

RAYSEARCH LABORATORIES AB (PUBL)

YEAR-END REPORT 2015

“Our success with RayStation® continues and during the year, the order intake for RayStation® doubled to SEK 317 M [159]. Overall, revenues rose 39 percent and we are presenting the best full-year results ever, despite continued expansion of our global market organization. We are also seeing a huge interest in RayCare®, for which we have now signed a long-term collaboration agreement with the University of California, San Francisco. RayCare® is an innovative oncology information system and represents a completely new product area for RaySearch. Based on the company’s increased profit, the Board of Directors proposes that dividend payments be resumed,” says Johan Löf, President and CEO of RaySearch.

TWELVE MONTHS (JANUARY-DECEMBER, 2015)

- Net sales SEK 397.6 M [285.2], of which RayStation® SEK 300.4 M [190.2]
- Profit after tax SEK 70.2 M [59.8], and earnings per share SEK 2.05 [1.75]
- Operating profit SEK 95.3 M [79.4]
- Cash flow SEK 3.6 M [16.8]
- Order intake excluding service agreements SEK 385.2 M [229.8], of which RayStation® SEK 316.9 M [158.9]
- Based on the company’s increased profitability, the Board of Directors proposes that dividend payments be resumed with a full-year 2015 dividend of SEK 0.25 per share

FOURTH QUARTER (OCTOBER-DECEMBER, 2015)

- Net sales SEK 132.0 M [107.8], of which RayStation® SEK 109.4 M [84.9]
- Profit after tax SEK 33.3 M [40.7], and earnings per share SEK 0.97 [1.19]
- Operating profit SEK 44.3 M [52.8]
- Cash flow SEK 12.4 M [30.7]
- Cash SEK 59,7 M [56,1] at the end of the period
- Order intake excluding service agreements SEK 117.9 M [85.4] of which RayStation® SEK 102.9 M [70.4]
- At the end of the period, RayStation® order backlog totaled SEK 60.5 M [31.5]

SIGNIFICANT EVENTS DURING THE FOURTH QUARTER

- In November 2015, Anders Liander, CTO, left the company to pursue his own interests
- In November 2015, 1,061,577 Class A shares were converted to Class B shares at the request of a shareholder. The total number of votes in RaySearch thereafter amounted to 126,648,099. The total number of registered shares in RaySearch amounts to 34,282,773, of which 10,262,814 are Class A shares and 24,019,959 are Class B shares

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

- RaySearch has released RayStation® 5 with support for carbon ion treatment planning, which represents the most advanced form of radiation therapy, as well as tools and functionality that bring a new perspective to treatment planning
- RaySearch has signed a long-term collaboration agreement with the University of California, San Francisco (UCSF) regarding the RayCare® oncology information system, which is currently under development at RaySearch
- On January 4, 2016, RaySearch’s Class B share [RAY B] was transferred from the Small Cap to the Mid Cap segment of Nasdaq Stockholm

SUMMARY OF FINANCIAL RESULTS

AMOUNTS IN SEK 000S	JAN-DEC		OCT-DEC	
	2015	2014	2015	2014
Net sales	397,600	285,217	131,957	107,782
Operating profit	95,344	79,360	44,302	52,767
Operating margin, %	24.0	27.8	33.6	48.9
Profit for the period	70,209	59,832	33,311	40,696
Earnings per share, SEK	2.05	1.75	0.97	1.19
Share price at the end of the period, SEK	122.50	53.00	122.50	53.00

The information in this interim 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 18, 2016 at 7:45 a.m.

CEO COMMENTS

SUCCESS WITH RAYSTATION® CONTINUES

Our success with RayStation® continues and during the year, the order intake for RayStation® doubled to SEK 317 M (159). In 2015, we secured several key orders from some of the world's largest and most respected cancer clinics, including MD Anderson and the University of Florida Health Proton Therapy Institute in the US, and Gustave Roussy in France. We secured these contracts in direct competition with other market players, which I consider strong proof that our system offers major benefits. Our sales success is based on RayStation's high computation speed, automated workflow, advanced support for adaptive radiation therapy, unique multi-criteria optimization and user-friendly interface. More and more highly regarded cancer clinics can now confirm that RayStation® is helping them to improve their radiation therapy process, and to use their existing equipment more efficiently.

During the autumn, we extended our partnership with Accuray to also include treatment planning support for Accuray's TomoTherapy® and CyberKnife® systems in RayStation®. This integration entails major efficiency gains for clinics that combine Accuray's systems with conventional radiation therapy equipment. It also presents major business opportunities for us, since Accuray has an installed base of more than 800 systems, and RayStation® will be the only independent system that can produce treatment plans for their devices. No other treatment planning system can offer such broad support for different types of radiation therapy equipment as RayStation® and these two additions will further expand that platform.

RayStation® 5 was released at the end of the year, and offers exciting new functionality. First of all, it is the only commercially available system containing treatment planning tools for carbon ion radiation therapy, which is the most advanced form of radiation therapy. RayStation® 5 also offers many other new features, such as robust optimization based on 4D-CT scans, smart brush contouring and side-by-side contouring. At the same time, many existing features have been enhanced, such as 3D-CRT planning, treatment plan printouts, planning protocols and scripting. The most exciting new feature in RayStation® 5 is probably Plan Explorer, a treatment planning tool that combines automated planning and high-performance algorithms with the capability to generate a large number of treatment plans in a manner that offers totally new opportunities to find the most effective plan for each patient. Instead of producing one or more treatment plans manually, Plan Explorer can generate a large number of alternative plans and provides the means to filter and browse among plan candidates to find the most desired one.

HIGH VOLUME GROWTH, INCREASED PROFIT AND RESUMPTION OF DIVIDENDS

We see continued high volume growth for RayStation®, which now accounts for over 75 percent of our sales, and we are still feeling the benefits of a strong USD. During the year, revenues from RayStation® rose 58 percent to SEK 300.4 M (190.2), and sales via partners increased to SEK 97.2 M (95.0). Overall, revenues rose 39.4 percent to SEK 397.6 M (285.2), while operating profit increased to SEK 95.3 M (79.4). These are our highest sales figures and best full-year earnings ever. Based on the company's increased profit, the Board of Directors proposes that dividend payments be resumed with a dividend of SEK 0.25 per share for the full-year 2015.

HUGE INTEREST IN RAYCARE®

During autumn and winter, we also saw further confirmation of the interest in RayCare®, which is our innovative oncology information system. We have now signed a long-term collaboration agreement regarding RayCare® with yet another partner, the University of California, San Francisco (UCSF). Development is continuing at a rapid pace, and we will increase the number of people involved in the project during 2016. Although a lot of work remains before the system is ready for launch, the reception has already been overwhelmingly positively when we demonstrate the system to prospective customers. A radiation therapy clinic essentially needs two software platforms for its business activities: an information system, and a treatment planning system. RayCare® and RayStation® will enable us to provide the entire infrastructure for a clinic's information management and treatment planning. The launch of RayCare® in 2017 will present us with new opportunities, both clinically and commercially, which, for example, has also been confirmed by our long-term collaboration agreement with Accuray and UCSF.

SOLID BASE FOR CONTINUED FOCUS

Sales of RayStation® have certainly gained real momentum, and the system is firmly established in all major markets around the world. Our sales and earnings will continue to vary from quarter to quarter, since deliveries remain subject to relatively large fluctuations. However, I take great pleasure in confirming that our sales have reached record levels, year-on-year, for nine consecutive quarters. We also note how this growth is continuing, which gives us a solid base for continued investment in both RayStation® and RayCare®.

To date, more than 280 cancer clinics in 22 countries have purchased RayStation®. Meanwhile, since there are more than 8,000 radiation-therapy clinics worldwide, our growth potential remains strong. We are now in a new and exciting phase of development, with an ever-growing customer base and new strategic opportunities. This gives us an excellent platform for continued success.

Stockholm, February 18, 2016

Johan Löf

President and CEO of RaySearch Laboratories AB (publ)

SIGNIFICANT EVENTS

SIGNIFICANT EVENTS DURING THE PERIOD JANUARY 1-DECEMBER 31, 2015

Changes in executive management

In January 2015, it was announced that CFO, Anders Martin-Löf, had decided to leave the company in April to become CFO of another company. In March, Peter Thysell was appointed Interim CFO and he was subsequently appointed permanent CFO as of August. In June, Victoria Sörving was appointed new General Counsel, Kjell Eriksson new Chief Science Officer and Björn Hårdemark Deputy CEO. All have joined the executive management team. In November, Anders Liander, CTO, left the company, at his own request, to pursue his own interests.

First proton therapy treatments with RayStation® in Europe

In February, it was announced that German-based Westdeutsches Protontherapiezentrum Essen (WPE) had become the first proton center in Europe to use RayStation® for clinical treatments.

First proton therapy treatments with RayStation® for Mevion S250

In May, the Ackerman Cancer Center in Jacksonville, US, announced it had started to use RayStation® for clinical proton therapy treatments together with Mevion S250 equipment.

Texas Center for Proton Therapy selects RayStation®

In May, it was announced that the Texas Center for Proton Therapy had chosen the RayStation® treatment planning system.

RayStation® approved by the US Oncology Network

RayStation® has qualified as an approved treatment planning system for the US Oncology Network, a national collaboration organization in the US encompassing some 100 radiation therapy clinics.

Long-term collaboration agreement with Accuray

In July, it was announced that RaySearch and Accuray Inc. had signed a long-term collaboration agreement regarding the RayCare® oncology information system that RaySearch is currently developing. Under the agreement, Accuray will be able to offer RayCare® in several major radiation therapy markets with a fully integrated solution for its systems TomoTherapy® and CyberKnife®.

In September, it was announced that RaySearch and Accuray Inc. had expanded their established partnership by signing a new long-term collaboration agreement, which will lead to the integration of treatment planning support for the TomoTherapy® and CyberKnife® systems in RaySearch's treatment planning system, RayStation®. This integration will offer significant efficiency gains to clinics using several different types of radiation therapy equipment. The launch of treatment planning support for the TomoTherapy® system in RayStation is planned for 2016, and for the CyberKnife® system in 2017.

RayStation® selected in a number of large-scale procurements

In August, it was announced that RaySearch and RayStation®, in direct competition with the company's main competitors, had secured several major orders from some of the world's largest and most respected cancer clinics, including

- The University of Texas MD Anderson Cancer Center, which is the world's largest and most highly rated cancer clinic
- The University of Florida Health Proton Therapy Institute, which has selected RayStation® as its primary treatment planning system
- Gustave Roussy, which is one of the largest and leading cancer clinics in Europe, with an extensive network of satellite centers and business partners, both nationally in France, and internationally with some of Europe's foremost oncology clinics

Conversion of shares

In November, 1,061,577 Class A shares were converted to Class B shares at the request of a shareholder. The total number of votes in RaySearch thereafter amounted to 126,648,099. The total number of registered shares in RaySearch amounts to 34,282,773, of which 10,262,814 are Class A shares and 24,019,959 are Class B shares.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

RaySearch has been transferred to Mid Cap on Nasdaq Stockholm

On January 4, 2016, RaySearch's Class B share (RAY B) was transferred from the Small Cap to the Mid Cap segment of Nasdaq Stockholm following Nasdaq's annual review of its Nordic market capitalization segments.

RayStation® 5 with support for carbon ion treatment planning has been released

In February, it was announced that version 5 of the RayStation® treatment planning system had been launched for clinical use in the UK, Australia and New Zealand, and will be launched in most major markets during the first half of 2016. RayStation® 5 will be the only commercially available treatment planning system that provides support for treatment planning using carbon ion therapy, which is the most advanced form of radiation therapy. RayStation® 5 also offers many new features, such as robust optimization based on 4D-CT scans, and Plan Explorer, a treatment planning tool that combines automatic treatment planning, high-performance algorithms and the handling of various delivery techniques in a way that presents completely new opportunities for determining the most effective treatment for each patient.

Long-term collaboration agreement signed with the University of California, San Francisco regarding RayCare®

In February, it was announced that RaySearch had signed a long-term collaboration agreement with the University of California, San Francisco (UCSF) regarding the RayCare® oncology information system, which is currently under development at RaySearch. "UCSF is an ideal partner for this development. The university is a world-leading institution for cancer treatment, and also offers an extensive and diverse set of treatment machines and other systems, providing a challenging and ideal environment for the development of RayCare®," says Johan Löf.

FINANCIAL INFORMATION

SALES AND EARNINGS FOR THE FOURTH QUARTER OF 2015

Revenues and currency effects

In the fourth quarter of 2015, sales rose 22.4 percent year-on-year to SEK 132.0 M (107.8). Sales consist of license revenues from sales of RayStation®, sales of software modules via partners, and support revenues. In the fourth quarter of 2015, license revenues amounted to SEK 120.0 M (97.1) and support revenues rose to SEK 11.9 M (9.6). The sales increase was largely attributable to sharp growth in sales of RayStation®.

Order intake excluding service agreements amounted to SEK 117.9 M (85.4), of which RayStation® accounted for SEK 102.9 M (70.4). At December 31, 2015, RayStation® order backlog was SEK 60.5 M (31.5)

The company is dependent on exchange-rate trends in the USD and EUR against the SEK, since invoicing is mainly denominated in USD and EUR, while most of the costs are in SEK. At unchanged exchange rates, sales would have increased 14.5 percent year-on-year. In the fourth quarter of 2015, revenues in USD were recognized at an average exchange rate of SEK 8.50, compared with SEK 7.41 in the year-earlier period. In the fourth quarter of 2015, revenues in EUR were recognized at an average exchange rate of SEK 9.31, compared with SEK 9.26 in the year-earlier period. Accordingly, currency effects had a positive impact on sales.

Expenses and profit

During the quarter, operating profit amounted to SEK 44.3 M (52.8), corresponding to an operating margin of 33.6 percent (48.9). Operating expenses, excluding exchange-rate gains and losses, increased SEK 20.1 M to SEK 75.2 M, compared with the year-earlier quarter.

The earnings decline during the quarter was largely due to the focus on RayStation®, which led to higher costs for marketing and for personnel in sales, service and administration, which were not fully offset by increased sales. During the quarter, a provision of SEK 2.0 M (0) was also made for the personnel's profit-sharing foundation, Vinstandelsstiftelsen RayFoundation, of which SEK 0.4 M pertains to special employer's contribution.

Other operating income and expenses pertain to exchange-rate gains and losses, with the net of these amounting to an expense of SEK 1.2 M (income: 5.3) in the fourth quarter of 2015. This was mainly due to the major portion of accounts receivable denominated in USD, which weakened in the fourth quarter compared with the end of the third quarter.

By December 31, 2015, some 100 (81) employees were engaged in research and development. Research and development costs include payroll costs, consulting fees and costs for computer equipment and premises. Before capitalization and amortization of development expenditures, research and development costs totaled SEK 37.0 M (25.9).

In the fourth quarter of 2015, capitalized development expenditure amounted to SEK 28.6 M (15.2) and in the same period, amortization of capitalized development expenditure amounted to SEK 12.0 M (13.6). After adjustments for capitalization and amortization of development costs, research and development costs totaled SEK 20.4 M (24.3). Profit after tax totaled SEK 33.3 M (40.7) for the quarter.

Geographic distribution of license revenues

In the fourth quarter of 2015, license revenues were distributed as follows: North America, 25 percent (30); Asia, 31 percent (27); Europe and the rest of the world, 44 percent (43).

SALES AND EARNINGS FOR FULL-YEAR 2015

Revenues and currency effects

Sales for full-year 2015 rose 39.4 percent year-on-year to SEK 397.6 M (285.2). In 2015, license revenues amounted to SEK 353.4 M (256.1), and increased due to revenue growth from RayStation®. Order intake excluding service agreements amounted to SEK 385.2 M (229.8), of which RayStation® accounted for SEK 316.9 M (158.9). At December 31, 2015, the RayStation® order backlog was SEK 60.5 M (31.5). In 2015, support revenues increased to SEK 44.2 M (29.1).

In 2015, revenues in USD were recognized at an average exchange rate of SEK 8.43, compared with SEK 6.89 in 2014. In 2015, revenues in EUR were recognized at an average exchange rate of SEK 9.36, compared with SEK 9.18 in 2014. Accordingly, currency effects had a positive impact on sales. At unchanged exchange rates, sales would have increased 24.2 percent compared with 2014.

A sensitivity analysis of currency exposure indicates that the impact of a +/-10 percent change in the average USD exchange rate on operating profit for the first half of 2015 was +/- SEK 37.6 M, and that the corresponding effect of a +/-10 percent change in the average EUR exchange rate was about +/- SEK 11.3 M. The company pursues the currency policy established by the Board of Directors, whereby exchange-rate changes are not hedged.

Expenses and profit

In 2015, operating profit totaled SEK 95.3 M (79.4), corresponding to an operating margin of 24.0 percent (27.8). Operating expenses, excluding exchange-rate gains and losses, increased SEK 78.9 M to SEK 283.1 M, compared with the year-earlier period. The increase in operating expenses was mainly due to higher costs for marketing, and for personnel in sales and service due to the focus on RayStation®. In addition, the head office in Stockholm was relocated to new, purpose-built premises.

Other operating income and expenses pertain to exchange-rate gains and losses, with the net of these amounting to income of SEK 4.5 M (income: 10.0) in 2015. This was mainly due to the major portion of accounts receivable denominated in USD, which strengthened during the period.

Before capitalization and amortization of development expenditures, research and development costs totaled SEK 132.5 M (92.5).

In 2015, capitalized development costs totaled SEK 81.0 M (54.4). Amortization of capitalized development costs amounted to SEK 50.0 M (57.0) in 2015. After adjustments for capitalization and amortization of development expenditure, research and development costs totaled SEK 101.5 M (95.1).

During 2015, amortization of intangible fixed assets totaled SEK 56.5 M (58.2), of which intangible fixed assets accounted for SEK 50.0 M (57.0) and tangible fixed assets for SEK 6.5 M (1.2).

Profit after tax for 2015 was SEK 70.2 M (59.8), corresponding to earnings per share before and after dilution of SEK 2.05 (1.75)

Geographic distribution of license revenues

In 2015, license revenues were distributed as follows: North America, 41 percent (31); Asia, 22 percent (32); Europe and the rest of the world, 37 percent (37).

SEASONAL VARIATIONS

Revenues from RaySearch are subject to seasonal variations that are typical of the industry, whereby the fourth quarter is strongest, while the second quarter is usually relatively weak.

LIQUIDITY AND FINANCING

In 2015, cash flow from operating activities rose to SEK 111.4 M (50.3), primarily due to improved earnings. Cash flow from investing activities was a negative SEK 103.9 M (neg: 57.8). Investments in tangible fixed assets amounted to a loss of SEK 35.7 M (loss: 8.5), primarily pertaining to the new head office and a new exhibition booth, of which SEK 12.9 M was secured under a finance lease. Investments in intangible fixed assets amounted to a loss of SEK 81.0 M (loss: 54.4) and comprised capitalized development expenditure. Cash flow from financing activities amounted to a negative SEK 3.9 M (pos: 24.3) and comprised finance lease payments.

Cash flow for the year amounted to SEK 3.6 M (16.8) and at December 31, 2015, cash and cash equivalents amounted to SEK 59.7 M (56.1). At December 31, 2015, current receivables totaled SEK 187.9 M (156.6). The receivables mainly comprise accounts receivable and the increase was largely due to sales growth, and a strengthening of the USD against the SEK.

In November 2014, 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 loan of up to SEK 25 M, which expires on November 4, 2017. Within the terms of the revolving loan, an amount of SEK 25 M has been borrowed until February 2016.

Of the company's credit facility of SEK 25 M, SEK 4.0 M has been blocked as collateral for bank guarantees totaling EUR 0.4 M to MedAustron.

The provision pertaining to the settlement with Prowess was reclassified as a liability during 2014, as a result of the signed settlement agreement. The liability is in USD and has been discounted since it does not carry interest. During the year, currency and discounting effects had a negative impact of SEK 0.7 M on profit from financial items.

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 2014. 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 their carrying amounts. RaySearch has not applied net accounting to any financial assets or liabilities, and has no agreements that permit offsetting.

INVESTMENTS

In 2015, investments in intangible fixed assets amounted to SEK 81.0 M (54.4) and comprised capitalized development costs for RayStation® and RayCare®. Investments in tangible fixed assets amounted to SEK 35.7 M (8.5), and primarily pertained to the new head office and a new exhibition booth.

EMPLOYEES

At the end of the fourth quarter, the Group had 175 (136) employees, of whom 145 were based in Sweden, and 30 in foreign subsidiaries. The average number of employees during the January-December period of 2015 was 157 (126).

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. Development expenditure and adjustments related to finance leases are capitalized in the Group but not in the Parent Company. The Parent Company's current receivables mainly comprise receivables from Group companies and accounts receivable.

In July, the wholly owned subsidiary RayIncentive AB was merged with the Parent Company.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on May 17, 2016 at 6:00 p.m. at RaySearch's office, Sveavägen 44, Stockholm, Sweden. The Annual Report for 2015 will be held available at RaySearch's office at Sveavägen 44 in Stockholm and at RaySearch's website, approximately one month prior to the date of the AGM.

Proposed dividend

Based on the company's increased profit, the Board of Directors proposes that dividend payments be resumed with a full-year 2015 dividend of SEK 0.25 per share.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

AMOUNTS IN SEK 000S	JAN-DEC		OCT-DEC	
	2015	2014	2015	2014
Net sales	397,600	285,217	131,957	107,782
Cost of goods sold ¹⁾	-23,690	-11,627	-11,244	-5,293
Gross profit	373,910	273,590	120,713	102,489
Other operating income	13,682	16,803	-	7,590
Selling expenses	-138,360	-78,433	-41,568	-22,278
Administrative expenses	-43,240	-30,736	-13,226	-8,518
Research and development expenditure	-101,514	-95,069	-20,409	-24,273
Other operating expenses	-9,134	-6,795	-1,208	-2,243
Operating profit	95,344	79,360	44,302	52,767
Result from financial items	-1,854	-659	-174	-189
Profit before tax	93,490	78,701	44,128	52,578
Tax	-23,281	-18,869	-10,817	-11,882
Profit for the period ²⁾	70,209	59,832	33,311	40,696
Other comprehensive income				
Items to be reclassified to profit or loss				
Translation difference of foreign operations for the period	-2,240	-4,885	-239	-2,375
Items not to be reclassified to profit or loss	-	-	-	-
Comprehensive income for the period²⁾	67,969	54,947	33,072	38,321
Earnings per share, before and after dilution (SEK)	2.05	1.75	0.97	1.19

¹⁾ Does not include amortization of capitalized development costs, which is included in Research and Development Expenditure.

²⁾ 100 percent attributable to Parent Company shareholders.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN SUMMARY

AMOUNTS IN SEK 000S	DEC 31, 2015	DEC 31, 2014
ASSETS		
Intangible fixed assets	195,114	164,081
Tangible fixed assets	41,760	12,951
Deferred tax assets	57	-
Total fixed assets	236,931	177,032
Current receivables	187,854	156,636
Cash and cash equivalents	59,705	56,085
Total current assets	247,559	212,721
TOTAL ASSETS	484,490	389,753
EQUITY AND LIABILITIES		
Equity	319,517	251,548
Deferred tax liabilities	51,349	40,724
Long-term liabilities	38,164	41,096
Accounts payable	9,514	9,034
Other current liabilities	65,946	47,351
TOTAL EQUITY AND LIABILITIES	484,490	389,753
Pledged assets	54,000	53,800

CONSOLIDATED STATEMENT OF CASH FLOW IN SUMMARY

AMOUNTS IN SEK 000S	JAN-DEC		OCT-DEC	
	2015	2014	2015	2014
Profit before tax	93,490	78,701	44,128	52,578
Adjusted for non-cash items ¹⁾	46,857	46,315	4,805	9,073
Taxes paid	-13,595	-15,247	-2,924	-1,286
Cash flow from operating activities before changes in working capital	126,752	109,769	46,009	60,365
Cash flow from changes in working capital	-15,326	-59,496	-4,785	-37,887
Cash flow from operating activities	111,426	50,273	41,224	22,478
Cash flow from investing activities	-103,855	-57,844	-27,564	-16,071
Cash flow from financing activities	-3,946	24,345	-1,234	24,345
Cash flow for the period	3,625	16,774	12,426	30,752
Cash and cash equivalents at the beginning of the period	56,085	38,231	47,577	24,778
Exchange-rate difference in cash and cash equivalents	-5	1,080	-298	555
Cash and cash equivalents at the end of the period	59,705	56,085	59,705	56,085

1) These amounts primarily include amortization of capitalized development costs.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN SUMMARY

AMOUNTS IN SEK 000S	JAN-DEC	
	2015	2014
Opening balance	251,548	196,601
Profit for the period	70,209	59,832
Translation difference for the period	-2,240	-4,885
Closing balance	319,517	251,548

KEY FIGURES AND CONDENSED FINANCIAL DATA

AMOUNTS IN SEK 000S	JAN-DEC			OCT-DEC		
	2015	2014	2013	2015	2014	2013
Net sales	397,600	285,217	204,470	131,957	107,782	90,113
Operating profit/loss	95,344	79,360	-25,721	44,302	52,767	406
Operating margin, %	24.0	27.8	-12.6	33.6	48.9	0.5
Profit margin, %	23.5	27.6	-12.2	33.4	48.8	0.7
Profit/loss for the period	70,209	59,832	-20,841	33,311	40,696	5,093
Earnings/loss per share, SEK	2.05	1.75	-0.61	0.97	1.19	0.15
Return on capital employed, %	30.8	33.7	-12.0			
Return on equity, %	24.6	26.7	-10.1			
Equity/assets ratio, %	65.9	64.5	65.7			
Total number of shares	34,282,773	34,282,773	34,282,773			
Adjusted equity per share at the end of the period, SEK	9.32	7.34	5.73			
Share price at the end of the period, SEK	122.50	53.00	27.40			

For definitions of key figures, see page 48 of the 2014 Annual Report.

PARENT COMPANY INCOME STATEMENT IN SUMMARY

AMOUNTS IN SEK 000S	JAN-DEC		OCT-DEC	
	2015	2014	2015	2014
Net sales	337,060	250,363	112,440	98,604
Cost of goods sold ¹⁾	-12,040	-7,223	-4,131	-4,795
Gross profit	325,020	243,140	108,309	93,809
Other operating income	13,682	16,803	-	7,590
Selling expenses	-94,992	-50,669	-30,427	-14,701
Administrative expenses	-44,166	-30,912	-13,471	-8,708
Research and development expenditure	-132,547	-92,472	-36,972	-25,954
Other operating expenses	-9,134	-6,795	-1,208	-2,243
Operating profit	57,863	79,095	26,231	49,793
Result from financial items	1,470	1,565	2,700	2,055
Profit after financial items	59,333	80,660	28,931	51,848
Appropriations	-16,521	-21,029	-16,521	-21,029
Profit before tax	42,812	59,631	12,410	30,819
Tax	-10,217	-13,651	-2,930	-6,371
Profit for the period	32,595	45,980	9,480	24,448

¹⁾ Does not include amortization of capitalized development costs, which is included in Research and Development Expenditure.

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN SEK 000S	JAN-DEC		OCT-DEC	
	2015	2014	2015	2014
Profit for the period	32,595	45,980	9,480	24,448
Other comprehensive income	-	-	-	-
Comprehensive income for the period	32,595	45,980	9,480	24,448

PARENT COMPANY BALANCE SHEET IN SUMMARY

AMOUNTS IN SEK 000S	DEC 31, 2015	DEC 31, 2014
ASSETS		
Tangible fixed assets	26,272	6,975
Financial fixed assets	485	2,493
Deferred tax assets	57	-
Total fixed assets	26,814	9,468
Current receivables	241,528	185,239
Cash and cash equivalents	25,831	47,935
Total current assets	267,359	233,174
TOTAL ASSETS	294,173	242,642
EQUITY AND LIABILITIES		
Equity	169,302	136,213
Untaxed reserves	37,551	21,029
Deferred tax liabilities	163	-
Long-term liabilities	25,000	36,853
Accounts payable	9,929	9,823
Other current liabilities	52,228	38,724
TOTAL EQUITY AND LIABILITIES	294,173	242,642
Pledged assets	54,000	53,800

OTHER INFORMATION

ACCOUNTING POLICIES IN ACCORDANCE WITH IFRS

This year-end report in summary for the Group was 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 were 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 in 2015 have not impacted RaySearch during the period.

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. The predominant part of RaySearch's net sales is denominated in USD and EUR. In accordance with the established financial policy, no currency hedging has been 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. For a more detailed description of RaySearch's risks and risk management, refer to page 27 of the 2014 Annual Report. No significant changes have been made to the risk assessment compared with the 2014 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 estimates being made by company management that affect the reported 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 18, 2016

Erik Hedlund
Chairman of the Board

Johan Löf
President and Board member

Carl Filip Bergendal
Board member

Hans Wigzell
Board member

FOR FURTHER INFORMATION, PLEASE CONTACT:

Johan Löf, President and CEO
Tel: +46 8 510 530 00
johan.lof@raysearchlabs.com

RaySearch Laboratories AB (publ)
Corporate Registration Number 556322-6157
Sveavägen 44
Box 3297
SE-111 34 Stockholm, Sweden

FORTHCOMING FINANCIAL INFORMATION

Interim report for the first quarter, 2016	May 12, 2016
2016 Annual General Meeting	May 17, 2016
Interim report for the second quarter, 2016	August 25, 2016
Interim report for the third quarter, 2016	November 18, 2016

The Annual General Meeting will be held on May 17, 2016 at 6:00 p.m. at RaySearch's office, Sveavägen 44, Stockholm, Sweden. The Annual Report for 2015 will be held available at RaySearch's office at Sveavägen 44 in Stockholm and on RaySearch's website, approximately one month prior to the date of the AGM.

ABOUT RAYSEARCH

RaySearch Laboratories AB (publ) 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. RaySearch's software is used by over 2,600 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 Mid Cap segment on Nasdaq Stockholm.

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