

“In the third quarter of 2023, net sales rose by 20 percent. Revenue from support rose by 23 percent. Operating profit amounted to SEK 28.6 M (12.0) in the third quarter and to SEK 70.5 M (22.0) for the first nine months.”

Johan Löf, CEO of RaySearch

THIRD QUARTER (JULY - SEPTEMBER 2023)

- Order intake SEK 240.7 M (219.1)
- Net sales SEK 252.9 M (210.9)
- Operating profit SEK 28.6 M (12.0)
- Profit after tax SEK 21.6 M (10.1)
- Earnings per share before/after dilution SEK 0.63 (0.29)
- Cash flow SEK 63.5 M (-48.0)
- Order backlog SEK 1,966.3 M (1,715.2) at the end of the period

NINE MONTHS (JANUARY - SEPTEMBER 2023)

- Order intake SEK 686.5 M (704.1)
- Net sales SEK 722.5 M (579.3)
- Operating profit SEK 70.5 M (22.0)
- Profit after tax SEK 50.0 M (9.6)
- Earnings per share before/after dilution SEK 1.46 (0.28)
- Cash flow SEK 144.7 M (4.0)

SIGNIFICANT EVENTS DURING THE THIRD QUARTER

- University Medical Center Groningen in the Netherlands purchased Micro-RayStation for pre-clinical research.
- RayCare in clinical use with CyberKnife at Lausanne University Hospital (CHUV) in Switzerland.
- RaySearch and MedAustron expand their partnership through a new strategic research agreement.
- Henrik Bergentoft leaves the position as CFO. Annika Blondeau Henriksson has been appointed interim CFO.
- RaySearch's business partner IBA has placed an order for RayStation and RayCare for installation at CRO National Cancer Institute (C.R.O.) in Aviano, Italy.
- Baptist Health Lexington in the US has placed an order for RayStation to two of its major centers.
- Oregon Health & Science University in the US has placed an order for RayStation.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

- RaySearch has received an order from Israel-based P-Cure and is deepening its collaboration focusing on advanced proton therapy solutions.
- The Paul Scherrer Institute in Switzerland has placed an order for RayStation.
- The Mass General Cancer Center in the US has placed an order and thereby plans to expand its use of RayStation to proton treatment planning.

FINANCIAL SUMMARY¹

AMOUNTS IN SEK '000	JULY-SEP		JAN-SEP		OCT 2022 -	FULL
	2023	2022	2023	2022	SEP 2023	YEAR
Net sales	252,883	210,881	722,519	579,265	986,902	843,648
Operating profit	28,616	12,007	70,518	22,044	91,218	42,744
Operating margin, %	11.3	5.7	9.8	3.8	9.2	5.1
Profit for the period	21,551	10,073	50,032	9,640	64,170	23,778
Earnings per share before/after dilution, SEK	0.63	0.29	1.46	0.28	1.87	0.69
Cash flow from operating activities	124,378	11,292	340,159	204,531	462,285	326,657
Cash flow from the period	63,536	-47,990	144,723	4,015	187,492	46,784
Return on equity, %	3.1	1.6	7.3	1.5	9.5	3.7
Equity/assets ratio, % at the end of the period	38.0	37.4	38.0	37.4	37.3	35.0
Share price at the end of the period, SEK	82.9	47.6	82.9	47.6	82.9	68.0

¹ For definitions of key ratios, see page 21.

CEO COMMENTS

FIFTH CONSECUTIVE QUARTER WITH RECORD SALES

I am pleased to announce that our positive trend is continuing. Sales have reached record levels for the fifth consecutive quarter and been the highest ever for a corresponding quarter. Sales in the third quarter amounted to SEK 253 M, up 20 percent (16 percent at unchanged exchange rates) compared with the year-on-year period. Cash flow for the quarter was SEK 64 M and EBIT amounted to SEK 29 M. This is equivalent to an operating margin of 11.3 percent, which is an improvement on the year-on-year period (when operating margin was 5.7 percent) and was mainly because sales during the quarter were significantly higher than during the third quarter of 2022. Overall, we are maintaining our momentum and opportunities for continued growth look promising, which means we are standing firm by our active focus on marketing activities.

As in earlier quarters of the year, sales for the third quarter were not derived from any major orders (the largest single revenue item was SEK 20 M), but mainly comprise a combination of revenues from many small and normal-sized orders as well as support revenue. It is worth noting that support revenue is continuing to grow in a stable and positive direction. The growth is due to new sales of licenses in combination with the fact that we are losing practically no customers. To summarize, RaySearch has a strong financial position with cash and cash equivalents of SEK 307 M, stable cash flow and no loans.

10 OF 15 LEADING CANCER CENTERS IN THE WORLD USE RAYSEARCH'S PRODUCTS

I am proud to note that ten of the 15 top cancer hospitals worldwide are currently our customers, according to a ranking by Newsweek. This reflects our strong position in the top segment and confirms that RaySearch is a leading vendor of high-quality cancer treatment. Our solutions are appreciated by the majority of the most advanced cancer hospitals around the world, which also indicates that over time we ought to be able to continue to increase our market share.

NEW AND EXPANDED COLLABORATION AGREEMENTS FOR RAYSTATION AND RAYCARE

During the autumn, our long-term partnership with MedAustron in Austria was further expanded through a new research agreement. MedAustron was the first center in the world to use the RayCommand treatment control system to treat patients. Through this milestone, in May 2022 MedAustron also became the first oncology center to use RayStation, RayCare, and RayCommand together – a combination referred to as RayWorld – to treat patients.

At the end of September, we received a significant order from our business partner IBA. The order includes implementation of both RayStation and RayCare at C.R.O. National Cancer Institute in Aviano, Italy. This strengthens our position as the leading partner in proton therapy in Europe. The combination of RayStation and RayCare provides an integrated and unified solution for treating patients at C.R.O. Aviano, when combined with an IBA proton therapy machine. The center is expected to start treating patients by the end of 2024.

In September, we also signed two important agreements in the US, with Oregon Health & Science University (OHSU) and with Baptist Health Lexington in Kentucky, both of which generated revenue during the period.

The agreement with Baptist Health Lexington pertains to the implementation of RayStation at two large centers, Baptist Health Lexington and Baptist Health Hamburg. Both centers use several different delivery systems and as

RayStation supports virtually all commercially available machines, a strategy we have had from the beginning, the system can be used for treatment planning for all of these.

The order from OHSU is for RayStation, which the center will use for treatment planning together with the Radixact system from Accuray.

In October, the Paul Scherrer Institute (PSI) in Switzerland chose RayStation as its new system for proton therapy. PSI is renowned worldwide for its expertise in proton therapy and alongside the procurement of RayStation, we also intend to engage in a collaborative research initiative focusing on advanced proton therapy solutions, such as online adaptive.

The Mass General Cancer Center, which was one of the first in the world to offer proton therapy, decided in October to transition its proton treatment planning system to RayStation. The first patient was treated in 2011 using RayStation, and this took place here at Mass General. This makes them an extremely important collaboration partner for us. Our more than ten-year partnership is now entering a new phase as we transition from it solely encompassing photon radiation therapy. The center can see an opportunity to streamline treatment planning, and all of its external beam planning will now be done on a single platform.

FRUITFUL PARTICIPATION AT ASTRO ONCE AGAIN

In early October, we took part, as usual, at ASTRO, which is the leading conference in our field. During the congress, which took place this year in San Diego, we showcased and demonstrated our latest and most exciting innovations in areas such as brachy planning, CyberKnife planning and Synthetic CT generation. The response was highly favorable and our discussions with existing and potential business partners were fruitful.

It is clear that the latest version of RayCare has aroused great enthusiasm. Improved functionality together with Varian's certification earlier this year of interoperability between RayCare and TrueBeam has led to a significant increase in interest for RayCare.

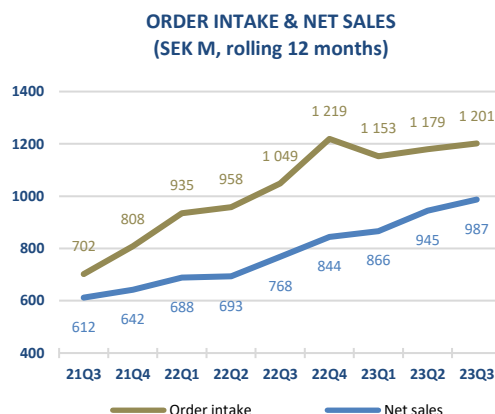
CONTINUED POSITIVE TREND

As previously communicated, focus is on improving the operating margin, with the long-term target of a minimum of 20 percent within three years.

As we look back on three strong initial quarters in 2023, I have every reason to believe that the positive trend will continue during the year's final quarter. Our strong order backlog (SEK 1,966 M in the quarter) and the ever-growing support revenue also suggest continued strong growth and thereby a positive end to the year.

Stockholm, November 17, 2023

Johan Löf
Founder and CEO



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 2023, order intake amounted to SEK 240.7 M (219.1), an increase by 9.9 percent year-on-year. License order intake amounted to SEK 112.5 M (86.1), an increase of 30.8 percent, while order intake for support was SEK 101.7 M (97.7), an increase of 4.0 percent.

Order intake (amounts in SEK M)	Q3-23	Q2-23	Q1-23	Q4-22	Q3-22	Rolling 12 months	Full-year 2022
Licenses	112.5	94.4	94.8	284.9	86.1	586.6	569.3
Support (incl. warranty support)	101.7	119.7	59.2	173.4	97.7	454.0	501.0
Hardware	16.1	17.5	41.8	21.4	25.9	96.8	92.7
Training and other	10.4	7.6	10.8	34.7	9.4	63.5	55.5
Total order intake	240.7	239.2	206.6	514.4	219.1	1,200.9	1,218.5

Order backlog (amounts in SEK M)	Q3-23	Q2-23	Q1-23	Q4-22	Q3-22
Licenses	429.7	425.0	397.1	395.3	237.3
Support (incl. warranty support)	1,379.5	1,350.7	1,324.2	1,380.0	1,320.5
Hardware	50.8	74.4	80.0	64.7	81.8
Training and other	106.3	104.8	102.0	100.1	75.6
Total order backlog at the end of the period	1,966.3	1,954.9	1,903.3	1,940.1	1,715.2

In the first nine months of 2023, order intake amounted to SEK 686.5 M (704.1), a decrease of 2.5 percent compared to the same period last year. Order intake of licenses amounted to SEK 301.7 M (284.3), a increase of 6.1 percent, while order intake for support amounted to SEK 280.6 M (327.6), a decrease of 14.3 percent.

At September 30, 2023, the total order backlog was SEK 1,966.3 M (1,715.2), of which SEK 525.5 M is expected to generate revenue 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.

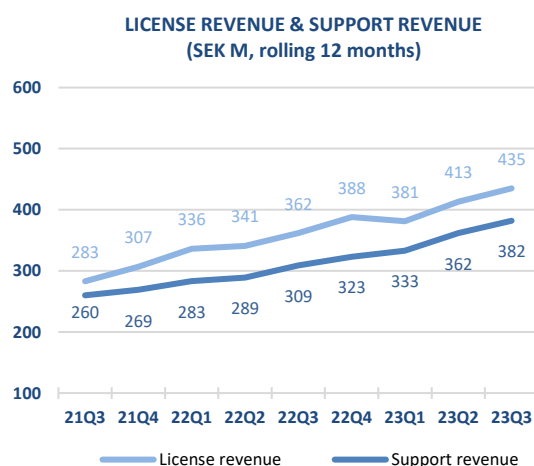
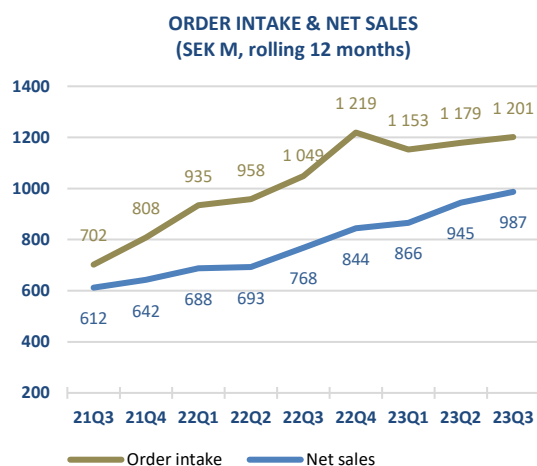
REVENUE

In the third quarter of 2023, net sales amounted to SEK 252.9 M (210.9), an increase of 19.9 percent compared to the same period last year. The change in sales at unchanged currencies was 15.5 percent (33.3).

License revenue amounted to SEK 97.9 M (76.4), an increase of 28.0 percent compared to last year. Support revenue amounted to SEK 107.2 M (87.4), an increase of 22.7 percent, accounting for 42 percent (41) of total net sales in the third quarter.

Hardware sales, which have a weaker operating margin, amounted to SEK 40.7 M (33.9). Excluding hardware sales, sales increased 19.9 percent compared the same period last year.

Revenue (amounts in SEK M)	Q3-23	Q2-23	Q1-23	Q4-22	Q3-22	Rolling 12 months	Full-year 2022
License revenue	97.9	100.7	104.3	131.9	76.4	434.8	388.5
Support revenue (incl. warranty support)	107.2	101.8	86.8	85.9	87.4	381.7	323.1
Hardware revenue	40.7	27.0	29.3	40.5	33.9	137.5	105.8
Training and other revenue	7.1	10.0	9.8	6.1	13.1	33.0	26.3
Net sales	252.9	239.5	230.2	264.4	210.9	987.0	843.6
Change in sales, corresp. period, %	19.9	49.4	10.6	40.2	54.6	28.5	31.5
Change in sales at unchanged exchange rates, corresp. period, %	15.5	41.2	3.7	41.3	33.9	24.0	23.2



In the first nine months of 2023, net sales amounted to 722.5 M (579.3), an increase of 24.7 percent. License revenue amounted to SEK 302.9 M (256.6), support revenue increased to SEK 295.8 M (237.2), hardware revenue increased to SEK 97.0 M (65.3) and training and other revenue increased to SEK 26.9 M (20.3).

In the first nine months of 2023, net sales had the following geographic distribution: North America, 42 percent (47); Asia, Pacific region and Middle East, 19 percent (22); Europe and the rest of the world, 39 percent (31).

OPERATING PROFIT

In the third quarter of 2023, operating profit increased to SEK 28.6 M (12.0), representing an operating margin of 11.3 percent (5.7). Net sales increased in the third quarter to SEK 253 M (211) and was mainly due to higher license and support revenue, which amounted to SEK 205 M (164) in total for the July-September period. The bulk of this amount is derived from Europe and rest of the world. Operating expenses amounted to SEK 192.9 M (183.1) primarily due to higher selling expenses as a result of more normalized activity levels post-covid. The company's administrative expenses remain relatively high due to a continued high share of external consultants. However, the increase during the quarter is lower than what was noted in earlier quarters.

In the third quarter, the net of exchange-rate gains and losses amounted to SEK -0.3 M (13.0) since a large proportion of the Group's receivables are denominated in USD and EUR. Adjusted for the effects of these currency translations, operating profit for the third quarter would have amounted to SEK 28.9 M (-1.0).

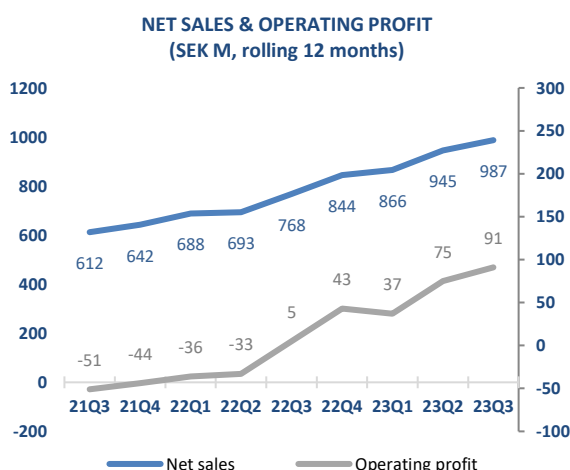
During the first nine months, operating profit increased to SEK 70.5 M (22.0), representing an operating margin of 9.8 percent (3.8). The increase is attributable to higher net sales combined with a comparatively lower increase in administrative expenses and research and development costs in the nine-month period.

Currency effects

The company's net 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.

Based on the year's revenue, cost and currency structure (transaction exposure), a general change of one percentage point in the SEK against the USD exchange rate against it would have impacted consolidated operating profit by approximately +/- SEK 0.9 M in the third quarter of 2023, while a corresponding change in the EUR exchange rate would have impacted consolidated operating profit by approximately +/- SEK 1.2 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, 2023, 198 employees (195) were engaged in research and development, corresponding to 52 percent (52) of the total number of employees.

Capitalization of development costs	Q3-23	Q2-23	Q1-23	Q4-22	Q3-22	Rolling 12 months	Full-year 2022
Research and development costs	50.4	63.1	58.2	58.5	51.8	230.5	234.6
Capitalization of development costs	-34.8	-45.9	-48.2	-49.4	-40.2	-178.2	-188.0
Amortization of capitalized development costs	45.7	40.5	40.0	50.9	50.9	177.1	192.2
Research and development costs after adjustments for capitalization and amortization of development costs	61.4	57.7	50.1	60.1	62.5	229.4	238.8

In 2023, RaySearch continued to invest in both existing products and future products. During the first nine months of 2023, research and development costs amounted to SEK 171.7 M (176.0), a decrease of 2.4 percent compared to the same period last year. The total costs amounted to 24 percent (30) of the company's net sales.

Capitalized development costs amounted to SEK 128.9 M (138.6) for the first nine months, which is a reduction of 7.0 percent compared to the same period last year. Accordingly, capitalized development costs amounted to 75 percent (79) of the total research and development costs for the first nine months of 2023.

Amortization of capitalized development costs amounted to SEK 126.2 M (141.3) for the first nine months of the year, which is a reduction of 10.7 percent compared to the same period last year. This reduction is attributable to the fact that some development projects were fully amortized at the end of 2022.

Total research and development costs (after adjustments for capitalization and amortization of development costs) amounted to SEK 169.1 M (178.7) during the first nine months of the year, a reduction of 5.4 percent compared to the same period last year.

Amortization and depreciation

In the third quarter of 2023, total amortization and depreciation decreased to SEK 73.9 M (77.9), a reduction of 5.2 percent compared to the same period last year. Amortization of intangible fixed assets amounted to SEK 45.8 M (51.0), of which amortization of capitalized development costs amounted to SEK 45.7 M (50.9).

Depreciation of tangible fixed assets amounted to SEK 28.1 M (26.9).

Total amortization and depreciation for the first nine months amounted to SEK 209.9 M (219.0), of which amortization of intangible fixed assets amounted to SEK 126.4 M (141.5), mainly related to capitalized development costs. Depreciation of tangible fixed assets amounted to SEK 83.5 M (77.5).

PROFIT AND EARNINGS PER SHARE

In the third quarter of 2023, profit after tax amounted to SEK 21.6 M (10.1), corresponding to earnings per share of SEK 0.63 (0.29) before and after dilution.

For the first nine months of 2023, profit after tax totaled SEK 50.0 M (9.6), representing earnings per share of SEK 1.46 (0.28) before and after dilution.

In the third quarter of 2023, the tax cost amounted to SEK 6.3 M (-0.4), corresponding to an effective tax rate of 22.6 percent (-4.3). For the first nine months of 2023, the tax cost amounted to SEK 16.2 M (4.5), corresponding to an effective tax rate of 24.5 percent (31.8).

CASH FLOW AND LIQUIDITY

In the third quarter of 2023, cash flow from operating activities was SEK 124.4 M (11.3). The change is primarily attributable to improved profit and the change in working capital as a result of temporarily higher accounts payable. In the first nine months, cash flow from operating activities was SEK 340.2 M (204.5).

In the third quarter, cash flow from investing activities was SEK -43.7 M (-44.4). Investments in intangible fixed assets amounted to SEK -34.8 M (-40.2) and mainly comprised capitalized development costs for the company's products – RayStation, RayCare, RayCommand and RayIntelligence. Investments in tangible fixed assets amounted to SEK -8.9 M (-4.2), and are attributable to investments in IT equipment. In the first nine months, cash flow from investing activities amounted to SEK -144.7 M (-148.6).

In the third quarter of 2023, cash flow from financing activities amounted to SEK -17.2 M (-14.9), and to SEK -50.7 M (-51.9) in the first nine months and comprised primarily the repayment of lease liabilities.

Cash flow for the period was SEK 63.5 M (-48.0) in the third quarter, and SEK 144.7 M (4.0) in the first nine months of the year.

At September 30, consolidated cash and cash equivalents amounted to SEK 306.6 M compared to SEK 160.3 M at December 31, 2022.

FINANCIAL POSITION

At September 30, 2023, RaySearch's total assets amounted to SEK 1,866.6 M compared to SEK 1,876.0 M at December 31, 2022. At September 30, the equity/assets ratio was 38.0 percent compared to 35.0 percent at fiscal year-end.

In June 2023, the company's credit facility was renegotiated with the bank. Accordingly, in addition to cash and cash equivalents of SEK 306.6 M, RaySearch has an overdraft facility of SEK 75.0 M (50.0) of which SEK 0 M (0) had been drawn at the end of the period. The previous unutilized revolving loan facility of SEK 150.0 M was terminated in conjunction with the increase of the overdraft facility from SEK 50 M to SEK 75 M.

At September 30, 2023, the company's interest-bearing liabilities, comprising only lease liabilities recognized in accordance with IFRS 16, amounted to SEK 506.3 M compared with SEK 555.3 at December 31, 2022.

At September 30, the Group's net debt amounted to SEK 199.6 M compared to SEK 395.0 M at December 31, 2022, a reduction that is mainly due to an increase in cash and cash equivalents and lower lease liabilities compared to the preceding year.

EMPLOYEES

In the January-September period of 2023, the average number of employees in the Group was 372 (386). At the end of the third quarter, the Group had 383 employees (373), of whom 272 (269) were based in Sweden, and 111 (104) 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.

THE COMPANY'S SHARE

At September 30, the total number of registered shares in RaySearch was 34,282,773, of which 7,654,975 were Class A and 26,627,798 Class B shares. The quotient value is SEK 0.50 and the company's share capital amounts to SEK 17,141,386.50. Holders of Class A shares are entitled to 10 votes per share, and holders of Class B shares are entitled to one vote per share, at general meetings. At September 30, 2023, the total number of votes in RaySearch was 103,177,548.

SHARE OWNERSHIP

At September 30, 2023, the number of shareholders in RaySearch was 7,874, according to Euroclear, and the largest shareholders were as follows:

Name	Class A shares	Class B shares	Total shares	Share capital, %	Votes, %
Johan Löf	5,443,084	218,393	5,661,477	16.5	53.0
State Street Bank and Trust Co, W9	-	4,236,501	4,236,501	12.4	4.1
BNP Paribas SA Paris, W8IMY (GC)	-	2,361,307	2,361,307	6.9	2.3
Swedbank Robur NY Teknik BTI	-	1,800,000	1,800,000	5.3	1.7
The bank of New York Mellon SA/NV. W8IMY	-	1,477,336	1,477,336	4.3	1.4
Anders Brahme	1,150,161	150,000	1,300,161	3.8	11.3
Andra AP-Fonden	-	1,220,942	1,220,942	3.6	1.2
Carl Filip Bergendal	1,061,577	139,920	1,201,497	3.5	10.4
JP Morgan Chase Bank NA, W8	-	897,248	897,248	2.6	0.9
Tredje AP-fonden	-	825,845	825,845	2.4	0.8
Total, 10 largest shareholders	7,654,822	13,327,492	20 982,314	61.2	87.2
Others	153	13,300,306	13,300,459	38.8	12.8
Total	7,654,975	26 627,798	34,282,773	100	100

Source: Euroclear

OTHER INFORMATION

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 Raysearch's risk exposure and risk management, refer to pages 30-32 of RaySearch's 2022 Annual Report. There have been no significant changes with any impact on the risks reported.

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 10-20 of RaySearch's 2022 Annual Report.

BOARD ASSURANCE

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 17, 2023

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 reviewed the condensed interim financial information (interim report) of RaySearch Laboratories AB (publ) as of September 30, 2023, and the nine months period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report 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 and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

CONCLUSION

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

See the signature and date on the Swedish version of the Audit Report

Deloitte AB
Kent Åkerlund
Authorized public accountant

FOR FURTHER INFORMATION, PLEASE CONTACT:

Johan Löf, CEO	Tel: +46 (0)8 510 530 00	Email: johan.lof@raysearchlabs.com
Annika Blondeau Henriksson, interim CFO	Tel: +46 (0)8 510 530 00	Email: annika.henriksson@raysearchlabs.com

The information contained in this interim report is such that RaySearch Laboratories AB (publ) is obliged to disclose under the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication on November 17, 2023 at 7:45 a.m. CET.

WEBCAST

CEO Johan Löf and interim CFO Annika Blondeau Henriksson will present RaySearch's interim report for January - September 2023 at a webcast to be held in English on Friday, November 17, 2023 at 10:00-10:30 a.m. CET.

Link to webcast: [RaySearch Q3 2023](#)

You can also join the webcast by phone:

Sweden +46 (0) 8 505 100 31

UK: +44 (0) 207 107 06 13

US: +1 (1) 631 570 56 13

FINANCIAL CALENDAR

Year-end report, 2023	February 23, 2024
Interim report first quarter, 2024	May 17, 2024
Annual Report, 2023	April 26, 2024
Annual General Meeting, 2024	May 22, 2024
Interim report second quarter, 2024	August 16, 2024
Interim report third quarter, 2024	November 8, 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

AMOUNTS IN SEK 000s	Note	JUL-SEP		JAN-SEP		OKT 2022-	FULL-YEAR
		2023	2022	2023	2022	SEP-23	2022
Net sales	2,3	252,883	210,881	722,519	579,265	986,902	843,648
Cost of goods sold ¹		-30,834	-28,769	-76,777	-56,814	-114,954	-94,991
Gross profit		222,049	182,112	645,742	522,451	871,948	748,657
Other operating income		5,155	17,109	15,023	40,331	24,196	49,504
Selling expenses		-88,670	-79,352	-260,076	-220,460	-349,040	-309,424
Administrative expenses		-42,852	-41,269	-143,822	-124,276	-191,265	-171,719
Research and development costs		-61,351	-62,515	-169,106	-178,689	-229,186	-238,769
Other operating expenses		-5,715	-4,078	-17,243	-17,313	-35,435	-35,505
Operating profit		28,616	12,007	70,518	22,044	91,218	42,744
Loss from financial items		-758	-2,348	-4,248	-7,918	-6,699	-10,369
Profit before tax		27,858	9,659	66,270	14,126	84,519	32,375
Tax		-6,307	414	-16,238	-4,486	-20,349	-8,597
Profit for the period²		21,551	10,073	50,032	9,640	64,170	23,778
Other comprehensive income							
Items to be reclassified to profit or loss							
Translation difference of foreign operations for the period		-668	3,305	1,824	7,013	-123	5,066
Comprehensive income for the period²		20,883	13,378	51,856	16,653	64,047	28,844
Earnings per share before and after dilution (SEK)		0.63	0.29	1.46	0.28	1.87	0.69

¹ Comprises costs for hardware and license costs paid, but not amortization of capitalized development costs, which are 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, 2023	Sep 30, 2022	Dec 31, 2022
ASSETS				
Intangible fixed assets		521,130	520,258	518,663
Tangible fixed assets		589,206	634,095	649,070
Deferred tax assets		14,081	27,438	25,598
Other long-term receivables ¹⁾		17,731	6,829	54,697
Total fixed assets		1,142,148	1,188,620	1,248,028
Inventories		19,823	29,443	14,091
Billed customer receivables		190,626	139,695	246,742
Unbilled customer receivables		110,342	160,706	123,827
Other current receivables		97,033	87,372	82,994
Cash and cash equivalents		306,632	118,194	160,268
Total current assets		724,456	535,410	627,922
TOTAL ASSETS		1,866,604	1,724,030	1,875,950
EQUITY AND LIABILITIES				
Equity		709,012	644,964	657,156
Deferred tax liabilities		107,318	107,201	106,874
Long-term lease liabilities		449,351	477,648	497,079
Other long-term liabilities		878	879	743
Total long-term liabilities		557,547	585,728	604,696
Accounts payable		51,379	25,629	24,030
Current lease liabilities		56,924	53,940	58,307
Other current liabilities		491,742	413,769	531,761
Total current liabilities		600,045	493,338	614,098
TOTAL EQUITY AND LIABILITIES		1,866,604	1,724,030	1,875,950

1) The bulk of this item consists of long-term unbilled customer receivables

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN SUMMARY

AMOUNTS IN SEK 000s	JUL-SEP		JAN-SEP		FULL-YEAR
	2023	2022	2023	2022	2022
Opening balance	688,129	631,587	657,156	628,312	628,312
Profit for the period	21,551	10,073	50,032	9,640	23,778
Translation difference for the period	-668	3,305	1,824	7,013	5,066
Comprehensive income for the year	20,883	13,378	51,856	16,653	28,844
Closing balance	709,012	644,964	709,012	644,964	657,156

CONSOLIDATED STATEMENT OF CASH FLOW IN SUMMARY

AMOUNTS IN SEK 000s		JUL-SEP		JAN-SEP		OCT 2022 -	FULL-YEAR
	Note	2023	2022 ¹⁾	2023	2022 ¹⁾	SEP 2023	2022 ¹⁾
Profit before tax		27,858	9,659	66,270	14,126	84,519	32,375
Adjusted for non-cash items ²⁾		82,114	74,156	212,935	215,707	293,331	296,103
Taxes paid		-3,385	-1,267	-9,752	-9,463	-14,105	-13,816
Cash flow from operating activities before changes in working capital		106,587	82,548	269,453	220,370	363,745	314,662
Cash flow from changes in operating receivables		19,121	-2,464	52,319	2,017	-15,734	-66,036
Cash flow from changes in operating liabilities		-1,330	-68,792	18,387	-17,856	114,274	78,031
Cash flow from operating activities		124,378	11,292	340,159	204,531	462,285	326,657
Investments in capitalized development costs		-34,792	-40,236	-128,871	-138,636	-178,221	-187,986
Acquisition of tangible fixed assets		-8,881	-4,171	-15,878	-9,951	-19,322	-13,395
Cash flow from investing activities		-43,673	-44,407	-144,749	-148,587	-197,543	-201,381
Repayment of lease liabilities		-17,169	-14,875	-50,687	-30,661	-77,250	-57,224
Change in overdraft facility		-	-	-	-21,268	-	-21,268
Cash flow from financing activities		-17,169	-14,875	-50,687	-51,929	-77,250	-78,492
Cash flow for the period		63,536	-47,990	144,723	4,015	187,492	46,784
Cash and cash equivalents at the beginning of the period		246,228	162,068	160,268	102,535	118,194	102,535
Exchange-rate difference in cash and cash equivalents		-3,132	4,116	1,641	11,644	946	10,949
Cash and cash equivalents at the end of the period		306,632	118,194	306,632	118,194	306,632	160,268

¹⁾ The comparative figures for 2022 have been corrected, which are presented in note 1.

²⁾ 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
	Note	2023	2022	2023	2022	2022
Net sales	2,3	195,492	145,713	554,037	427,594	620,315
Cost of goods sold ¹		-20,699	-9,155	-33,838	-18,590	-28,688
Gross profit		174,793	136,558	520,199	409,004	591,627
Other operating income		4,855	16,992	14,625	39,931	47,917
Selling expenses		-47,655	-39,675	-145,306	-119,217	-169,489
Administrative expenses		-55,529	-50,433	-181,867	-158,856	-217,833
Research and development costs		-41,821	-43,994	-145,957	-152,935	-203,678
Other operating expenses		-4,100	-3,828	-14,759	-16,857	-34,882
Operating profit		30,543	15,620	46,935	1,070	13,662
Profit/loss from financial items		1,427	4	2,542	-1,069	-1,265
Profit after financial items		31,970	15,624	49,477	1	12,397
Appropriations		-	-	-	-	-
Profit before tax		31,970	15,624	49,477	1	12,397
Tax on profit/loss for the period		-6,987	-1,584	-12,217	-1,190	-3,775
Profit/loss for the period		24,983	14,040	37,260	-1,189	8,622

¹ Comprises costs for hardware and royalties.

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN SEK 000s		JUL-SEP		JAN-SEP		FULL-YEAR
		2023	2022	2023	2022	2022
Profit/loss for the period		24,983	14,040	37,260	-1,189	8,622
Other comprehensive income		-	-	-	-	-
Comprehensive income for the period		24,983	14,040	37,260	-1,189	8,622

PARENT COMPANY BALANCE SHEET IN SUMMARY

AMOUNTS IN SEK 000s	Note	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
ASSETS				
Intangible fixed assets		168	401	342
Tangible fixed assets		47,400	60,418	56,525
Shares and participations		3,958	3,958	3,958
Deferred tax assets		11,131	26,785	23,992
Other long-term receivables		6,377	12,328	8,510
Total fixed assets		69,034	103,890	93,327
Inventories		2,835	4,039	3,758
Billed customer receivables		114,213	57,996	121,956
Unbilled customer receivables		72,430	67,438	47,504
Receivables Group companies		139,165	152,326	148,959
Other current receivables		61,589	45,486	67,367
Cash and bank balances		164,720	48,256	79,903
Total current assets		554,952	375,541	469,447
TOTAL ASSETS		623,986	479,431	562,774
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		126,859	118,234	118,237
Profit/loss for the year		37,260	-1,189	8,622
Total non-restricted equity		164,119	117,045	126,859
Total equity		224,890	177,816	187,630
Long-term liabilities		20,884	23,511	22,824
Total long-term liabilities		20,884	23,511	22,824
Accounts payable		44,819	13,971	18,957
Liabilities Group companies		15,847	9,313	18,989
Other current liabilities		317,546	254,820	314,374
Total current liabilities		378,212	278,104	352,320
TOTAL EQUITY AND LIABILITIES		623,986	479,431	562,774

NOTES, GROUP

NOTE 1 ACCOUNTING POLICIES

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The accounting policies applied are consistent with those described in the 2022 Annual Report for RaySearch Laboratories AB (publ), which is available at raysearchlabs.com. 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's current receivables mainly comprise receivables from Group companies and external customers.

CORRECTION OF ERROR

In this report, it has been noted that the cash flow in the comparative periods is incorrect. The error consists of incorrect classification and calculation regarding cash flow attributable to the group's leasing agreements and has been adjusted in this report. The correction only affects the classification of cash flows between the different categories and does not affect the total cash flow for the period. Restatement have also been made in the group quarterly overview. The income statement and consolidated statement of financial position have not been adjusted. Corrections in cash flow are presented in the tables below.

AMOUNTS IN SEK 000s	Recognized JUL-SEP	Restatement	Restated JUL-SEP
	2022	2022	2022
Cash flow from changes in operating receivables	-5,839	3,375	-2,464
Cash flow from changes in operating liabilities	-68,096	-696	-68,792
Cash flow from operating activities	8,613	2,679	11,292
Acquisition of tangible fixed assets	-11,973	7,802	-4,171
Cash flow from investing activities	-52,209	7,802	-44,407
Repayment of lease liabilities	-4,394	-10,481	-14,875
Cash flow from financing activities	-4,394	-10,481	-14,875

AMOUNTS IN SEK 000s	Recognized JAN-SEP	Restatement	Restated JAN-SEP
	2022	2022	2022
Cash flow from changes in operating receivables	-1,358	3,375	2,017
Cash flow from changes in operating liabilities	-4,834	-13,022	-17,856
Cash flow from operating activities	214,178	-9,647	204,531
Acquisition of tangible fixed assets	-41,717	31,766	-9,951
Cash flow from investing activities	-180,535	31,766	-148,587
Repayment of lease liabilities	-8,542	-22,119	-30,661
Cash flow from financing activities	-29,810	-22,119	-51,929

AMOUNTS IN SEK 000s	Recognized FULL-YEAR	Restatement	Restated FULL-YEAR
	2022	2022	2022
Cash flow from changes in operating liabilities	108,151	-30,120	78,031
Cash flow from operating activities	356,777	-30,120	326,657
Acquisition of tangible fixed assets	-43,515	30,120	-13,395
Cash flow from investing activities	-231,501	30,120	-201,381

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			
	2023	2022	Change	OCT 2022- SEP 2023	Full-year 2022
<u>Revenue by type</u>					
Licenses	97,881	76,442	28.0%	434,775	388,456
Support (incl. warranty support)	107,243	87,390	22.7%	381,712	323,104
Hardware	40,669	33,906	19.9%	137,463	105,760
Training and other	7,090	13,143	-46.1%	32,952	26,328
Total revenue by type	252,883	210,881	19.9%	986,902	843,648
<u>Revenue by geographic market</u>					
North America	110,749	116,553	-5.0%	430,769	397,919
Asia, Pacific region and Middle East	44,940	43,553	3.2%	194,952	183,420
Europe and rest of world	97,194	50,775	91.4%	631,181	262,309
Total revenue by geographic market	252,883	210,881	19.9%	986,902	843,648
<u>Revenue recognized at various points in time</u>					
Goods/services transferred at a point in time	138,550	110,348	25.6%	572,238	494,216
Services transferred over time	114,333	100,533	13.7%	414,664	349,432
Total revenue recognized at various points in time	252,883	210,881	19.9%	986,902	843,648

AMOUNTS IN SEK 000s	JAN-SEP				
	2023	2022	Change	OCT 2022- SEP 2023	Full-year 2022
<u>Revenue by type</u>					
Licenses	302,915	256,596	18.1%	434,775	388,456
Support (incl. warranty support)	295,767	237,159	24.7%	381,712	323,104
Hardware	96,960	65,257	48.6%	137,463	105,760
Training and other	26,877	20,253	32.7%	32,952	26,328
Total revenue from contracts with customers	722,519	579,265	24.7%	986,902	843,648
<u>Revenue by geographic market</u>					
North America	302,268	269,418	12.2%	430,769	397,919
Asia, Pacific region and Middle East	140,611	129,079	8.9%	194,952	183,420
Europe and rest of world	279,640	180,768	54.7%	361,181	262,309
Total revenue by geographic market	722,519	579,265	24.7%	986,902	843,648
<u>Revenue recognized at various points in time</u>					
Goods/services transferred at a point in time	399,875	321,853	24.2%	572,238	494,216
Services transferred over time	322,644	257,412	25.3%	414,664	349,432
Total revenue recognized at various points in time	722,519	579,265	24.7%	986,902	843,648

NOTE 3 ESTIMATES

Preparation of the interim report requires that company management make estimates that affect the carrying amounts. The actual outcome could deviate from these estimates. The critical sources of uncertainty in the estimates are the same as those in the most recent Annual Report.

NOTE 4 FINANCIAL INSTRUMENTS

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

The provision for expected credit losses is a weighted assessment of payment history, reports from external credit rating agencies and other customer-specific information. At the end of September 2023, the credit loss provision amounted to SEK 49.9 M (43.5), corresponding to 14 percent (12) of total customer receivables.

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, 2023	SEP 30, 2022	DEC 31, 2022
Chattel mortgages	100,000	100,000	100,000
Guarantees	32,194	33,121	33,007

GROUP QUARTERLY OVERVIEW

AMOUNTS IN SEK 000s	2023				2022		2021	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Order intake								
Total order intake	240,693	239,163	206,631	514,424	219,091	212,511	272,442	345,028
Income statement								
Net sales	252,883	239,467	230,169	264,383	210,811	160,235	208,149	188,573
Change in sales, %	19.9	49.4	10.6	40.2	54.6	3.7	28.4	18.5
Operating profit/loss	28,616	18,226	23,676	20,700	12,007	-19,527	29,564	-16,578
Operating margin, %	11.3	7.6	10.3	7.8	5.7	-12.2	14.2	-8.8
Profit/loss for the period	21,551	10,918	17,563	14,138	10,073	-19,731	19,298	-15,968
Net margin, %	8.5	4.6	7.6	5.3	4.8	-12.3	9.3	-8.5
Cash flow								
Operating activities	124,378	62,097	153,683	122,126	11,292	63,824	126,827	28,397
Investing activities	-43,673	-48,995	-52,081	-52,794	-44,407	-43,629	-60,551	-60,944
Financing activities	17,169	-16,388	-17,130	-26,563	-14,875	-8,010	-29,916	12,482
Cash flow for the period	63,536	-3,285	84,472	42,769	-47,990	16,685	35,320	-20,065
Capital structure								
Equity/assets ratio, %	38.0	36.3	35.8	35.0	37.6	35.2	37.5	36.0
Net debt	199,642	279,406	295,381	394,982	413,394	385,357	396,166	458,863
Debt/equity ratio	0.3	0.4	0.4	0.6	0.6	0.6	0.6	0.7
Net debt/EBITDA	0.5	0.8	0.9	1.2	1.4	1.6	1.8	2.3
Per share data, SEK								
Earnings/loss per share before dilution	0.63	0.32	0.51	0.41	0.29	-0.58	0.56	-0.47
Earnings/loss per share after dilution	0.63	0.32	0.51	0.41	0.29	-0.58	0.56	-0.47
Equity per share	20.68	20.07	19.67	19.17	18.81	18.42	18.91	18.33
Share price at the end of the period	82.9	63.30	77.10	68.00	47.60	54.40	51.70	56.50
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	383	371	374	382	386	383	399	419

GROUP, ROLLING 12 MONTHS

AMOUNTS IN SEK 000s	Oct 2022- Sep 2023	Jul 2022- Jun 2023	Apr 2022- Mar 2023	Jan 2022- Dec 2022	Oct 2021- Sep 2022	Jul 2021- Jun 2022	Apr 2021- Mar 2022	Jan 2021- Dec 2021
Order intake								
Total order intake	1,200,911	1,179,309	1,152,657	1,218,468	1,049,070	957,845	935,073	807,762
Income statement								
Net sales	986,902	944,900	865,668	843,648	767,838	693,376	687,720	641,673
Operating profit/loss	91,218	74,609	36,856	42,744	5,466	-33,102	-36,038	-53,341
Operating margin, %	9.2	7.9	4.3	5.1	0.7	-4.8	-5.2	-8.3
Cash flow								
Cash flow	187,492	75,966	95,936	46,784	-16,050	21,852	-69,223	-72,380
Cash flow adjusted for repayment of bank loans	187,492	75,966	95,936	68,052	5,218	43,120	-47,955	-22,380

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.
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 (organic growth)	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.
Operating expenses	Pertains to selling expenses, administrative expenses and research and development costs included in operating activities. Previous reports also included cost of goods sold, other operating income and other operating expenses.	Operating expenses provide an overall picture of the costs charged to operating activities and is an important internal measure on which management has significant influence.
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, 2023	Sep 30, 2022	Dec 31, 2022		
Operating profit adjusted for currency translation effects					
Operating profit	70,518	22,044	42,744		
Exchange-rate gains	-13,353	-38,782	-33,053		
Exchange-rate losses	17,243	16,748	20,616		
Operating profit adjusted for currency translation effects	74,408	10	30,307		
AMOUNTS IN SEK 000s	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022		
Working capital					
Accounts receivable (current billed customer receivables)	190,626	143,264	246,742		
Current unbilled customer receivables	110,342	160,706	123,827		
Long-term unbilled customer receivables	17,058	6,829	54,697		
Inventories	19,823	29,443	14,091		
Other current receivables (excl. tax)	85,619	82,313	71,712		
Accounts payable	-51,379	-25,629	-24,030		
Other current liabilities (excl. tax)	-485,338	-412,195	-526,781		
Working capital	-113,249	-15,269	-39,742		
PERCENT	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022		
Return on equity					
Profit for the period	50,032	9,640	23,778		
Average equity	683,084	636,638	642,734		
Return on average equity, percent	7.3	1.5	3.7		
PERCENT	2023-09-30	2022-09-30	2022-12-31		
Equity/assets ratio					
Equity at the end of the period	709,012	644,964	657,156		
Total assets	1,866,604	1,724,030	1 875,950		
Equity/assets ratio, percent	38.0	37.4	35.0		
AMOUNTS IN SEK 000s	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022		
Net debt					
Current interest-bearing liabilities	56,924	53,940	58,307		
Long-term interest-bearing liabilities	449,351	477,648	496,943		
Cash and cash equivalents	-306,632	-118,194	-160,268		
Net debt	199,642	413,394	394,982		
	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022		
Debt/equity ratio					
Net debt	199,642	413,394	394,982		
Equity	709,012	644,964	657,156		
Debt/equity ratio	0.28	0.64	0.60		
AMOUNTS IN SEK 000s	JUL-SEP		JAN-SEP		FULL-YEAR
	2023	2022	2023	2022	2022
EBITDA					
Operating profit	28,616	12,007	70,518	22,044	42,744
Amortization and depreciation	73,913	77,93	209,893	219,022	296,994
EBITDA	102,529	89,937	280,411	241,066	339,738

AMOUNTS IN SEK 000s	JUL-SEP		JAN-SEP		FULL-YEAR
	2023	2022	2023	2022	2022
Change in sales at unchanged currencies (organic growth)					
Net sales	252,883	210,881	722,519	579,265	843,648
Currency adjustment	-9,234	-28,973	-36,657	-54,837	-52,793
Adjusted net sales	243,649	181,908	685,862	524,428	790,855
Net sales, preceding year	210,881	136,419	579,265	453,100	641,673
Change in sales at unchanged currencies (organic growth)	15.5%	33.3%	18.4%	15.7%	23.2%

AMOUNTS IN SEK 000s	JUL-SEP		JAN-SEP		FULL-YEAR
	2023	2022	2023	2022	2022
Operating expenses					
Selling expenses	-88,670	-79,352	-260,076	-220,460	-309,424
Administrative expenses	-42,852	-41,269	-143,822	-124,276	-171,719
Research and development costs	-61,351	-62,515	-169,106	-178,689	-238,769
Operating expenses	-192,873	-183,136	-573,004	-523,425	-719,912

HEAD OFFICE

RaySearch Laboratories AB (publ)
Box 45169
SE-104 30 Stockholm, Sweden

STREET ADDRESS

Eugeniavägen 18 C
SE-113 68 Stockholm, Sweden
Tel: +46 (0)8 510 530 00

raysearchlabs.com

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 markets the RayStation treatment planning system (TPS) and RayCare oncology information system (OIS). The latest additions to the RaySearch product line are RayIntelligence and RayCommand. RayIntelligence is a cloud-based oncology analytics system that cancer clinics can use to collect, structure and analyze data. The Treatment Control System (TCS) RayCommand is designed as a link between the treatment machine and the dose planning and oncology information systems.

RaySearch's software is currently used by over 900 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 have 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.