

Acarix Interim Report

JANUARY – MARCH 2017

Progress towards commercialization of CADScor® System according to plan

First quarter (January – March) in 2017 compared with same period 2016

- Operating loss amounted to MSEK -3.9 (-2.3)
- Net loss amounted to MSEK -3.5 (-1.5)
- Net change in cash and cash equivalents amounted to MSEK -18.3 (2.4)
- Earnings per share before and after dilution (weighted average) amounted to SEK -0.15 (-0.14)

Events occurring after March 31, 2017

The establishment of a German subsidiary is in progress, expected to be completed in end of May 2017.

Acarix has employed a total of 4 key account managers, including 3 for the German market and 1 for the Scandinavian market. Two of them start their employment during June and the remainder in August.

Acarix CADScor® System was on display at DKG 2017, the annual meeting of the German Society of Cardiology.

Acarix CADScor® System was on display at Swedish Soc. of Cardiology spring meeting in Malmö, April 26-28.



Message from the CEO



Dear shareholder,

The first quarter of 2017 has been a busy period for Acarix preparing commencement of commercialization of the CADScor®System. We are all eager to ensure it unfolds its potential in the early ruling-out of Coronary Artery Disease.

With the CADScor®System, Acarix can provide an easy to use, non-invasive diagnostic tool to rule out Coronary Artery Disease with a very high level of precision. This translates into a potential to reduce onward patient referrals by ~50% - a “win-win” for patients, payers, and physicians.

As part of our strategy to gradually increase international awareness, we presented Acarix and the CADScor®System at Medtech Showcase in San Francisco in January 2017 which ran simultaneously with the J.P. Morgan Healthcare Conference. This provided an immediate opportunity for us to capitalize on the interest generated by the initial public offering in December 2016, and was an ideal opportunity to meet potential US and international collaborators.

Also in January, we welcomed Marianne Solhøj Nørskov as our new Clinical Program Manager. She will be responsible for handling the company's clinical program including trial partner identification, applications to authorities as well as initiation, monitoring, and reporting of clinical trials. She holds a M.Sc. in Biochemistry and a Ph.D. from the University of Copenhagen and joins from Novo Nordisk.

Furthermore, we presented Acarix and the CADScor®System at Vator Securities Unicorn Summit in Stockholm providing an update on upcoming activities. Vator Securities Unicorn Summit is a capital markets day with some of the most interesting and innovative companies in Sweden. Beyond company presentations, participants are offered the opportunity to network with industry peers and investors.

Acarix won a Danish Design Award 2017 in the category Employment Growth recognizing the potential for international success and employment growth. The Danish Design Award is a joint creation of the Danish Design Centre and the alliance of design professionals, Design Denmark. We are of course very pleased to have won this prestigious award, particularly since functional design is such an integral part of the concept behind the Acarix CADScor®System.

We announced the results from a new multi-center trial of the CADScor®System. The results were presented at the American College of Cardiology annual scientific meeting held in Washington, March 17-19, and showed that the CADScor®System rules out Coronary Artery Disease with 97% negative predictive value. We are delighted with the results of the trial. Coronary Artery Disease affects more than 120 million people worldwide but the current diagnostic pathway, which can rapidly escalate to imaging and coronary angiography can be significantly improved. We believe this opens the possibility of use as a frontline test, reducing patient anxiety and waiting times, as well as improving triage for patients needing more expensive and invasive diagnostic modalities.

I would like to express my gratitude to our investors and main shareholders for their continued trust and support and at the same time welcome all new shareholders.

SINCERELY,
SØREN RYSHOLT CHRISTIANSEN
CHIEF EXECUTIVE OFFICER

Financial Report

Financial result

The Acarix group is launching the CADScor® System on the German, Danish and Swedish market during second quarter 2017 and reported no revenues during the first quarter.

Operating loss for first quarter amounted to MSEK -3.9 (-2.3). Increased G&A costs relate to increased commercialization activities compared to same period previous year. Net loss for the quarter amounted to MSEK -3.4 (-1.5). Earnings per share amounted to SEK -0.15 (-0.14).

Non current assets

Non current assets consist of capitalized development costs and acquired rights. In early August 2015, TÜV issue a certificate of compliance (CE-mark) for the CADScor technology. At this time, the management of the company considered that all requirements for the capitalization of development costs under IFRS standards were met. The capitalization of development costs has been initiated from August 2015. Amortization of capitalized development costs starts in connection with sale of the product.

The capitalization of development costs and acquired rights, including currency translation adjustment, amounted during first quarter to MSEK 2.1 (4.5). Total carrying amount in March 2017 was MSEK 25.1 (13.1), of which development costs in progress amounted to MSEK 20.2 (10.2).

Shareholder equity

Shareholder equity in March 31 amounted to MSEK 152.4 (10.7), which corresponds to SEK 6.9 (1.1) per share.

Cash flow

In the first quarter of 2017, net cash outflow from operation amounted to MSEK -16.3 compared to cash outflow of MSEK -1.5 in the first quarter of 2016. The change in working capital decreased cash flow by MSEK -12.4 (0.8) mainly driven by payment of obligations related to the IPO. Investments in non current assets amounted to MSEK 2.0 (4.3) during first quarter and consist of capitalized development costs. Net decrease in cash and cash equivalents amounted to MSEK -18.3 (2.4).

The parent company

The Parent Company's operations are primarily focused on Group-wide management and financing. Apart from the Group's CEO, the Parent Company has no employees. The operating loss for the first quarter 2017 amounted to MSEK -0.9 (0). Cash and cash equivalents amounted to MSEK 124.4 (0.5).

Share information

The share has been trading on NASDAQ First North with the ticker symbol ACARIX and ISIN code SE0009268717 since December 19, 2016 and the shares are listed under Premier segment. The number of shares in the company as of March 31 2017 amounted to 23,027,376 (19,403,820).

Shareholder register	Number of shares	Votes and capital
Sunstone LSV Fund II K/S	4,749,081	20.6%
SEED Capital DK II K/S	4,749,081	20.6%
Puhua Jingxin	2,654,259	11.5%
Coloplast A/S	1,683,072	7.3%
Seventure Partners	993,334	4.3%
Other shareholders	8,198,549	35.6%
Total	23,027,376	100.0%

The five largest shareholders together with shareholders within management have entered into a lock-up agreement of 360 days from first day of trading. Any sales of shares during the period must have a prior written consent from Vator Securities.

Acarix Certified Adviser on Nasdaq First North is Wildeco Ekonomisk Information AB.

Financial calendar

	Date
Interim Report second quarter	August 24, 2017
Interim Report third quarter	November 14, 2017

Group - Consolidated **Income statement**

kSEK	Quarter 1 2017	Quarter 1 2016	Year 2016
Research and development costs	-	-380	-1,247
General and administrative costs	-3,933	-1,914	-25,543
Operating profit	-3,933	-2,294	-26,790
Financial costs	-16	-150	-24,265
Profit before profit	-3,949	-2,444	-51,055
Tax benefit	456	900	2,815
Net loss for the period	-3,492	-1,544	-48,240
Net income attributable to parent company's shareholders	-3,492	-1,544	-48,240
Earnings per share, before and after dilution (SEK)	-0.15	-0.14	-3.68

Group - Consolidated **Statements of Comprehensive Income**

kSEK	Quarter 1 2017	Quarter 1 2016	Year 2016
Net loss for the period after tax	-3,492	-1,544	-48,240
Items that may be reclassified to profit or loss			
Foreign currency translation adjustment	-169	55	-456
Other comprehensive income for the period, net of tax	-169	55	-456
Total comprehensive income for the period, net of tax	-3,661	-1,489	-48,696
Total comprehensive income attributable to:			
Owners of Acarix	-3,661	-1,489	-48,696

Group - Consolidated **Statement of financial position**

kSEK	Quarter 1 2017	Quarter 1 2016	Year 2016
Assets			
Intangible assets			
Acquired rights	4,879	2,851	4,944
Capitalized development costs	20,230	10,213	18,179
Total intangible assets	25,109	13,064	23,123
Current assets			
Tax receivables	3,068	3,690	2,625
Inventory	520	-	-
Other receivables	1,293	1,007	1,488
Prepayments	484	30	155
Cash and cash equivalents	127,429	4,446	145,895
Total current assets	132,793	9,173	150,163
Total assets	157,903	22,237	173,286
Shareholders' equity and liabilities			
Equity			
Share capital	23,027	23,989	23,027
Other components in shareholder's equity	253,663	61,523	253,832
Result brought forward	-124,316	-74,776	-121,343
Total equity	152,374	10,736	155,516
Current liabilities			
Accounts payable	2,530	1,994	4,404
Other liabilities	2,998	9,507	13,365
Total current liabilities	5,528	11,501	17,770
Total equity and liabilities	157,903	22,237	173,286

Group - Consolidated **Statement of changes in shareholders' equity**

KSEK	Share capital	Premium reserve	Translation reserve	Merger reserve	Result brought forward	Total shareholders equity
As at 1 January 2017	23,027	371,814	25	-118,007	-121,343	155,516
Profit/loss for the period	-	-	-	-	-3,492	-3,492
Correction from previous period	-	-	-	-	520	520
Other comprehensive income:						
Foreign exchange rate adjustment	-	-	-169	-	-	-169
Total comprehensive income	-	-	-169	-	-	-169
Transactions with owners:						
Share-based payments	-	-	-	-	-	-
At March 31 2017	23,027	371,814	-144	-118,007	-124,316	152,374
As at 1 January 2016	23,989	60,987	481	-	-73,318	12,139
Profit/loss for the period	-	-	-	-	-1,544	-1,544
Other comprehensive income:						
Foreign exchange rate adjustment	-	-	55	-	-	55
Total comprehensive income	-	-	55	-	-	55
Transactions with owners:						
Share-based payments	-	-	-	-	85	85
At March 31 2016	23,989	60,987	536	-	-74,776	10,736

In 2017, after the company's 2016 financial statements were approved for issue, the company discovered a mistaken accounting recognition of the inventory. The cumulative effect of the error on the Result brought forward of the company at the beginning of 2017 is MSEK 520. The error is not material and therefore, the financial statements of the prior periods are not being restated.

Group - **Consolidated Statements of Cash Flow**

kSEK	Quarter 1 2017	Quarter 1 2016	Year 2016
Cash flow from operating activities			
Profit before tax	-3,949	-2,444	-51,055
Income tax received	13	-	3,001
Financial expenses	16	150	24,265
Cost compensation for share-based payments	-	36	83
Working capital adjustments:			
Changes in other receivables and prepayments	-134	943	337
Changes in trade and other payables	-12,241	-47	14,390
Changes in credit institutions	-	-89	-63
Total working capital	-12,375	807	14,664
Interest paid	-	-	-15
Net cash flows from operating activities	-16,295	-1,451	-9,056
Cash flow from investing activities			
Investments in intangible assets	-1,986	-4,294	-12,201
Net cash flows used in investing activities	-1,986	-4,294	-12,201
Cash flow from financing activities			
Proceeds from borrowings	-	8,122	-
Costs for capital increase	-	-	-11,046
Capital increase	-	-	176,698
Net cash generated from/(used in) financing activities	-	8,122	165,651
Net change in cash and cash equivalents	-18,281	2,377	144,394
Cash and cash equivalents at beginning of the period	145,895	2,121	2,121
Net foreign exchange difference	-185	-52	-620
Cash and cash equivalents at end of the period	127,429	4,446	145,895

Parent - **Income statement**

kSEK	Quarter 1 2017	Quarter 1 2016	Year 2016
Research and development costs	-	-	-
General and administrative costs	-913	-	-4,804
Operating profit/loss	-913	-	-4,804
Financial income	-	-	-
Financial expense	-	-	-
Profit before tax	-913	-	-4,804
Tax	-	-	-
Net loss for the period	-913	-	-4,804
Net income attributable to parent company's shareholder	-913	-	-4,804

Parent - **Statement of comprehensive income**

kSEK	Quarter 1 2017	Quarter 1 2016	Year 2016
Net loss for the period after tax	-913	-	-4,804
Items that might be reclassified to profit or loss:			
Other comprehensive income	-	-	-
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income for the period, net of tax	-913	-	-4,804
Total comprehensive income attributable to:			
Owners of Acarix	-913	-	-4,804

Parent - **Statements of financial position**

kSEK	Quarter 1 2017	Quarter 1 2016	Year 2016
Assets			
Financial assets			
Participation in subsidiaries	49,616	-	49,616
Total financial assets	49,616	-	49,616
Current assets			
Internal accounts receivables	141	-	-
Other receivables	672	-	203
Cash and cash equivalents	124,373	500	129,633
Total current assets	125,185	500	129,836
Total assets	174,801	500	179,452
Shareholders' equity and liabilities			
Equity			
Share capital	23,027	500	23,027
Other components in shareholder's equity	155,709	-	155,709
Result brought forward	-5,718	-	-4,804
Total equity	173,019	500	173,932
Current liabilities			
Accounts payable	734	-	979
Internal accounts payable	-	-	1,609
Other liabilities	1,048	-	2,931
Total current liabilities	1,782	-	5,519
Total equity and liabilities	174,801	500	179,451

Parent - **Statement of changes in shareholders' equity**

kSEK	Share capital	Premium reserve	Result brought forward	Total shareholders' equity
As at December 31 2016	23,027	155,709	-4,805	173,932
Net loss for the period			-913	-913
Total comprehensive income			-913	-913
Total transactions with owners	-	-	-	-
Change in shareholders' equity	-	-	-913	-913
At March 31 2017	23,027	155,709	-5,718	173,019

The company was established in December 2014 with share capital amounting kSEK 500.
No transactions in equity during first quarter 2016.

Parent **Statements of cash-flow**

kSEK	Quarter 1 2017	Quarter 1 2016	Year 2016
Cash flow from operating activities			
Profit (loss) before tax	-913	-	-4,804
Working capital adjustments:			
Changes in other receivables and prepayments	-609	-	-203
Changes in trade and other payables	-3,736	-	5,519
Total working capital	-4,346	-	5,316
Net cash flows from operating activities	-5,259	-	512
Capital increase			
Costs for capital increase	-	-	140,096
Net cash generated from/(used in) financing activities	-	-	-10,975
Net increase in cash and cash equivalents	-	-	129,121
Net increase in cash and cash equivalents	-5,259	-	129,632
Cash and cash equivalents at beginning of the period	129,632	500	-
Cash and cash equivalents at end of the period	124,373	500	129,632

Notes to the interim condensed consolidated financial statements

Note 1 Corporate information

Company information

Acarix AB is a limited liability company incorporated and domiciled in Sweden. The registered office is located at World Trade Center Malmö, Skeppsgatan 19, 211 11 Malmö, Sweden. Acarix A/S is the operating company and is incorporated and located in Denmark. Acarix's main activities are to develop, produce and market a new cardiovascular diagnostic method and similar equipment for the same and related services.

Group reorganization and Initial Public Offering

As per September 30, 2016, the entities presented combined financial statements, as explained in the interim report for the third quarter. On December 1, 2016, the shares of Acarix A/S were contributed in kind to Acarix AB, thus establishing Acarix AB as the Parent Company of the Group. The previous shareholders of Acarix A/S maintained their previous respective ownership shares. Accordingly, the consolidated financial statements of Acarix AB represent a continuation of the existing Group and no fair value adjustments have been made. Any difference in equity resulting from the reorganization has been recognized separately as an adjustment to equity.

Following the Group's reorganization, Acarix AB completed its initial public offering ("IPO") of new shares on Nasdaq First North Premier Segment in Stockholm. The first day of trading was December 19, 2016 and the company received issue proceeds in the amount of MSEK 140.0, partly offset by MSEK 16.1 of related IPO transaction costs.

Note 2 Accounting policies

Basis of preparation

The Interim Report for the group and parent company comprises summary consolidated financial statements of Acarix AB (publ). The interim consolidated financial statement includes the Company's wholly-owned Danish and Swedish subsidiaries, Acarix A/S and Acarix AB, respectively.

Accounting principles

The consolidated report has been prepared in accordance with International Financial Reporting Standards (IFRS) and IAS 34, for Interim Reporting. Amendments to existing

standards, new interpretations and new standards that came into effect as of January 1, 2017 did not affect the Groups reporting as of March 31, 2017.

Acarix continues to apply the same accounting principles and valuation methods as those described in the most recent Annual Report. The parent company report is prepared in accordance with RFR 2, accounting for legal entities, and the Swedish Annual Accounts Act and accounting principles and the valuation methods as those described in the most recent Annual Report.

The Interim Report has not been reviewed or audited by Acarix external auditors.

Note 3 Significant accounting estimates, judgments and assumptions

In preparing the Interim Report, certain provision under IFRS requires management to make judgments, which may significantly impact the group's financial statements. For additional descriptions of significant judgments and estimates, refer to note 4 in the annual report 2016.

Note 4 Risk management

The Acarix Group is exposed to business and financial risks through its operations. These risks have been described at length in the Company's annual report 2016. In addition to the risks described in these documents, no additional significant risks have been identified.

Note 5 Related parties

Related parties comprise the members of the Board of Directors and other senior executives. Apart from remuneration of the Board of Directors, no additional transactions were recognized with related parties during the year.

Note 6 Intangible assets

Development projects in progress have been tested for impairment in December 2016. The impairment test is based on management budgets and estimates of expected sales and costs in accordance with established forecasts for the next five years. These forecasts are based on expected future development and the management's assessment of market development. The impairment test includes a WACC

(Weighted Average Cost of Capital) discount factor of 20 percent. Development projects in progress are related to the development of the CADScor®System (acoustic cardio-vascular diagnostics), which records heart sounds and murmurs for calculating a patient's specific score in order to determine the patient's risk of coronary artery disease.

Intangible assets 2017 kSEK	Aquired rights	Development costs in progress	Total
Cost at 1 January 2017	5,606	18,179	23,785
Addition for the period	34	2,150	2,184
Foreign currency translation adjustment	-27	-100	-127
Cost at 31 March	5,613	20,229	25,842
Amortization and impairment at 1 January	-662	-	-662
Amortization	-71	-	-71
Impairment losses	-	-	-
Foreign currency translation adjustment	-	-	-
Amortization and impairment losses at 31 March	-734	-	-734
Carrying amount at 31 March	4,879	20,229	25,109

Intangible assets 2016 kSEK	Aquired rights	Development costs in progress	Total
Cost at 1 January 2016	3,080	5,971	9,051
Addition for the year	201	4,205	4,406
Foreign currency translation adjustment	14	37	51
Cost at 31 March	3,296	10,213	13,508
Amortization and impairment at 1 January	-381	-	-381
Amortization	-64	-	-64
Impairment losses	-	-	-
Foreign currency translation adjustment	-	-	-
Amortization and impairment losses at 31 March	-445	-	-445
Carrying amount at 31 March	2,851	10,213	13,063

Note 7 Significant events

Group and Parent Company

The establishment of a German subsidiary is in progress, expected to be completed in end of May 2017.

Acarix has employed a total of 4 key account managers, including 3 for the German market and 1 for the Scandinavian market. Two of them start their employment during June and the remainder in August.

Affirmation

This interim report has been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" and in accordance with the Swedish Annual Accounts Act. With respect to the Parent Company, this interim report has been prepared in accordance with the Swedish Annual Accounts Act and in compliance with RFR2, Accounting for Legal Entities. The Board of Directors and the CEO certify that this interim report presents a true and fair overview of the Group's and the Parent Company's operations, financial position and results of operations, and describes the significant risks and uncertainties facing the Parent Company and the companies belonging to the Group

Malmö, May 23, 2017

Werner Braun
Chairman of the Board

Oliver Johansen
Board member

Denis Gestin
Board member

Ulf Rosén
Board member

Claus Andersson
Board member

Yun Fei Hong
Board member

Søren Rysholt Christiansen
CEO

Christian Lindholm
CFO



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