTNERSHIPS COMBINED WITH FOCUS ON RAYSTATION®

We are continuing to develop our global sales, marketing and service organization for RayStation®. However, we are proceeding cautiously and building the infrastructure step-by-step with the goal of a positive profit contribution from direct sales also in the short-term, but since there are major fluctuations in deliveries, earnings vary sharply from quarter to quarter.

We released version 4.5 of RayStation® in July. It was rolled out in Europe and Oceania and, in October, we received marketing clearance for this version in the US, our principal market. Already in December we released the next new version, RayStation® 4.7 that is now in the roll-out phase in several markets. We will continue to collaborate with our partners in parallel with these activities. For example, we recently completed new product versions for Brainlab and IBA Dosimetry. We also signed a new partnership agreement with Mevion Medical Systems, a supplier of proton treatment equipment, similar to IBA, with whom we signed an agreement in 2013. These new partnerships differ slightly from our previous partnerships, since they are based on RayStation® rather than custom-built products for each partner. I believe we will be able to enter into more agreements of this type. So, although we may lose some partners, the partner model is, and will remain, a key component of our operations.

STABLE BASE FOR CONTINUED INVESTMENT

2014 was a fantastic year for RaySearch. Our major investment in RayStation® began to generate real results, and the system is now well-established in all major markets around the world. Strong sales of RayStation®, combined with putting the patent dispute behind us, also led to significantly improved profitability. This gives us the stamina to continue our rapid pace of growth and to focus aggressively on the development of RayStation® and other products. We already have a customer base of 190 satisfied clinics that use RayStation®, but it should also be remembered that there are some 8,000 radiation therapy clinics worldwide, so the growth potential remains very strong.

In June 2015, it will be 15 years since RaySearch was founded and I can say with great satisfaction that the company has never been as strong as it is today.

Stockholm, February 12, 2015

Johan Löf
President and CEO of RaySearch Laboratories AB (publ)

SIGNIFICANT EVENTS

EVENTS DURING THE PERIOD JANUARY 1 – DECEMBER 31, 2014

Sales and service company formed in Germany and distribution agreements signed for Australia, New Zealand and Thailand

In April, it was announced that RaySearch had established a German subsidiary, RaySearch Germany GmbH. The new subsidiary is responsible for marketing, sales and service of RayStation® in Germany, Austria and the German-speaking parts of Switzerland. The company will provide support for both new and existing customers, including DKFZ and WPE in Germany, and MedAustron in Austria.

In March, RaySearch signed an exclusive distribution agreement with AlphaXRT (formerly CMS Alphatech), based in Sydney, Australia, and Auckland, New Zealand. The agreement entails that AlphaXRT is responsible for marketing, sales and service of RayStation® in Australia and New Zealand as of April 1, 2014. In December, a distribution agreement was signed with Kamol Sukosol Electric Co. (KEC) based in Bangkok, Thailand. Under the agreement, KEC will be responsible for marketing, sales and service of RayStation® in the Thai market.

First orders for RayStation® from the UK and Thailand

In January, it was announced that RaySearch had been awarded a treatment planning system contract and will supply RayStation® to Tayside Cancer Centre at Ninewells Hospital & Medical School in Dundee, UK. Ninewells will be the first clinical installation of RayStation® in the UK. In December, the first RayStation® order from Thailand was secured, from Lopburi Cancer Hospital in the Mueang district.

Settlement agreement signed regarding patent dispute with Prowess

In May 2011, the US company Prowess filed a lawsuit against RaySearch at a court in Baltimore, Maryland, in the US. Prowess claimed that RaySearch infringed on a US patent for which Prowess had the license. RaySearch believed that there was no infringement and, in addition, that the patent should be invalidated. In January 2014, RaySearch entered into settlement negotiations at a settlement conference arranged by the court as part of the legal process and, as a result of this, RaySearch entered into a settlement agreement with Prowess in April 2014. The agreement entails that RaySearch will pay Prowess a fixed amount over three years and that Prowess will withdraw its lawsuit. The total cost of the settlement was SEK 34.8 M, which was charged to 2013.

First proton therapy treatments with RayStation®

In May, the first patient underwent proton therapy with pencil beam scanning (PBS) at the Provision Center for Proton Therapy in Knoxville, Tennessee, which is the only proton therapy facility in Tennessee. The clinical treatment plans were created using RayStation® and delivered with medical devices from IBA. PBS is the most sophisticated form of proton therapy delivery. Earlier in 2014, the first patients underwent uniform scanning proton therapy.

RayStation® 4.5 and RayStation® 4.7 released

In July, version 4.5 of the RayStation® treatment planning system was released for sales in Europe and some Asian markets, and in October, the US Food and Drug Administration (FDA) granted marketing clearance. The new version included many new features that help cancer clinics improve the treatment planning process and also enables new steps in adaptive radiation therapy. In December the next new version, RayStation® 4.7, was released. It contains a wide range of improvements for example of the tools for multi-criteria optimization and proton optimization as well as some new functionality for optimization of radiation therapy with carbon ions.

Strategic collaboration agreement signed with Mevion

In September, a collaboration agreement was announced with Mevion Medical Systems Inc. The collaboration aims to validate the use of RayStation® to create proton therapy treatments with the pencil beam scanning technique performed with Mevion's new HYPERSCAN technology.

Credit facility expanded

In November, the company's credit facility was expanded from SEK 30 M to SEK 50 M, whereby chattel mortgages were increased to SEK 50 M. The credit facility comprises an overdraft facility of SEK 25 M and a revolving credit facility of up to SEK 25 M. An amount of SEK 25 M was borrowed over three months within the terms of the revolving credit facility.

EVENTS AFTER THE END OF THE REPORT PERIOD

CFO leaves RaySearch

In January 2015, RaySearch's CFO, Anders Martin-Löf, announced that he will be leaving the company in April to become CFO at another company. Anders will retain his areas of responsibility as CFO until he leaves RaySearch. A process to find a successor to Anders has been initiated.

FINANCIAL INFORMATION

SALES AND EARNINGS FOR THE FOURTH QUARTER OF 2014

During the fourth quarter of 2014, sales rose 19.6 percent year-on-year to SEK 107.8 M (90.1). Operating profit improved to SEK 52.7 M (0.4), corresponding to an operating margin of 48.9 percent (0.5). Profit after tax during the fourth quarter totaled SEK 40.7 M (5.1). The increase in sales and earnings was mainly attributable to higher sales of RayStation®. Legal costs during were also lower than in the fourth quarter 2013 when significant costs were charged related to the settlement with Prowess.

SALES AND EARNINGS FOR THE FULL-YEAR 2014

Revenues and currency effects

Sales for full-year 2014 rose 39.5 percent year-on-year to SEK 285.2 M (204.5). Sales consist of license revenues via direct sales and partners, as well as support revenues. The total number of licenses sold via direct sales and partners amounted to 2,172 (1,700) and license revenues in 2014 totaled SEK 256.1 M (179.9). The rise in license revenues was due to increased revenues from direct sales of RayStation® and higher product sales from the partnerships with IBA Dosimetry and Varian. Order intake excluding service agreements amounted to SEK 229.8 M (170.2). Of the order intake, the contribution from RayStation® was SEK 158.9 M (89.2) At December 31, RayStation® had an order backlog of SEK 31.5 M. In 2014, support revenues rose to SEK 29.1 M (24.5).

The company is dependent on trends in the USD and EUR exchange rates against the SEK, since most invoicing is in USD and EUR, while most costs are incurred in SEK. In 2014, revenues in USD were recognized at an average exchange rate of SEK 6.89, compared with SEK 6.51 in 2013. In 2014, revenues in EUR were recognized at an average exchange rate of SEK 9.18, compared with SEK 8.78 in 2013. Accordingly, currency effects had a positive impact on sales. At unchanged exchange rates, sales would have increased 32.9 percent compared with 2013. A sensitivity analysis of currency exposure indicates that the impact of a ± 10 percent change in the average USD exchange rate on operating profit in 2014 was \pm SEK 14.1 M and that the corresponding effect of a ± 10 percent change in the average EUR exchange rate was \pm SEK 7.7 M. The company pursues the currency policy established by the Board of Directors.

Expenses and profit

In 2014, operating profit totaled SEK 79.4 M (loss: 25.7), corresponding to an operating margin of 27.8 percent (neg: 12.6). Operating expenses, excluding exchange-rate gains and losses, declined SEK 19.6 M to SEK 204.2 M, compared with the year-earlier period. The decrease in operating expenses was mainly due to 2013 being charged with the high legal fees and settlement costs arising from the patent process with Prowess, which was finalized in early 2014. This was partially offset by higher marketing and personnel costs for sales and service resulting from the focus on direct sales of RayStation®. Other operating income and expenses refer to exchange-rate gains and losses, with the net of these amounting to income of SEK 10.0 M (expense: 0.3) in 2014. The increase was mainly due to the large proportion of accounts receivable in USD, which strengthened substantially during the year.

At December 31, 2014, 81 (76) employees were engaged in research and development. Research and development costs include payroll costs, consulting fees, computer equipment and premises. Before capitalization and amortization of development expenditures, research and development costs totaled SEK 92.5 M (91.5).

In 2014, capitalized development costs totaled SEK 54.4 M [53.6]. Amortization of capitalized development costs amounted to SEK 57.0 M [52.8] in 2014. After adjustments for capitalization and amortization of development expenditure, research and development costs totaled SEK 95.1 M [90.7].

In 2014, amortization of intangible fixed assets amounted to SEK 57.0 M [52.8] and depreciation of tangible fixed assets to SEK 1.2 M [1.1]. Overall, amortization and depreciation in 2014 totaled SEK 58.2 M [53.9]. Amortization and depreciation primarily pertained to capitalized development expenditure.

In 2014, profit after tax totaled SEK 59.8 M [loss: 20.8], corresponding to earnings per share before and after dilution of SEK 75 M [loss: 0.61].

Geographic distribution of license revenues

In 2014, license revenues were distributed as follows: North America 31 percent [34], Asia 32 percent [27], Europe and the rest of the world 37 percent [39].

LIQUIDITY AND FINANCING

In 2014, cash flow from operating activities rose to SEK 50.3 M [31.3], primarily due to improved earnings. Cash flow from investing activities was a negative SEK 57.8 M [neg: 56.5]. Cash flow for the year amounted to SEK 16.8 M [neg: 23.7]. At December 31, 2014, cash and cash equivalents amounted to SEK 56.1 M, compared with SEK 38.2 M at December 31, 2013. On the same date, current receivables totaled SEK 156.6 M, compared with SEK 88.3 M at December 31, 2013. The receivables primarily comprised accounts receivables. The increase derived mainly from a substantial increase in sales, and the fact that a large proportion of sales occurred at the end of the period and the receivables had not yet matured by the end of the reporting period.

In November, the company's credit facility was expanded from SEK 30 M to SEK 50 M, whereby chattel mortgages were increased to SEK 50 M. The credit facility comprises an overdraft facility of SEK 25 M and a revolving credit facility of up to SEK 25 M. An amount of SEK 25 M was borrowed over three months within the terms of the revolving credit facility.

Of the company's overdraft facility amounting to SEK 25 M, an amount of SEK 3.8 M was blocked as collateral for bank guarantees of EUR 0.4 M issued to MedAustron.

The provision pertaining to the settlement with Prowess was reclassified as a liability during the year, as a result of the signed settlement. The liability is in USD and because it does not incur interest, it has been discounted. Currency and discounting effects during the year had a negative impact of SEK 4.6 M on profit from financial items. Payment connected to the settlement during the period amounted to SEK 13.6 M and had an impact on cash flow from operating activities.

FINANCIAL INSTRUMENTS

RaySearch's financial assets and liabilities comprise accounts receivable, cash and cash equivalents, accrued income, accrued expenses, bank loans, accounts payable and a liability attributable to the settlement agreement signed with Prowess in April. The liability pertaining to the settlement is discounted, while other financial assets and liabilities have short terms. Accordingly, the fair values of all financial instruments are deemed to correspond approximately to the carrying amounts. RaySearch has not applied net accounting to any financial assets or liabilities and has no agreements that permit offsetting.

INVESTMENTS

Fixed assets primarily comprise capitalized development costs. In 2014, investments in intangible fixed assets amounted to SEK 54.4 M [53.6] and investments in tangible fixed assets to SEK 8.5 M [2.9].

EMPLOYEES

At the end of the fourth quarter, RaySearch had 136 [114] employees. In 2014, the average number of employees was 126 [107].

PARENT COMPANY

Since the Parent Company's operations match the Group's operations in all material respects, the comments for the Group are also largely relevant for the Parent Company. Capitalization of development costs and adjustments related to financial leasing are recognized in the Group, but not in the Parent Company.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at Grönwaldsalen in the Stockholm Concert Hall, Hötorget 8, Stockholm, on May 28, 2015 at 6:00 p.m. The Annual Report for 2014 will be available at RaySearch's office at Sveavägen 44 in Stockholm and on the corporate homepage, approximately one month prior to the date of the Annual General Meeting.

Proposed dividend

Since RaySearch is in the midst of an expansive and capital-intensive phase, the Board of Directors' proposal to the Annual General Meeting is that no dividend be paid for 2014. No dividend was paid in 2013.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

AMOUNTS IN SEK 000S	JAN-DEC		OCT-DEC	
	2014	2013	2014	2013
Net sales	285,217	204,470	107,782	90,113
Cost of goods sold ¹⁾	-11,627	-6,059	-5,293	-3,166
Gross profit	273,590	198,411	102,489	86,947
Other operating income	16,803	3,008	7,590	924
Selling expenses	-78,433	-53,024	-22,278	-16,597
Administrative expenses	-30,736	-80,108	-8,518	-46,010
Research and development expenditure	-95,069	-90,720	-24,273	-24,858
Other operating expenses	-6,795	-3,288	-2,243	-
Operating profit/loss	79,360	-25,721	52,767	406
Result from financial items	-659	754	-189	234
Profit/loss before tax	78,701	-24,967	52,578	640
Tax	-18,869	4,126	-11,882	4,453
Profit/loss for the period²⁾	59,832	-20,841	40,696	5,093
Other comprehensive income				
Items to be reclassified to profit or loss				
Translation difference of foreign operations for the period	-4,885	57	-2,375	-420
Items not to be reclassified to profit or loss	-	-	-	-
Comprehensive income/loss for the period²⁾	54,947	-20,784	38,321	4,673
Earnings/loss per share before and after dilution (SEK)	1.75	-0.61	1.19	0.15

1) Does not include amortization of capitalized development expenses. Amortization and capitalization of development expenses are included in R&D.

2) 100% attributable to Parent Company shareholders.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN SUMMARY

AMOUNTS IN SEK 000S	DEC. 31, 2014	DEC. 31, 2013
ASSETS		
Intangible fixed assets	164,081	166,678
Tangible fixed assets	12,951	5,567
Financial fixed assets	-	403
Total fixed assets	177,032	172,648
Current receivables	156,636	88,283
Cash and cash equivalents	56,085	38,231
Total current assets	212,721	126,514
TOTAL ASSETS	389,753	299,162
EQUITY AND LIABILITIES		
Equity	251,548	196,601
Deferred tax liabilities	40,724	36,669
Provisions	-	34,759
Long-term liabilities	41,096	-
Accounts payable	9,034	6,925
Other current liabilities	47,351	24,208
TOTAL EQUITY AND LIABILITIES	389,753	299,162
Pledged assets	53,800	37,500
Contingent liabilities	-	-

CONSOLIDATED STATEMENT OF CASH FLOW IN SUMMARY

AMOUNTS IN SEK 000S	JAN-DEC		OCT-DEC	
	2014	2013	2014	2013
Profit/loss before tax	78,701	-24,967	52,578	640
Adjusted for non-cash items ¹⁾	46,315	87,511	9,073	48,873
Taxes paid	-15,247	-3,596	-1,286	-803
Cash flow from operating activities before changes in working capital	109,769	58,949	60,365	48,711
Cash flow from changes in working capital	-59,496	-27,667	-37,887	-31,431
Cash flow from operating activities	50,273	31,282	22,478	17,280
Cash flow from investing activities ²⁾	-57,844	-56,542	-16,071	-14,547
Cash flow from financing activities	24,345	1,563	24,345	1,563
Cash flow for the period	16,774	-23,697	30,752	4,296
Cash and cash equivalents at the beginning of the period	38,231	61,875	24,778	33,855
Exchange-rate difference in cash and cash equivalents	1,080	53	555	80
Cash and cash equivalents at the end of the period	56,085	38,231	56,085	38,231

1) These amounts primarily include amortization of capitalized development costs and, for the full-year 2013, also the settlement provision.

2) These amounts primarily include capitalized development costs.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN SUMMARY

AMOUNTS IN SEK 000S	JAN-DEC	
	2014	2013
Opening balance	196,601	217,553
Profit/loss for the period	59,832	-20,842
Sales of treasury stock	-	1,563
Tax effect sales of treasury stock	-	-1,730
Translation difference for the period	-4,885	57
Closing balance	251,548	196,601

CHANGES IN NUMBER OF SHARES

	JAN-DEC	
	2014	2013
Total number of shares (opening and closing balance)	34,282,773	34,282,773
Holding of treasury stock, opening balance	-	299,628
Sales of treasury stock	-	-299,628
Holding of treasury stock, closing balance	-	-

KEY FIGURES AND CONDENSED FINANCIAL DATA

AMOUNTS IN SEK 000S	JAN-DEC			OCT-DEC		
	2014	2013	2012	2014	2013	2012
Net sales	285,217	204,470	182,087	107,782	90,113	76,879
Operating profit/loss	79,360	-25,721	22,546	52,767	406	26,232
Operating margin, %	27.8	-12.6	12.4	48.9	0.5	34.1
Profit margin, %	27.6	-12.2	12.9	48.8	0.7	35.0
Profit/loss for the period	59,832	-20,841	19,863	40,696	5,093	25,364
Earnings/loss per share, SEK	1.75	-0.61	0.58	1.19	0.15	0.74
Return on capital employed ⁴ , %	33.7	-12.0	11.4			
Return on equity ⁴ , %	26.7	-10.1	9.6			
Equity/assets ratio, %	64.5	65.7	74.2			
Adjusted equity per share at the end of the period, SEK	7.34	5.73	6.35			
Share price at the end of the period, SEK	53.00	27.40	20.80			

For definitions of key figures, refer to the inside cover of the 2013 Annual Report.

⁴In preceding years, an income measurement based on rolling 12-month figures was used but as of 2013, and for the comparative figures, an annual income measurement has been used.

PARENT COMPANY INCOME STATEMENT IN SUMMARY

AMOUNTS IN SEK 000S	JAN-DEC		OCT-DEC	
	2014	2013	2014	2013
Net sales	250,363	179,178	98,604	70,771
Cost of goods sold	-7,223	-809	-4,795	-666
Gross profit	243,140	178,369	93,809	70,105
Other operating income	16,803	3,008	7,590	924
Selling expenses	-50,669	-34,561	-14,701	-11,528
Administrative expenses	-30,912	-80,085	-8,708	-46,006
Research and development expenditure	-92,472	-91,516	-25,954	-24,724
Other operating expenses	-6,795	-3,288	-2,243	-
Operating profit/loss	79,095	-28,073	49,793	-11,229
Result from financial items	1,565	2,176	2,055	1,654
Profit/loss after financial items	80,660	-25,897	51,848	-9,575
Appropriations	-21,029	20,326	-21,029	20,326
Profit/loss before tax	59,631	-5,571	30,819	10,751
Tax	-13,651	403	-6,371	403
Profit/loss for the period	45,980	-5,168	24,448	11,154

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN SEK 000S	JAN-DEC		OCT-DEC	
	2014	2013	2014	2013
Profit/loss for the period	45,980	-5,168	24,448	11,154
Translation difference for the period	-	-	-	-
Comprehensive income/loss for the period	45,980	-5,168	24,448	11,154

PARENT COMPANY BALANCE SHEET IN SUMMARY

AMOUNTS IN SEK 000S	DEC. 31, 2014	DEC. 31, 2013
ASSETS		
Tangible fixed assets	6,975	4,549
Financial fixed assets	2,493	2,266
Deferred tax assets	-	403
Total fixed assets	9,468	7,218
Current receivables	185,239	117,159
Cash and cash equivalents	47,935	26,305
Total current assets	233,174	143,464
TOTAL ASSETS	242,642	150,682
EQUITY AND LIABILITIES		
Equity	136,213	90,232
Untaxed reserves	21,029	-
Long-term liabilities	36,853	-
Accounts payable	9,823	7,634
Provisions	-	34,759
Other current liabilities	38,724	18,057
TOTAL EQUITY AND LIABILITIES	242,642	150,682
Pledged assets	53,800	37,500
Contingent liabilities	-	-

OTHER INFORMATION

ACCOUNTING POLICIES IN ACCORDANCE WITH IFRS

This condensed year-end report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and the applicable provisions of the Swedish Annual Accounts Act. The Parent Company's financial statements have been prepared pursuant to Chapter 9 of the Swedish Annual Accounts Act, Interim Financial Reporting. The same accounting policies and measurement bases applied in the most recent Annual Report have been used to prepare the Group and Parent Company accounts. New or revised IFRS standards during 2014 have not affected RaySearch during the period and no known changes are expected to affect RaySearch in 2014.

RISKS AND UNCERTAINTIES IN THE GROUP AND THE PARENT COMPANY

Financial risk management

RaySearch's financial policy governing the management of financial risks has been established by the Board of Directors and represents a framework of guidelines and rules in the form of risk mandates and limits for financial activities. RaySearch is primarily affected by exchange-rate risk. A majority of RaySearch's net sales are denominated in USD and EUR. In accordance with the established financial policy, no currency hedging is employed. The financial policy is updated at least once annually.

Operational risks

As a result of its activities, RaySearch is exposed to various operational risks, including the following: dependence on key persons, competition, legal disputes and strategic partnerships. RaySearch currently has partnerships with Philips, Nucletron, IBA, Varian, and Brainlab. If RaySearch were to lose one or more of these business partners, this could have a major impact on the company's sales, profit and financial position. No significant changes have been made to the risk assessment compared with the 2013 Annual Report.

For a more detailed description of RaySearch's risks and risk management, refer to page 68 of the 2013 Annual Report.

RELATED-PARTY TRANSACTIONS

No transactions between RaySearch and related parties materially affected the company's position and earnings during the period.

ESTIMATES

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

REVIEW

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

Stockholm, February 12, 2015

Erik Hedlund
Chairman of the Board

Johan Löf
President and Board member

Carl Filip Bergendal
Board member

Hans Wigzell
Board member

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FINANCIAL REPORTING

Interim report for first quarter	May 8, 2015
Annual General Meeting	May 28, 2015
	The Annual General Meeting will be held in Grönwaldsalen in the Stockholm Concert Hall, Hötorget 8, Stockholm
Interim report for the first six months	August 28, 2015

ABOUT RAYSEARCH

RaySearch Laboratories is a medical technology company that develops advanced software solutions for improved radiation therapy of cancer. RaySearch markets the RayStation® treatment planning system to clinics all over the world. In addition, RaySearch's products are distributed through licensing agreements with leading medical technology companies such as Philips, Nucletron, IBA, Varian and Brainlab. To date, 15 products have been launched via partners and RaySearch's software is used by over 2,500 clinics in more than 65 countries. RaySearch was founded in 2000 as a spin-off from Karolinska Institute in Stockholm and the company is listed in the Small Cap segment on Nasdaq Stockholm.

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