Annual Report 2022

acarix

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Key Figures 2022

Revenue FY

5.8 MSEK

+52% growth vs 2021

Gross margin

80%

Sold CADScor®Systems 2022

61

+7% growth vs 2021

Sold Patches 2022

8,650

+26% growth vs 2021

Acarix In Brief

Our goal is to revolutionize early cardiac diagnostics with the CADScor®System, our groundbreaking acoustic and AI-based technology. With the help of the CADScor®System, patients with symptoms of coronary artery disease (such as non-acute chest pain or breathing difficulties) can be investigated early to identify and exclude patients who are highly likely not to have heart disease and thus avoid unnecessary and costly examinations.

Chest pain is very common. It is estimated that one million patients worldwide seek medical attention daily for chest pain. This poses a challenge for healthcare professionals and there is a need to be able to determine in a simple and quick way whether the chest pain is heart-related or not. As many as nine out of ten patients undergoing diagnostic evaluations for chest pain do not have significant coronary artery disease. Today, it often takes several months before healthcare professionals can rule out cardiovascular disease. The CADScor®System, on the other hand, can assess and exclude patients with a low risk of significant coronary artery disease in just ten minutes, with a high degree of certainty. An accessible, fast, and reliable method for early diagnosis of patients with stable chest pain represents a significant and positive change for healthcare systems, doctors, and patients.

Acarix is a Swedish medical technology company that researches, develops and commercializes diagnostic solutions for rapid acoustic and AI-based diagnostics of heart disease. The CADScor®System has been evaluated in extensive clinical studies with over 6,000 patients and has 45 approved patents. Today, CADScor®System has both CE marking for Europe and FDA DeNovo clearance for the US market. The CADScor®System is designed to reduce millions of unnecessary and often invasive and costly diagnostic procedures. By listening to the blood flow in the coronary arteries and calculating a patient-specific CAD score in 10 minutes, the CADScor®System can help exclude more than a third of patients with at least 96.2% certainty, in a population with approximately 10% prevalence of coronary artery disease.

The company is now undergoing a strategic development from a successful R&D company with initial sales in Europe to a commercially strong organization with a focus on the large US market. In 2022, several important internal changes were implemented, such as the appointment of our new CEO, new manufacturing/operations management, reorganization, recruitment of our US team to turn our focus to the United States. With a FDA DeNovo clearance, an approved CPT-III reimbursement code, a strategic collaboration with the American College of Cardiology (ACC) and a general strong interest in CADScor®System in place, the company now has the most important building blocks in place to succeed in the US. Acarix is listed on Nasdaq First North Premier Growth Market in Sweden (Ticker: ACARIX). For more information, visit www.acarix.com.

Acarix streamlines diagnostics and provides peace of mind for patients

SEK 1 billion in reduced annual healthcare costs

A CADScor®System evaluation can be done in 10 minutes

Full focus on the US market - estimated market value at USD 10 billion

Acarix History

2009

- The company is founded based on collaboration with Aalborg University in Denmark.

2015

- Receives CE-approval for commercialization in Europe.

2016

- Completes recruitment of the Dan-NICAD study with 1,675 patients.
- Major strategic Chinese investment by Puhua Jingxin.
- Completes CADScor®Systems' transition from prototype to production.
- CADScor®System receives regulatory approval in Canada.
- Listing on NASDAQ First North Premier Stockholm.

2017

- Direct sales team employed in Germany, Sweden and Denmark.
- First sales in Germany, Sweden, Denmark, and Austria

2018

- Recruitment for Dan-NICAD II study begins.
- Recruitment to Seismo for heart failure indication begins.
- More than 5,000 patients are investigated using the CADScor®System clinically and commercially.

2019

- Publication of reclassification study in International Journal of Cardiovascular Imaging.
- First patients recruited in the FILTER-SCAD study.
- Acarix is included in the Medtech Innovation Briefing (MIB) by NICE in the UK.
- Submission of FDA application for US market approval.
- First commercial sales in the UK and Finland.
- A new share issue secured financing of Acarix for 2020.

2020

- FDA approves CADScor®System with DeNovo clearance.
- Completed patient recruitment of 199 patients in the SEISMO study, for early evaluation of Heart Failure. Completed patient recruitment in Dan-NICAD II study with 1,726 patients.
- Continued commerical success in Germany and in total Acarix has more than 70 customers in Germany, Switzerland, and Austria.

2021

- The American Medical Association (AMA) approved the CPT-III reimbursement code for CADScor®System.
- Positive long-term prognostic data from the Dan-NICAD I study is published in the European Heart Journal Digital Health.
- Presented positive preliminary data for potential heart failure application.
- Establishment of US subsidiary (Acarix USA Inc), headquartered in New York. New US manager hired.
- Initiation of collaboration with Rapid Access Chest Pain Clinics in the UK.
- Significantly increased consumption of patches among existing customers.

2022

- New President and CEO with experience from the US market.
- Strengthened competence in the management team with leadership in manufacturing, market access and commercialization.
- First US business with hybrid sales model consisting of own sales force and commercial partners.
- CPT-III code becomes effective and reimbursement from US national insurance companies secured.
- Collaboration agreement signed with American College of Cardiology (ACC).

Key Highlights 2022

2022 was an eventful year, both internally and externally, with several important press releases.

Acarix appoints Helen Ljungdahl Round as President and CEO

On January 10, it was announced that US-based Helen Ljungdahl Round had been appointed new President and CEO. At the time of appointment, Helen was President of Acarix's US subsidiary Acarix USA Inc. and will continue to be based in the US.

FDA application submitted for new heart failure indication

On February 9, plans to expand the product portfolio were announced with an application for Breakthrough Therapy status to the US Food and Drug Administration (FDA). On April 1, the FDA requested additional documentation for the review of the application for Breakthrough Designation status. This work is ongoing in accordance with the concrete proposals for supplementation that the company has received.

Capital Markets Day

On February 18, a Capital Markets Day was held with an update on the company's strategy and objectives. The company announced that the focus markets are the US and Germany, where the company has established wholly owned subsidiaries with their own sales organizations. The US market is expected to account for more than 75 percent of the company's revenue over the coming three-year period.

First strategic sales order in the US

On March 11, it was announced that Acarix had received a first strategic sales order for CADScor®System from a cardiology clinic in New Jersey, USA

Commercial partnership med Ancillary Care Services LLC

On June 3, it was announced that Acarix had signed a commercial partnership in the United States for the states of Tennessee, Kentucky, Mississippi, and Alabama. The partnership with Ancillary Care Services LLC, sales, and use of the CADScor®System in regional clinics provides fast and cost-effective exclusion of coronary artery disease, even in rural areas.

Commercial partnership with Bio-Rhythms

On June 10, it was announced that Acarix had signed another commercial partnership in Louisiana and parts of Mississippi. This partnership with Bio-Rhythms Inc gives Acarix access to cardiological clinics, emergency departments, and primary care centers in geographic areas with a high need for rapid and cost-effective exclusion of coronary artery disease.

Acarix signs commercial agreement with Strategic Health AK

On June 22, the company announced that it had signed a commercial agreement with Strategic Health AK, an Alaska-based healthcare provider focused on the state's indigenous people and patients in rural areas. Acarix has received initial orders for CADScor®Systems to be used across Alaska. Examinations of chest pain in rural areas are often complicated, with most people having to fly to big cities for examination. The CADScor®System enables early and rapid on-site investigation.

Strategic collaboration with American College of Cardiology (ACC)

On September 26, it was announced that ACC and Acarix had signed a strategic collaboration agreement to develop clinical guidelines for the use of CADScor®System in the US, the world's largest market for cardiovascular care. Through the collaboration agreement, ACC will contribute clinical and scientific expertise to Acarix. The agreement is the most important strategic collaboration for Acarix to date. The goal is to establish CADScor®System as a first choice for fast, AI-based investigation of chest pain. ACC has described CADScor®System as advanced technology within their innovation strategy and as an important solution for rapid investigation of chest pain.

Patient recruitment in the FILTER-SCAD study completed

On September 28, it was announced that patient recruitment had been completed for the randomized controlled multicenter study FILTER-SCAD. The study is a randomized controlled clinical trial with over 2,000 patients with suspected coronary artery disease. The study results, which aim to investigate the CADScor®System in direct comparison with the established standard evaluation, are planned to be sent for publication in 2024.

Strategic shift and full focus on the US

In connection with the Q3 report on November 15, an important strategic change was presented, where the company will focus fully on the US market going forward. The decision is based on the assessment that the US will contribute significantly to achieving the commercial targets for 2024 and beyond.

Increased sales in Louisiana

On December 15, it was announced that the company had received additional orders for CADScor®System in Louisiana as a result of a previously announced collaboration with Bio-Rhythms Inc. Louisiana is among the top 5 states in the United States based on the number of deaths caused by heart disease. The number of patients in need of rapid investigation is therefore high.

First sales order in Texas

On December 19, it was announced that compensation for CADScor®-System had been paid by insurance companies in Texas. As an immediate result, Acarix received the first order of CADScor®System from a leading heart center in Texas. Further sales are expected in 2023.

Reinforced funding

At the end of December, a rights issue was carried out to ensure successful commercialization and continued product development in accordance with the business plan. The issue provided the company with approximately SEK 32 million before deduction of transaction costs.

A Word From The CEO

Looking back on the past year, I feel incredibly proud of the opportunity to lead Acarix through a strategically important transition to a commercial company focused on the US market. We have strengthened critical functions (including market access, commercialization, and manufacturing/operations), reprioritized resources to drive our US market launch and appointed a new management team. Externally, we have established an important strategic collaboration with the American College of Cardiology (ACC) to formulate clinical recommendations for the use of CADScor®System in the U.S. healthcare system. In early 2023, our extensive work resulted in a breakthrough order from the US Veterans Health Administration (VA), which is the single largest healthcare provider in the US. We are now continuing to work on CADScor®System becoming an integrated part of cardiac care throughout US Veterans Health Administration, thereby further driving our sales to this important customer. We now have the key building blocks in place to drive increased growth and profitability, especially in the US market. We expect 2023 to be an important and transformative year for Acarix.

Full focus on the US market

Our subsidiary in the US was established at the end of 2021, and during the first part of 2022 we established the foundation for our US commercial organization, with a hybrid sales model consisting of our own sales force and commission-based sales agents. By the end of the year, we had reached 52% geographic coverage of the US market, and we will continue to expand in 2023.

The interest in the CADScor®System has consistently been very high among US healthcare professionals, where there is a pronounced need for less resource-intensive and more cost-effective management of patients with non-acute chest pain. So far, our sales come mainly from cardiology, internal medicine, and primary care clinics – in general, the use of CADScor®System is significantly higher than we have previously seen in Europe. Selling to clinics with high patient volume is an important part of our strategy to drive a high use of patches.

Decisions on the purchase of new technology can take time and often include an investigation of patients and validation of reimbursement levels. In clinics and hospitals, this process can take up to 2–6 months. Within larger healthcare organizations (such as IDNs), it can take significantly longer – sometimes up to 18-24 months. We have come a long way in all our sales channels and discussions are ongoing with several large networks and hospitals. In early 2023, we received our first order from the US Veterans Health Administration (VA), consisting of 11 CADScor®Systems and patches worth SEK 1 million. We continue with our focus on clinics, hospitals, IDNs and VA to meet both our short-term and long-term goals.

Our CPT III reimbursement code for CADScor®System was approved by the American Medical Association (AMA) and went into effect in July 2022. A CPT code enables reimbursement from insurance companies to clinics after using the CADScor®System. Individual insurance companies determine reimbursement levels in each state, with decisions on the purchase of the CADScor®System made only after patients have been examined and reimbursed. By the end of 2022, compensation from many leading insurance companies such as Aetna, Humana, United Healthcare, Blue Cross Blue Shield, and Medicare had been paid. The list of insurance companies that reimburse for CADScor®System is continuously increasing. Securing claims is a very important part of our future sales growth and profitability and we work strategically to optimize compensation levels through individual insurance companies.

We launched the CADScor®System in the US market without any US clinical studies or clinical experience. However, we have made significant progress in securing scientific support, particularly through our Medical Affairs efforts. We signed an important strategic collaboration agreement with the American College of Cardiology (ACC) in September to develop clinical recommendations for the use of the CADScor®System in the U.S. healthcare industry. This collaboration will also facilitate future collaborations with leading and influential scientific institutions and physicians.

European business strategy focuses on current customers

Our commercial operations in DACH (Germany, Austria, and Switzerland) have so far been focused on the private market consisting of approximately 3,000 clinics. At the third quarter report, we announced that we are reducing investments in DACH until we have received compensation from the German state. However, it is important that we continue to work with our established customers, especially when it comes to increased use of each CADScor®System and patcher. The German GB-A informed us in 2022 that they have decided to use data from our large randomized controlled trial FILTER-SCAD in their decision to replace the CADScor®System in the German public market. The study was finalized in September 2022, and we expect to publish results by the end of 2024. In the Nordics, we follow the same strategy as in DACH. In the UK, we have had positive discussions with NICE and are now focusing on establishing clinical experience in the NHS. Our goal is to ensure compensation in this market as well.

Continued long-term investments in R&D and operations

The product development of CADScor®System is advancing with a primary focus on our algorithm, software, hardware, and the app. An application for Breakthrough Designation for our heart failure program was made to the FDA. The application was based on positive, however limited clinical data for the use of seismography in early diagnosis of heart failure patients. The FDA has requested additional data that our R&D team is continuing to work on. Our work with MDR is progressing according to plan. In March 2022, a new Chief Operating Officer (COO) was named to lead our manufacturing and IT. Extensive work has been done and we are now on a whole new level in manufacturing, operations, IT, and the business process systems (ERP and CRM). Our Quality Management System (QMS) and internal systems have been significantly updated during the year and we have strengthened overall quality thinking throughout the company. We continue to work with supplier agreements, distribution and ensuring a supply chain that is aligned with our sales.

Looking back on the past year, I feel incredibly proud of the opportunity to lead Acarix through such an important strategic transition to a commercially focused organization.

Helen Ljungdahl Round,
President and CEO

A strong focus on our long-term success for Acarix

In 2022, we managed to generate new momentum within the company. We launched in the US market and thus began our work to redefine and improve early cardiac diagnostics using the CADScor®-System. To achieve our set targets for 2024, we are dependent on external funding. In 2022, market conditions were challenging, with the rights issue in December reaching a coverage ratio of 62%. However, considering our recent positive commercial progress, we are now having several discussions where we are evaluating various options to secure our long-term financing.

Exciting times ahead

I would like to thank the Board of Directors, the Acarix management team and all employees for their commitment and contribution to our positive development. I also appreciate the support and commitment from our shareholders. This will be important as we continue our exciting journey to build the next phase of Acarix's history. To date, more than 24,000 patients with chest pain and suspicion of coronary artery disease have been investigated with the CADScor®System and we now have clear goals in place to significantly redefine cardiac diagnostics for these patients.

Best regards,
Helen Ljungdahl Round,
President and CEO

Strategy and Business Model

Vision

We strive for a world where AI-based cardiac diagnostics is an obvious course of action for patients, healthcare providers, and healthcare systems.

Mission

Our goal is to radically improve early cardiac diagnostics by developing and marketing unique, point-of-care technology that is accessible, fast, and reliable.

Strategy

Our strategy is based on developing innovative acoustic- and AI-based technology to revolutionize early diagnosis of heart disease. The CADScor®System offers an easily accessible, fast, and reliable diagnostic tool to identify and exclude patients who are at low risk of cardiovascular disease – thereby freeing up resources for those who need medical attention. We have a solid foundation in our technology, including a large clinical development program as well as CE marking and DeNovo clearance from the US FDA. CADScor®System has 45 approved patents. To date, more than 24,000 patients have been assessed with the CADScor®System. The company is ready for the next important step in its development and growth, with full focus on commercialization in the United States. The launch in the US is well in line with the increased demand for value-based healthcare and cost-reducing solutions. In addition, the ACC/AHA guidelines for chest pain open new doors for a non-invasive technology such as the CADScor®System.

Guidance for 2024

At the end of 2021, we communicated our targets for 2024. We believe that these goals are achievable and will form the basis for our long-term success and growth.

Our goals for 2024

3,000
Installed CADScor®System

SEK 200 million
Annual Revenue

> 80%
Gross Margin

To achieve these goals, we will focus on driving increased sales of CADScor®System in the US market, where we have a combination of our own sales force and commercial partners. In Europe, it is about increased patch usage and the right time for further expansion in selected markets. In terms of reimbursement opportunities, we have secured our CPT III code in the United States. We will continue to work through the processes for obtaining subsidies also in Germany and the UK. We are working on expanding our product portfolio with acoustic AI-based technology for the diagnosis of heart failure. To enable the planned growth and at the same time maintain our high-quality standards, we have strengthened our management team and now have all the prerequisites to drive the necessary operational change. Since January 10, 2023, our new management team has been in place, and in line with our increased growth within the organization, we also continue to recruit talent externally.

Business Model

We sell the CADScor®System in the Nordic countries, UK, Germany, Switzerland, Austria and USA. Our business model is based on healthcare professionals using the CADScor®System on patients with stable chest pain or other symptoms of coronary artery disease. During examination, a consumable patch is attached to the CADScor®-System.

Our revenue model is based on two revenue streams:

1. Purchase or lease of the CADScor®System device sold to medical clinics, private clinics, hospitals, major healthcare systems, including the US Veterans Health Administration in the US.
2. Ongoing purchase of one-time patches with an RFID chip linked to the device at each individual patient assessment.

We have the greatest opportunity for growth when the CADScor®-System is used early in the clinical diagnostic flow. Future revenues are expected to be generated primarily through ongoing sales of one-time patches.

An ideal customer for CADScor®System is clinics where the use of the CADScor®System is clearly defined in the diagnostic chain and where there is a high volume of patients with chest pain and suspected coronary artery disease. This is where we can make the biggest difference for patients, healthcare professionals and healthcare systems. Being examined with the CADScor®System is of great importance to patients. Many patients with chest pain undergo multiple, often invasive diagnostic tests only to find out that the chest pain is not due to the heart. An assessment with the CADScor®System can provide peace of mind in ten minutes. Our commercial model is based on a combination of our own sales teams and sales agents.

Our commercial partners have proven expertise in cardiology, medical technology, point-of-care diagnostics, and experience in our most important sales channels; clinics, hospitals, IDNs and the US Veterans Health Administration in the US.

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I am extremely excited to be working with Acarix in Louisiana and Mississippi. The CADScor®System, with its new AI-based technology, offers significant value to healthcare professionals examining patients with chest pain. I have been selling cardiology products for 40 years and it has been a long time since I saw such an innovative technology. The interest among the doctors has been extremely strong.

Robin Karas,
CEO of BioRhythm Inc.

Market Access

During 2022, we continued the dialogue with subsidy authorities in Europe, in particular G-BA in Germany and NICE in the UK. G-BA has confirmed that they will use the results of the FILTER-SCAD study as a basis for reimbursement decisions in Germany. In England, NICE is seeking clinical experience in the NHS, where we are partnering with Rapid Access Chest Pain Clinics (RACPC) to document its use.

In the US, a market survey among doctors and insurance companies has validated the clinical value of the CADScor®System and the potential health economic value. The survey confirmed a strong interest in and willingness to subsidize the use of CADScor®System. We continue our efforts to increase compensation levels among insurance companies in each state. We are also discussing clinical use (Real World Evidence) in US clinics and integrated health systems (IDNs) to demonstrate the benefits of CADScor®Systems in clinical practice.

In October 2021, the American Medical Association (AMA) granted CADScor®System its own CPT III reimbursement code. The application was approved by the American College of Cardiology (ACC) without remarks. The new code became active in July 2022.

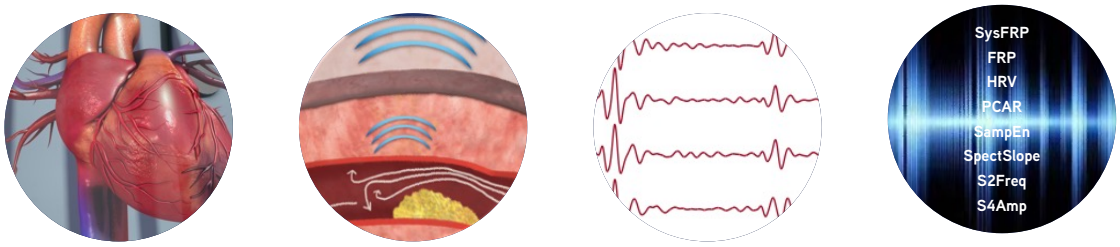
CADScor®System

Clinical use of acoustic technology in diagnostics

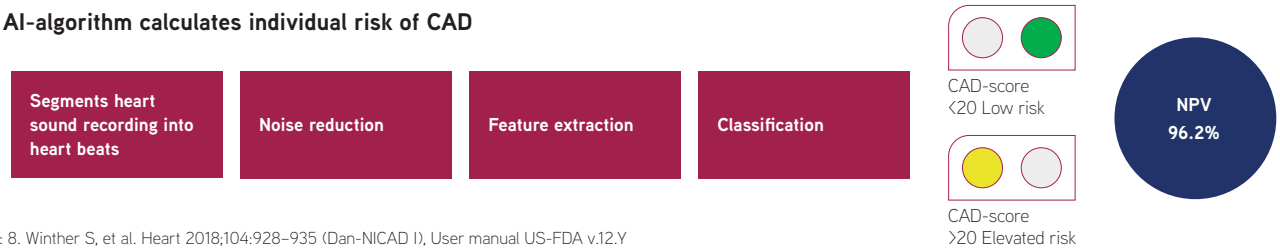
The acoustic technology used in the CADScor®System enables listening to blood flow in the coronary arteries, sounds that cannot be heard by the human ear. When the arteries are healthy, the blood flow generates a smooth sound. When there is a blockage, stenosis or plaque buildup, the flow is interrupted, then heart murmurs or turbulence can be detected. These heart sounds are picked up by the CADScor®System and evaluated using integrated algorithms. Our patented algorithm was originally developed at Aalborg University in Denmark to rule out suspected coronary artery disease. Acarix and Aalborg University continue to collaborate to further improve the algorithm and its noise-cancelling properties, resulting in a precise diagnostic aid to safely exclude acoustic agents for coronary artery disease.

Rule-out of coronary artery disease

1. Ultra sensitive acoustic technology listens to blood flow in coronary arteries



2. AI-algorithm calculates individual risk of CAD



Ref: 8. Winther S, et al. Heart 2018;104:928–935 (Dan-NICAD I), User manual US-FDA v.12.Y

> In Denmark, we have a strong tradition of acoustic technology. It is very exciting to be able to use our patented acoustic technology to change cardiac diagnostics. As a computer scientist, I am also extremely proud that our machine learning methods are used to quickly rule out coronary artery disease in clinics. Being able to significantly improve cardiac care is what motivates us daily.
>
> Samuel Schmidt, Associate Professor at Aalborg University and one of Acarix's Founders

Comprehensive patent protection

The acoustic and AI-based technology in the CADScor®System is protected by 45 patents in 12 patent families. For all patent applications, the focus has been on the most important markets, the US, and the EU. Of the 12 patent families, five relate to the classification by phonocardiography of cardiovascular signals for the identification of coronary artery disease. Two relate to methods and procedures exclusively for US applications. Two are about product design and construction. One refers to adaptive filtering of the recorded signal, and one concerns the classification of heart failure by seismocardiography.

Clinical use of the CADScor®System

Investigations to rule out coronary artery disease in patients with chest pain are often long, extensive, and in many cases costly and invasive. Most doctors choose to send patients with chest pain on further investigations, resulting in many being examined with various diagnostic tests. However, in as many as nine out of ten cases, the patient does not suffer from significant coronary artery disease and could thus have been redirected for other evaluations or excluded.

The CADScor®System was developed for the following main reasons:

1. **Accessible** early assessment of chest pain and suspected coronary artery disease
2. **Rapid** evaluation with results within ten minutes
3. **Reliable** results with a high degree of certainty

A first-line diagnostic aid

The CADScor®System should be used as a diagnostic aid as early as possible before any other non-invasive diagnostics are performed.

Radiation equivalent of 500-1,000x ordinary x-ray

CADScor®System from the patient's perspective

An evaluation with CADScor®System takes a total of ten minutes, with an actual acoustic examination of about three minutes. The sound recording must be done in a quiet place to allow listening of the blood flow in the coronary arteries. The assessment is done by healthcare professionals.

A specially designed one-time disposable patch is attached to the CADScor®System device, which is placed on the patient's chest above the heart. The CADScor®System uses ultra-sensitive phono-cardiography, which refers to sound recordings and analyzes the sounds and any heart murmurs created by the blood flow. The sound analysis is done immediately after recording with AI-based technology, where the result is displayed on the easy-to-use touch screen of the device itself. The result, a CADscore result, can be integrated into patient records by scanning a GDPR-compliant QR code with the CADScor®System app, which can be sent by email or printed. All recordings are saved in the device and can be recovered if needed. The CADScor®System app is downloaded from the Apple App Store / Google Play Store free of charge.

The Market

Heart disease is very common, especially in the United States where someone dies of the condition every 36 seconds. Coronary artery disease is the most common form of cardiovascular disease and the most common cause of death. It results in over 610,000 deaths annually, with adults under the age of 65 accounting for 1 in 5 deaths[1,2]. Reportedly, over 20 million adults over the age of 20 have coronary artery disease[3]. The severity of the disease means that most patients seeking treatment for chest pain are carefully evaluated. However, only 6-10% of those investigated are diagnosed with confirmed significant coronary artery disease.

From 2017 to 2018, direct and indirect costs covering health services, pharmaceuticals and productivity losses associated with heart disease amounted to $229 billion[4]. An estimated increase of nearly 31% in heart disease (i.e., 29 million people), indicates an exponential increase in coronary artery disease by 2060[5]. Fast and accurate diagnostics and cost-effective management and treatment have never been more urgent. Given current hospital capacity constraints, staff shortages and rising health care costs, we are focused on developing new, user-friendly, and reliable methods to screen patients quickly and efficiently. The savings potential is significant if those with low risk can be identified early and excluded.

CADScor®System can make diagnostics more efficient, where our innovative technology opens a new market segment in early diagnosis. The ideal positioning and use of the CADScor®System is in the early stages of patient investigation. The clinical and economic value lies in identifying and excluding patients at low risk (and avoiding unnecessary investigations), instead focusing on those patients who need treatment. This reduces the overall costs of healthcare systems.

18 million patients per year with chest pain – that want immediate results

Acarix offers a unique solution that quickly rules out CAD, addressing a large market of tens of thousands of clinics.

FDA De Novo clearance and CPT III reimbursement code for CADScor®System

Acarix offers a solution with attractive coverage and ROI for healthcare providers – minimal cost to the patient

AMERICAN COLLEGE of CARDIOLOGY

New Chest Pain Guidelines and endorsement from clinical leaders

Acarix has support from the ACC and the solution fits well within clinical guidelines for chest pain management.

European focus on increased patch usage

In 2022, Acarix's management decided to reduce investments in Europe to enable full focus on the US market. Our focus in Europe is on the established customers and an increased use of patches.

In Germany, the national reimbursement authority G-BA has confirmed that published data from the ongoing FILTER SCAD study will form the basis for their decision on compensation. Our focus in Germany has been on the private market, which makes up about 10% of the total market. A positive decision on compensation from G-BA would open the entire German market and provide significant opportunities for growth. In the Nordic region, our focus has been on Sweden and generating clinical experience with CADScor®System at both public and private clinics.

In the UK, there have been dialogues with NICE since the Medtech Innovation Briefing (MIB) report was issued in 2019, which included a positive assessment of the CADScor®System. We are working with Rapid Access Chest Pain Clinics (RACPC) to generate clinical experience demonstrating the value of the CADScor®System as well as support wider implementation across the UK.

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1) https://www.ncbi.nlm.nih.gov/books/NBK554410/#:~:text=Coronary%20artery%20disease%20(CAD)%20accounts,mortality%20in%20the%20United%20States.

2) https://www.cdc.gov/heartdisease/facts.htm.

3) https://www.cdc.gov/heartdisease/facts.htm

4) https://www.cdc.gov/heartdisease/facts.htm

5) https://www.jacc.org/doi/full/10.1016/j.jacc.2022.05.033.

Full focus on the US market

In October 2021, following FDA DeNovo clearance, the American Medical Association (AMA) granted CADScor®System its own CPT III replacement code. The application was approved by the American College of Cardiology (ACC) without remarks. CPT III replacement codes are assigned to new technologies, services, and procedures. In line with the CPT III code process, the new code for CADScor®-System was published by the CMS in January 2022, which became active in July 2022. As per the process, there is no specific payment amount attached to the code. We cooperate with various insurance companies and clinics to ensure an appropriate level of coverage and payment. Once a code goes into effect, healthcare providers can submit reimbursement claims through their standard billing processes. Our CPT III Code represents another important milestone for us in the US market and is an important building block in our US commercialization strategy. The CPT III code now allows us to initiate discussions with insurance companies and other payers to support our US expansion.

The commercial introduction in the US is based on three different phases. The first step involved validation of our marketing strategy based on experience from Europe, confirmation of when to use the CADScor®System and an optimal pricing model. In the Go-to-Market phase, we appointed the US management team, hired our first in-house sales representatives, signed cooperation agreements with commission-based sales agents and received our first orders. We signed an agreement with a commercial partner for billing and reimbursement support for the CADScor®System and the CPT III code. In 2022, several large insurance companies in several states have set a reimbursement level for evaluations with CADScor®System.

For the CADScor®System to become the first diagnostic device to be used before other non-invasive diagnostic tests, changes are needed in healthcare, which requires support from scientific leaders. In September, we signed a strategically important collaboration agreement with the American College of Cardiology (ACC) to develop clinical recommendations for the use of the CADScor®System in the US healthcare system. We expect this work to be completed by mid-2023.

AMERICAN COLLEGE of CARDIOLOGY®

We see increased support for CADScor®-System as a first-line diagnostic tool to be used before other non-invasive diagnostic tests. The interest has been very strong, and we are currently in discussions with various clinics, major healthcare organizations and the US Veterans Health Administration.

Jennifer Matson,
Head of Medical Affairs

With the most important building blocks in place, we are now ready to scale up in 2023. We will continue to drive our focus on the four most important sales channels; clinics, hospitals, IDNs and VA health care systems.

We target doctors and clinicians with a large volume of patients with chest pain and high reimbursement rates. In these cases, CADScor®-System can deliver the highest clinical and economic value. Interest in the CADScor®System has been unanimously strong, with many doctors confirming that the ideal use is in the early exclusion of patients before work tests and other diagnostic investigations. The ideal use of the CADScor®System is among cardiologists, primary care, emergency care and emergency departments.

I have used the CADScor®System routinely for my patients, usually to rule out coronary artery disease in younger patients, and especially those with strong heredity or family history of the disease. The CADScor®System is very easy to use – the investigation can be carried out by my medical assistant in just 10 minutes. For the patient, this is very positive, as immediate results can be given there and then. The CADScor®System is an excellent method for ruling out suspected coronary artery disease.

Dr. Marc Bernstein MD, FACC, FCCP, FSCAI
Board Certified Internal Medicine Cardiology & Interventional Cardiology, New Orleans, Louisiana

Research and Development

More than ten years of clinical development have resulted in regulatory approvals in both the EU and the US

The requirements for acoustic sound recordings must be very specific to identify sounds emanating from narrowed coronary arteries. Based on a broad foundation of Danish expertise in acoustic technology and expertise at Aalborg University, world-class components and electronics form an integral part of the high-performance CADScor®System.

We have a large clinical program with over 6,000 patients who have confirmed CADScor®System's performance. The results have been published in several respected medical journals; Heart, American Heart Journal, PharmacoEconomics and Digital Health. The clinical program of CADScor®System includes studies such as Adopt CAD, BIO-CAD and Dan-NICAD, which form the basis for CE marking and DeNovo clearance from the FDA. The DeNovo clearance was based on 2,000 patient assessments. Today, more than 24,000 clinical investigations have been conducted using the CADScor®System.

Regulatory approval

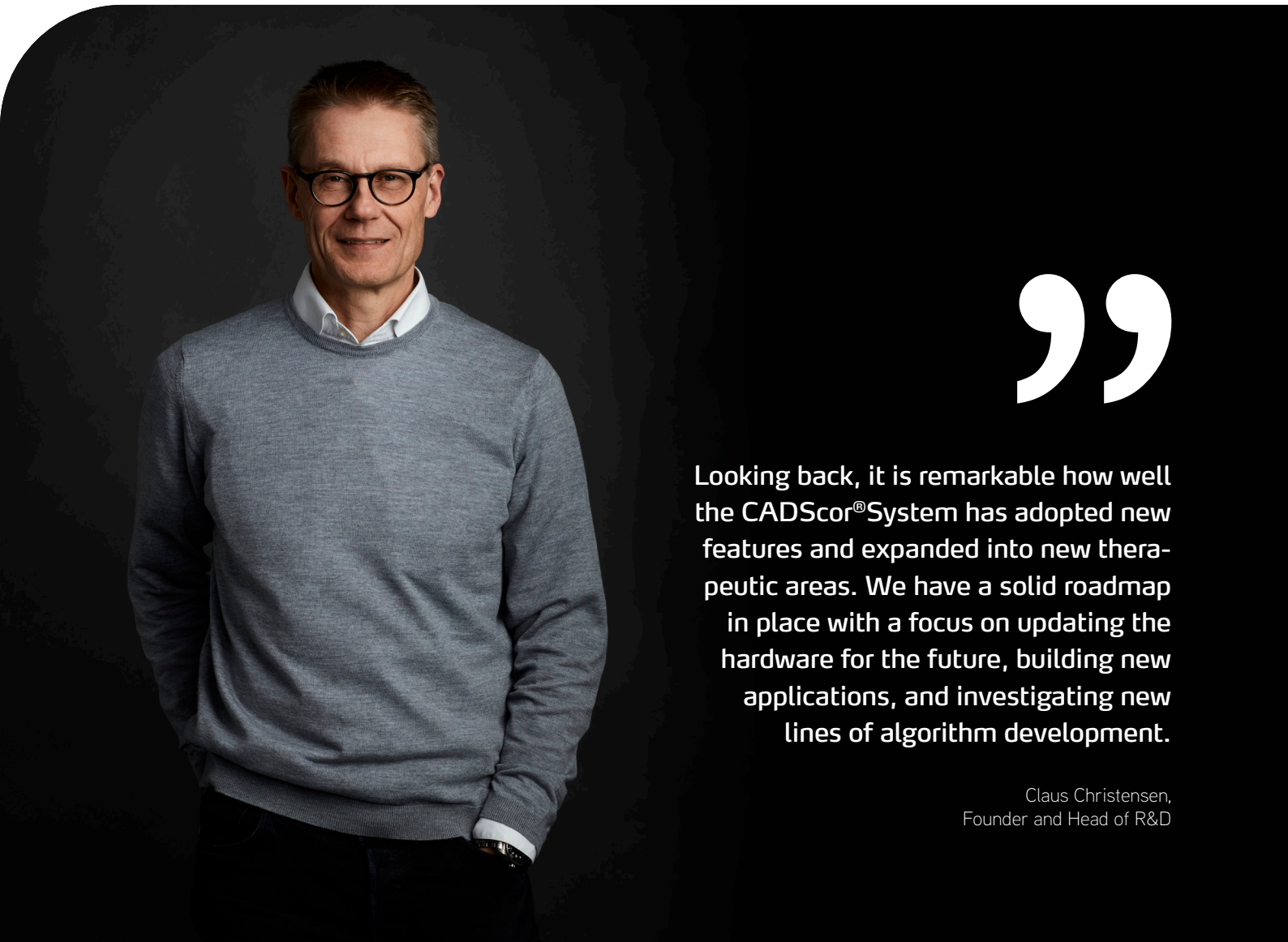
The CE marking was approved in 2016 and in 2020 the FDA evaluated the technology behind the CADScor®System and its clinical data. The FDA cleared CADScor®System for sale in the US with a De Novo approval within 12 months of application to approval.

CADScor®System's clinical program

A total of 6,000 patients have been enrolled in the clinical program for CADScor®System. Further studies have been conducted with the aim of continuing to improve the performance metrics and algorithm, as well as expanding the product portfolio.

Dan-NICAD I

Long-term prognostic data from the Dan-NICAD I study are published in the European Heart Journal – Digital Health. The Dan-NICAD I study was initiated in September 2014 to assess non-invasive methods in patients referred for coronary computed tomography (cCTA) due to symptoms suggestive of obstructive CAD. Clinically relevant prognostic data were evaluated with a median follow-up time of three years to evaluate the correlation between CAD-score and prognosis in patients treated with the current standard of care.



Looking back, it is remarkable how well the CADScor®System has adopted new features and expanded into new therapeutic areas. We have a solid roadmap in place with a focus on updating the hardware for the future, building new applications, and investigating new lines of algorithm development.

Claus Christensen,
Founder and Head of R&D

This large prospective study shows that heart sound analysis has prognostic information about long-term events in patients with suspected coronary artery disease, below current standards of clinical care. Therefore, cardiac sound analysis is a new prognostic marker in stable coronary artery disease, which may improve initial risk stratification of these patients.

Dr. Simon Winther MD, PhD,
Gødstrup Hospital (Herning, Denmark)

FILTER-SCAD

The FILTER-SCAD study completed patient recruitment in September 2022. The goal of this randomized and controlled multicenter study is to evaluate the CADScor®System in direct comparison with the established standard evaluation. The design of the study was presented in a publication in 2021. The study results are expected to be ready for publication in 2024.

Dan-NICAD II

The Dan-NICAD II study (involving 1,726 patients referred for cCTA with symptoms suggestive of stable coronary artery disease), we determine the diagnostic accuracy of CADScor®System compared to other stratification options and provide additional validated clinical data for further development of the algorithm. The study included patients with suspected cardiovascular disease under 40 years of age. The first data was presented at ESC 2021 and confirmed a high negative predictive value (NPV), as well as CADScor®System's potential for early exclusion. The results of the final analysis of the study data have been accepted for publication and are expected to be published in the British Medical Journal in 2023.

ACOUSTICS

The German AKUSTIK study is a clinical study of CADScor®System as an early exclusion system in patients with suspected stable coronary artery disease. The study is a blinded comparison with standard care evaluation, including stress ECG. The results of the final analysis of the study data were submitted for publication in 2022.

SEISMO for Heart Failure

Heart failure affects more than 60 million people worldwide and is often complicated to diagnose. Our technology has the potential to simplify the diagnosis of heart failure and enable early detection. The SEISMO study was initiated in June 2018 to develop an algorithm that can evaluate patients referred with suspicion of heart failure. The last patient of the 199 patients at two sites in Denmark was recruited in March 2020. In 2021, the study was expanded to include an additional twenty patients with severe heart failure, to further strengthen data for the development of an algorithm for early detection of heart failure.

Completing the registration of the exploratory heart failure study was a major milestone for everyone involved. The new data looks promising for early heart failure exclusion and will be important for all affected patients who are currently waiting far too long for a final diagnosis. Data can warrant a follow-up study to consolidate the results and provide more data for algorithm development.

Professor Peter Søgaard,
MD and lead investigator

The recording devices used in the SEISMO study are modified CADScor®Systems with added seismocardiographic data information. Patient recruitment was completed in 2022. The results of the final analysis of the study data are expected to be submitted for publication in 2023. In February 2022, Acarix filed with the FDA for breakthrough designation for the heart failure program. The FDA has returned with a request for additional information in the review of the application.

Health economic evaluations

A study published in PharmacoEconomics in September 2021 shows an estimated £12.3 million in savings for the UK healthcare system per 100,000 eligible patients when using the CADScor®-System to rule out coronary artery disease in the UK, where the current diagnostic pathway for coronary artery disease is costly and time-consuming. The authors evaluated the cost-benefit of the CADScor®System to rule out coronary artery disease at an early stage of the diagnostic investigation in England. The results show cost savings of £131 per patient over a one-year period. The conclusion is that CADScor®System, when used before conducting today's standard tests such as CTA, reduced healthcare costs.

These health economic data show the enormous potential to reduce costs and workload, while increasing the focus of resources on the patients who need care. With the CADScor®System, the diagnostic investigation can be done accurately, quickly, and cost-effectively.

Helen Ljungdahl Round,
President and CEO

Continued development of CADScor®System

Our product development of CADScor®System continues. Continuous updates are made to support the clinical workflow and to increase the robustness of both software and hardware. Among the new features, the CADScor®System will have access to Bluetooth updates, which will enable faster updates to the software.

Operations and IT

As part of our growth strategy, we have implemented a robust operations and manufacturing setup to ensure that high-quality products are delivered to our customers at an optimal cost. To expand the business, we have outsourced manufacturing to two locations – Denmark and China. The Danish plant is responsible for producing the systems, while China focuses on the manufacture of patches. This strategic approach will help us increase our production capacity, while maintaining our focus on quality.

In addition to outsourcing manufacturing, we have also established a third-party logistics (3PL) in the United States. This will enable us to deliver our products quickly and efficiently to customers in the region, ensuring a reliable customer experience.

Our focus is on growing while maintaining the highest quality. We have implemented strict quality control measures at every stage of our manufacturing process to ensure that our products meet regulatory requirements and the highest possible quality standards. At the same time, we are committed to managing costs as we scale up our business. We have implemented cost-saving measures in our manufacturing processes and supply chain to optimize costs without sacrificing quality.

By investing in our operations and manufacturing, we are confident in our ability to scale our business and deliver innovative solutions to our customers at an optimal cost. We believe that our focus on quality and cost management will enable us to deliver additional value to our customers and shareholders over time.

IT and ERP

At Acarix, we recognize the importance of information technology (IT) for business growth and operational efficiency. As part of our commitment to support our growth, we have implemented a Customer Relationship Management (CRM) system in 2022 and will also implement an Enterprise Resource Planning (ERP) system this year.

Our focus on process optimization is supported by these IT systems, enabling streamlined operations and improved data visibility within the organization. The CRM system allows us to better manage our customer interactions and improve our sales and marketing efforts, while the ERP system gives us better control and visibility over our manufacturing and supply chain processes.

In addition to implementing these IT systems, we also attach great importance to the robustness and security of our IT infrastructure. We have implemented an outsourced cloud appliance, which gives us the flexibility and scalability to support our growing business. We have also applied various security measures to protect our IT systems and data, including regular training.

Overall, we see IT as a critical part of supporting our business growth and operational efficiency. We are committed to implementing and maintaining IT systems that are robust, secure, and scalable, while optimizing our business processes to support our scaling efforts. By investing in our IT infrastructure, we believe we can continue to deliver innovative solutions to our customers, while improving our internal efficiency and effectiveness.

> **As COO at Acarix, I am responsible for manufacturing and development, not least our ability to scale up as we grow and expand our business. This includes ensuring that our supply chain is optimized for efficiency, while maintaining a relentless focus on quality, sustainability, and tied-up capital. As a member of our management team, I am proud to lead our focus on operational excellence across our organization and implement the infrastructure and processes required for rapid and profitable growth. I am confident that through our unwavering commitment to quality, efficiency, and sustainability, we can achieve our strategic goals and deliver exceptional value to our customers and stakeholders.**
>
> Thomas Lundstroem,
> COO

Sustainability As Part Of Our Culture

At Acarix, we recognize the importance of sustainability and work to make it an integral part of our corporate culture. We believe that, as a responsible company, we have a duty to contribute to a sustainable future for the planet and our society.

To this end, we have selected five of the UN Sustainable Development Goals (SDGs) as the basis for our sustainability work. These goals include:

SDG 3: Good health and well-being
– We are committed to: improve health and well-being of people around the world through our advanced diagnostic solutions for cardiovascular diseases.

SDG 10: Reduced inequalities
– We believe in promoting equality and diversity in the workplace and strive to create an inclusive culture with people from all backgrounds.

SDG 12: Responsible consumption and production
– We are committed to: reducing our environmental footprint by promoting responsible consumption and production methods at all stages of our supply chain and business.

SDG 13: Climate Action
– We realize the urgency of addressing climate change and we are committed to reducing our greenhouse gas emissions and promote sustainable methods throughout our company.

SDG 16: Peace, justice and strong institutions
– We believe in promoting transparency, accountability and ethical conduct across all of our business practices. We are therefore determined to work with high integrity and in accordance with with all relevant laws and regulations.

Our sustainability plan

We have established the foundation for a sustainability plan that describes our specific goals/sub-goals for each of our sustainability goals. Our plan includes initiatives such as patient care, product recalls, our workplaces, reuse, as well as a neutral footprint and zero tolerance for corruption, bribery, and fraud.

Goal 1A: Measure a million hearts

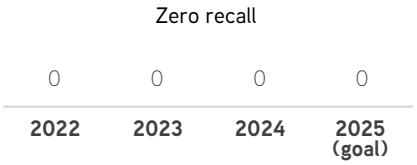
2022 Progress

- Measured 7000 hearts.

2023 Goal

- Measure 50.000 hearts.

Goal 1B: Zero product recalls



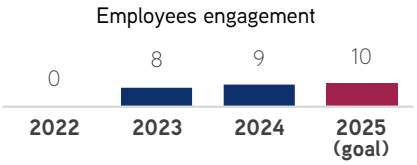
2022 Progress

- Zero recalls.

2023 Goal

- Zero recalls.

Goal 1C: Great place to work



2022 Progress

- Identified vendors to measure employee engagements.

2023 Goal

- Start measuring employee engagement and have above industry performance.

Goal 2A: Create equal opportunity for all

2022 Progress

- ELT consisted of 57% women and female CEO by 1 Jan 2023.

2023 Goal

- Building an inclusive corporate culture based on ethics, respect towards the individual, honesty, transparency and cooperation.

Goal 3A: Re-use defect items

2022 Progress

- Setup Swap concept for managing defect units.

2023 Goal

- Expand use of defect unit.
- Review how scrap of system can be better for environment.

Goal 3B: Responsible packaging

2022 Progress

- All packaging material is made of recycleable corrrugated cardboxes.

2023 Goal

- Develop strategy for further use of responsible packaging.

Goal 4A: Neutral footprint

2022 Progress

- None.

2023 Goal

- New travel policy that takes sustainability into account from several perspectives - the people, the environment as well as costs.

Goal 5A: Zero-vision regarding the occurrence of corruption, bribery or fraud or related investigations

2022 Progress

- Zero cases related to corruption, bribery or fraud.

2023 Goal

- Zero cases related to corruption, bribery or fraud.

In summary, we see sustainability as an integral part of our corporate culture. With five of the UN's Sustainable Development Goals as the foundation for our sustainability work, we are committed to promoting sustainable practices within the business, as well as collaborating with our stakeholders to drive positive change.

Acarix Team

Our leadership philosophy is deeply rooted in the core values that form the foundation of our company, which create the environment needed for our continued success. While our top priority is growth, profitability and shareholder value, we also strive to continuously work in line with our commitment to ethics, respect towards the individual, honesty, transparency and collaboration.

Category	Statistics
Full-time employees	17
Consulting employees	4
% Women on the Board of Directors	25%
% Women in management	57%
% Employees in the US	47%
Countries represented within the organization	USA, Denmark, Sweden, Argentina, Poland, Germany

Claudia Ricci

Quality Assurance Manager (Hellerup, Danmark)

I am responsible for Quality Assurance (QA) at Acarix, which means that I ensure that we meet the requirements for quality. I also lead our quality management system, as well as process monitoring, audits and ensuring compliance. One of the company's main values lies in the potential among employees, where I feel Acarix is a company that really cares about its employees, that creates synergy and offers the support needed, when needed. I highly value the fact that the company I work for meets the requirements of QA and at the same time trusts my personal and professional knowledge and background.

Artur Niewiadomski

Planning & Distribution Manager (Hellerup, Danmark)

I am a Planning & Distribution Manager, with responsibility for various suppliers and timely deliveries, at quality levels that correspond to our standards and requirements. A large part of my work is to design and implement processes at our warehouse in Denmark. Acarix is a good workplace where I thrive. Sometimes the job is quite challenging and demanding, which I personally find motivating. The best thing about my job is that I have a lot of influence over what happens at the company. I feel that it makes me visible, both among colleagues and management. I appreciate the opportunity to create and optimize new routines, implement them, and see how they are used by the team in general.

Mitch McCahey

Executive Sales Representative (California, USA)

I am an Executive Sales Representative for Acarix in the US. My responsibility is to develop the market and generate growth for CADScor®System in California. In the short term, I focus on sales to individual clinics, while working together with IDNs to introduce CADScor®System on a larger scale.

Acarix has a results-oriented, collaborative, and inclusive culture. I came to Acarix because I clearly saw the market's need for an easily accessible and simple solution to rule out coronary artery disease in patients with stable chest pain. Another reason was that I felt I had a lot to offer Acarix with my extensive experience in the field of cardiology and investigation of chest pain. The best part of my job is being able to consult with physicians about streamlining patient care, improving physician practices, and contributing to improvements in the healthcare system in the United States. I find these aspects of my work at Acarix very rewarding.

The best part of my job is being able to consult with physicians about streamlining patient care, improving physician practices, and contributing to improvements in the healthcare system in the United States.

Mitch McCahey, Executive Sales Representative, USA

The Share

Acarix AB (publ) is the Parent Company of the Group, which comprises five wholly owned subsidiaries. The Acarix share has been traded on the First North Growth Market in the Premier segment since December 19, 2016. The share was introduced at a price of SEK 17.60 per share and the final closing price at December 30, 2022 was SEK 0.28. In 2022, the highest price paid was SEK 1,0 on June 16, 2022, and the lowest price paid was SEK 0.27 on December 20, 2022.

During the month of December, the rights issue was ongoing, the outcome of which was announced in January 2023. In connection with the announcement of the outcome of the rights issue, the set-off issue was initiated.

In the rights issue, the number of shares increased by 116,958,915, from 251,972,194 to 368,931,109, which provided the company with approximately SEK 32.7 million before deduction of costs related to the rights issue. The dilution effect in the rights issue amounted to 31.7%.

Through the rights issue, a total of 116,958,915 warrants will be issued. If all warrants are exercised for subscription of shares, the number of shares in Acarix will increase by 58,479,457 shares.

The guarantors in the rights issue had, in accordance with the guarantee agreements entered into, the opportunity to choose to receive guarantee compensation in the form of cash consideration or newly issued shares in the company. A number of guarantors chose to receive the guarantee remuneration in the form of newly issued shares. Due to this, a set-off issue was carried out, based on the authorization from the Annual General Meeting on May 11, 2022, which comprised a total of 4,400,000 shares. Through the set-off issue, the number of shares in Acarix increased to a total of 373,331,109 shares. The dilution effect in the set-off issue amounted to 1%.

The number of shares in the company at year-end amounted to 251,972,194 (141,045,437). The registration of the rights issue and the set-off issue was carried out with the Swedish Companies Registration Office after the turn of the year.

The share is traded under the name ACARIX and ISIN code SE0009268717 and is included in Nasdaq First North Healthcare GI, which decreased by 2.2 percent in 2021 and by 55.7 percent in 2022.

The number of shares in the company at year-end amounted to 251,972,194 (141,045,437) to a total market value of SEK 70.6 million (122.7) as of December 30, 2022. The Acarix share is regularly followed by analysts at Redeye.

Shareholder register December 31, 2022	Nr of shares	Votes and capital
Avanza Pension	20,068,777	8.0%
Seed Capital	4,749,081	1.9%
Nordnet Pensionsförsäkring	4,271,933	1.7%
Anders Öbrink	3,551,364	1.4%
Hisret Demir	2,780,759	1.1%
Puhua Jingxin Guzhou Health Management Partnership	2,654,259	1.1%
Sang-Chul Lee	2,632,036	1.0%
Leif Bergwall	2,625,000	1.0%
Handelsbanken Liv Försäkring AB	2,564,702	1.0%
Jörgen Sköld	2,520,000	1.0%
10 largest shareholder, total	**48,417,911**	**19.2%**
Other shareholders	**203,554,283**	**80.8%**
Total	**251,972,194**	**100.0%**

Voting rights and entitlement to dividends

Each share entitles the holder to one (1) vote at general meetings of shareholders. If the company issues new shares, warrants or convertibles in a cash issue or a share issue offsetting debt, the shareholders have preferential rights to subscribe for such securities in proportion to the number of shares held prior to the issue.

All shares in the company provide the same right to the company's assets and any surplus in the event of liquidation.

Warrant Program 2020/2023

At the general meeting held on May 14, 2020, a resolution was passed on a warrant program carrying entitlement to subscribe for shares.

Incentive Program 2020/2023 for senior executives, employees and key persons comprises an issue of a maxi- mum of 3,000,000 warrants, with each warrant entitling the holder to purchase one share during the exercise period of August 1, 2023 through October 1, 2023. The subscription price for the shares pursuant to the warrant program is SEK 1.17 before recalculation after completion of the rights issue and share issue offsetting debt.

Market-based pricing was applied in conjunction with the warrant offering. The duration of the incentive program is three years.

Warrant Program 2021/2025

At the general meeting held on May 11, 2021, a resolution was passed on a warrant program carrying entitlement to subscribe for shares.

Incentive Program 2021/2025 for Board members comprises an issue of a maximum of 2,000,000 warrants, with each warrant entitling the holder to purchase one share during the exercise period of June 1, 2025 through August 31, 2025. The subscription price for the shares pursuant to the warrant program is SEK 2.25 before recalculation after completion of the rights issue and share issue offsetting debt.

Market-based pricing was applied in conjunction with the warrant offering. The duration of the incentive program is four years.

Employee warrant program 2021/2024

At an extraordinary general meeting held on August 5, 2021, a resolution was passed concerning an employee warrant program conferring entitlement to subscribe for shares.

Incentive Program 2021/2024 for senior executives, employees and certain key persons comprises an issue of a maximum of 2,000,000 employee warrants. Each warrant entitles the holder to acquire one new share in the company for an exercise price corresponding to 130% of the volume- weighted average price on Nasdaq First North Premier Growth Market from October 21, 2021 through November 22, 2021.

Allotted employee warrants are vested over a three-year period as follows:

a. 40% of allotted employee warrants are vested on November 1, 2022, and

b. 60% of allotted employee warrants are vested quarterly on a straight-line basis from November 1, 2022 through November 1, 2024.

The employee warrants will be allotted free of charge.

Employee stock option program 2022/2026

At the Annual General Meeting on May 11, 2022, a resolution was passed on an employee stock option program that entitles the participants to subscribe for shares.

The incentive program 2022/2026 for senior executives, employees and certain key employees consists of the issuance of a maximum of 3,500,000 employee stock options. Each employee stock option entitles the holder to acquire one new share in the Company at an exercise price of SEK 0.3588, corresponding to 130 percent of the volume-weighted average price on Nasdaq First North Premier Growth Market during the period from and including 30 December 2022 up to and including 13 January 2023.

Granted employee stock options vest over three years as follows:

a. 40 percent of granted employee stock options vest on January 31, 2023, and

b. 60 percent of granted employee stock options vest in linear quarterly from February 1, 2023 through March 1, 2026.

The employee stock options shall be granted free of charge.

AGM

The AGM of Acarix AB (publ) will take place on May 11, 2023 at the offices of Baker & McKenzie Advokatbyrå, Vasagatan 7, SE-101 23 Stockholm, Sweden. The notice to attend the AGM will be published on Acarix's website www.acarix.com.

Resolutions concerning the distribution of profit in limited liability companies are passed by a general meeting of shareholders

The right to a dividend is held by those who, on the date of record decided by a general meeting, are registered as holders of shares in the shareholder register maintained by Euroclear Sweden. The dividend is generally disbursed to shareholders as a cash sum per share through Euroclear Sweden, but payment may also be made in a form other than cash (in kind).

There are no restrictions on the right to dividends for shareholders domiciled outside Sweden. Shareholders who are not tax residents in Sweden are generally liable for Swedish withholding tax.

Corporate Governance Report

Introduction

Acarix AB (publ) is a Swedish public limited liability company with its head office and registered office in Malmö and whose shares are traded on the Nasdaq First North Growth Market in the Premier segment. Acarix has about 3,500 shareholders. In addition to the Parent Company, the Group consists of the following wholly owned subsidiaries:

- Acarix A/S, Hellerup, Denmark
- Acarix GmbH, Cologne, Germany
- Acarix GmbH, Vienna, Austria
- Acarix USA Inc. New York, USA
- Acarix Incentive AB, Malmö, Sweden

The Board of Directors of Acarix AB (publ), Corp. Reg. No. 559009-0667 ("**the company**") hereby submits its Corporate Governance Report for 2021 based on Swedish law, such as the Swedish Companies Act and the Swedish Annual Accounts Act, and external control instruments, including First North's Rule Book for Issuers and the Swedish Corporate Governance Code ("the Code"). The Code is based on the "comply or explain" approach, which means that a company that applies the Code need not comply with every rule of the Code at every point in time; instead it is permitted to apply alternative solutions regarded as more suitable to the company's special circumstances. A prerequisite for this is that every deviation is reported, that the solution chosen instead is described and that an explanation for the deviation is reported.

Comments on deviations from the Code's regulations for the fiscal year are provided under the relevant section of the report. The comments on the deviations pertain to back- ground and cause and to what extent the decided changes will be implemented in forthcoming fiscal years. No infringe- ments of First North's Rule Book for Issuers or of generally accepted stock market practices according to decisions of Nasdaq Stockholm's Disciplinary Committee or the Swedish Securities Council occurred during the fiscal year.

The internal governance documents that impact Acarix's corporate governance include the Articles of Associ- ation and the instructions and rules of procedure for the Board of Directors and the CEO. The Articles of Association are available on Acarix's website www.acarix.com under Corporate Governance.

General meeting

The company's highest decision-making body is the general meeting of shareholders, and the shareholders can exercise their control over the company at such a general meeting. Shareholders wishing to participate in a general meeting, personally or by proxy, must be entered in the shareholder register maintained by Euroclear Sweden AB five days before the general meeting – the exact date is shown in the official notice of the AGM – and must notify the company of their intention to attend in the manner stated in the official notice. Official notice of a general meeting occurs through an advertisement and via the company's website (www.acarix.com). The AGM is to be held within six months of the end of the fiscal year. Shareholders wishing to have a matter addressed at an AGM must submit a written request to the company in ample time, normally about seven weeks prior to the AGM, to ensure that the matter can be included in the official notice of the AGM. At the AGM, the shareholders resolve on various matters, including the election of the Board of Directors and where appropriate of auditors, how the Nomination Commit- tee is to be appointed and whether to discharge the Board of Directors and the CEO from liability for the past year. Resolutions are also made concerning the adoption of the annual re- port, appropriation of profit or the treatment of any loss, and fees to be paid to the Board of Directors and the auditors. Ac- cording to the Articles of Association, the Board is to consist of at least three and at most ten AGM-elected members. The Articles of Association contain no specific clauses governing the appointment or dismissal of Board members or regarding amendments to the Articles of Association. Extraordinary general meetings are held when necessary.

2022 AGM

Acarix's 2022 AGM was held on May 11 in Stockholm. The following resolutions were adopted at the AGM:

- to adopt the annual report for 2021.
- that no dividend be paid for 2021, in accordance with the Board of Directors' proposal in the official notice.
- to discharge the Board members and the CEO from liability for the 2021 fiscal year.
- that the Board of Directors is to consist of four Board members and no deputy members, in accordance with the Nomination Committee's proposal.
- that the number of auditors is to be one registered accounting firm.
- that remuneration to the Chairman of the Board is to be paid in an amount of SEK 400,000, and SEK 200,000 is to be paid to each of the other Board members, in accordance with the Nomination Committee's proposal. That no fees are to be paid to the Chairman of the Audit Committee and the Chairman of the Remuneration Committee.
- in accordance with the Nomination Committee's proposal for re-election of Marlou Janssen Counotte, Ulf Rosén, Fredrik Buch and Philip Siberg. Philip Siberg was re-elected Chairman of the Board.
- to approve the proposal in the official notice concerning re-election of the registered accounting firm Öhrlings PricewaterhouseCoopers AB as auditor, with Authorized Public Accountant Cecilia Andrén Dorselius as
- auditor-in-charge.
- to adopt principles for the Nomination Committee in accordance with the Nomination Committee's proposal, which were unchanged compared with the preceding year.
- to approve the Board's proposal in the official notice concerning guidelines for executive remuneration.
- to authorize the Board to make decisions on new issues of shares and/or convertible debentures and/or warrants in accordance with the Board of Directors' proposal.

- To introduce an employee stock option program for senior executives, employees and key employees within the company as well as certain consultants through the issue and transfer of warrants in accordance with the Board's proposal.

The minutes of the 2022 AGM, the instructions for the work of the Nomination Committee and other information are available at www.acarix.com.

2023 AGM

The AGM will take place on May 11 2023 at the offices of Baker & McKenzie Advokatbyrå, Vasagatan 7, SE-101 23 Stockholm, Sweden. The official notice will be published through an advertisement in Post och Inrikes Tidningar and by making the official notice available on the company's website. For matters related to the Nomination Committee and the AGM, refer to Acarix's website or contact val-beredningen@acarix. com or agm@acarix.com.

Extraordinary General Meeting

Acarix's Extraordinary General Meeting 2022 was held on December 9, 2022. At the Extraordinary General Meeting, the following resolutions were adopted:

- to approve the Board of Directors' decision on a rights issue in accordance with the Board's proposal.

Nomination Committee

The Nomination Committee's work is regulated by instructions adopted by the AGM. The Nomination Committee, whose assignment is to prepare and formulate proposals for the election of Board members, the Chairman of the Board, the Chairman of the AGM and the auditors. The Nomination Committee is also responsible for proposing the fees to be paid to Board members and auditors. The members of the Nomination Committee are to be made public on the company's website no later than six months prior to the AGM.

The Nomination Committee, which is to be appointed for the period until a new Nomination Committee has been appointed, is to consist of four members, of whom three are to be appointed by the company's three largest shareholders in terms of voting rights and the fourth is to be the Chairman of the Board. As soon as reasonably possible after the end of the third quarter, the Chairman of the Board is to contact, in an appropriate manner, the company's three largest shareholders in terms of voting rights whose holdings at that particular point in time are registered in the shareholder register maintained by Euroclear Sweden AB and ask them to name in writing, within a reasonable period considering the circumstances, which must not exceed 30 days, the person that the shareholder wishes to appoint as a member of the Nomination Committee and send this to the Nomination Committee. If one of the three largest shareholders does not want to exercise his/her right to appoint a member of the Nomi- nation Committee, the next shareholder in line will be offered the right to appoint a member of the Nomination Committee. Should several shareholders abstain from their right to appoint members of the Nomination Committee, the Chair- man of the Board is not required to contact more than eight shareholders, assuming that it is not necessary to compose a Nomination Committee comprising at least three members.

The Nomination Committee is to formulate the following proposals for the AGM:

- Chairman of the AGM
- Candidates for the position of Chairman and other members of the Board
- Fees to be paid to the Board members and Chairman
- Fees to be paid to members of committees within the Board of Directors
- Election of and fees to be paid to the company's auditor, and
- Principles for the Nomination Committee

In connection with the preparation of its proposal concerning the members of the Board of Directors, the Nomination Committee is to consider the Board of Directors' evaluation of its work and take into account the requirements regarding the composition of the Board of Directors pursuant to the Swedish Companies Act, the Swedish Corporate Governance Code and Nasdaq Stockholm's Rule Book for Issuers. When preparing its proposals, the Nomination Committee is to take into account the fact that the Board must have an appropriate composition in view of the company's operations, stage of develop-ment and conditions in general, characterized by diversity and breadth as regards the expertise, experience and background of the members. The aim is to have an even gender distribution. The Nomination Committee ahead of 2023 AGM was appointed in accor-dance with these principles and consists of Carl M Hamilton, Philip Siberg (Chairman) and Sang-Chul Lee. According to the Code, these must be published at least 6 months before the general meeting.

The company complies with the Code's regulations with the exception of the composition of the Nomination Committee. The deviation consists of the fact that the Nomination Committee consists of two external shareholders and the Chairman. The reason for this deviation is that most of the contacted shareholders declined membership of the Nomination Committee.

Board of Directors

According to the Articles of Association, Acarix's Board of Directors is to consist of at least three and not more than ten members elected by the AGM for the period until the end of the next AGM. The Board members are to be elected annually at the AGM for the period until the end of the following year's AGM. At the Annual General Meeting on May 11, 2022, 4 Board members were re-elected . The company's legal counsel served as the Secretary of the Board. Other Acarix executives participate in Board meetings as reporters on specific matters. According to the Code, a majority of the Board members elected by the AGM are to be independent in relation to Acarix and Group management. Also according to the Code, at least two of the Board members who are independent in relation to Acarix and Group management must also be independent in relation to the company's major shareholders. The composition of Acarix's Board of Directors fulfills the independence requirements of the Code. The shareholdings of individual Board members, their independence in relation to the company, Group management and the company's major shareholders, and their assignments in other companies are presented in the table below and the Board members are presented on pages 38–39.

On behalf of the shareholders, the Board of Directors is to manage the company's affairs so that the shareholders' interests in obtaining a capital return are optimally satisfied. The Board of Directors is responsible for the company's organization and the administration of the company's affairs. In its administration, however, the Board is obligated to abide by special regulations that may have been announced by the AGM, assuming that the particular regulation does not conflict with the law or the Articles of Association.

The Board is responsible for the company's organization. In so doing, the Board of Directors is to:

- establish the company's overriding objective, strategies, financial objectives and action plans.
- ensure that the company has a satisfactory organization for its operations and that the company is managed in a satisfactory manner and in compliance with the company's Articles of Association, the Swedish Companies Act and other laws and ordinances. The Board of Directors also has overall responsibility for the supervision of the company's subsidiaries, regardless of where they are located or the legislation that is applicable.
- ensure that the company has appropriate systems for the follow-up and control of the company's operations and the risks to which the company and its operations are exposed.
- ensure that the company has appropriate governance and reporting procedures.
- ensure that the company has adequate internal controls and continuously keeps itself informed of and evaluates how the company's system for internal control functions.
- establish and evaluate key policies and guidelines for the company, such as a policy governing inside information, including procedures for lists of insiders and an information policy.
- where appropriate, annually commission and establish a Corporate Governance Report.
- continuously discuss the risks to which the company is exposed.
- ensure that the company's information disclosure is characterized by transparency and is correct, relevant and reliable.
- ensure that the company complies with applicable legislation, the Articles of Association and regulations in respect of procedures for the official notice of the AGM.
- review and monitor plans, budgets and similar items, and make decisions on reports about the company's liquidity, incoming orders, significant appropriations, overall insurance conditions, financing conditions (i.e. making decisions on whether the company's access to funds is satisfactory at any given time in relation to the company's operations), cash flow and special risks.
- make decisions on reports from the company's auditor and ensure that the company's bookkeeping and asset management are checked in a manner that is satisfactory in relation to the company's circumstances.
- continuously during the fiscal year, examine the company's periodic reports and periodic accounts and, in connection therewith, check any deviations from the year's budget.
- appoint and dismiss the company's CEO.
- exercise supervision over the CEO and other members of management.
- annually evaluate the CEO's work.

The Chairman of the Board prepares for Board meetings together with the CEO. The Chairman of the Board is to approve the agenda prepared by the CEO, which is then to be sent to the Board members together with comprehensive decision-making documentation prior to every Board meeting. At every scheduled Board meeting, a review is conducted of the operations, including performance and progress in research and development, clinical studies, business development, the Group's earnings and financial position, financial reporting and forecasts.

Work and evaluation of the Board of Directors

Every year, the Board of Directors adopts rules of procedure for its work. This occurs in conjunction with the statutory Board meeting after the AGM and thereafter the rules of procedure are updated where necessary. The rules of procedure describe such matters as the Board of Directors' responsibilities and duties, the internal division of work and work methods as well as the division of work between the Board of Directors and the CEO. The current rules of procedure were adopted on May 11, 2022. Once annually, the Chairman evaluates work on the Board of Directors.

Chairman of the Board's responsibilities

The Chairman of the Board monitors Acarix's operations by maintaining continuous contact with the CEO. The Chairman organizes and leads the work of the Board of Directors and is responsible for ensuring that the other Board members receive satisfactory information and decision-making documentation. The Chairman is also responsible for ensuring that new Board members are continuously updated and add to their knowledge of Acarix and otherwise receive the training required for the Board's work to be conducted efficiently. In addition, the Chairman is responsible for contacts with shareholders concerning shareholder issues and for ensuring that the Board conducts an annual evaluation of its work.

Work of the Board of Directors 2022

During this financial year, a total of 13 recorded Board meetings were held: six ordinary, one statutory and six per capsulam meetings related to the rights issue / set-off issue and option programs. Board meetings have a recurring structure with specific main points. Information material and decision documentation for Board meetings are usually sent approximately one week before each meeting.

Evaluation of Board work

According to the Code, the Board of Directors, through a systematic and structured process, is to annually evaluate the work of the Board with the objective of developing the Board's work methods and efficiency. The Board of Directors' work in 2022 was evaluated together with FNCA Sweden AB during the first quarter of 2023. The evaluation was carried out by all Board members responding to a questionnaire with questions about the Board's activities. The results from the evaluation are compiled in a report and presented to the Board of Directors and members of the Nomination Committee.

Board of Directors' committees

The Board of Directors has established two formal committees, the Audit Committee and the Remuneration Committee. The Audit Committee's duties include maintaining and enhancing the efficiency of contacts with the Group's auditor, and exercising supervision over procedures for accounting and financial reporting. The company's auditors participated in all of the Audit Committee's meetings. The Committee and the auditors jointly discussed and established the scope of the audit. The duties of the Remuneration Committee are to prepare matters concerning remuneration and terms of employment for the Group management.

Board members' attendance and independence, 2022	Elected	Attendance at Board meetings	Attendance at Remuneration Committee meetings	Attendance at Audit Committee meetings	Independent in relation to the company and Group management	Independent in relation to the company's major shareholder
Philip Siberg, Chairman of the Board	2021	7(7)		2(2)	Ja	Ja
Ulf Rosén	2016	7(7)	2(2)		Ja	Ja
Marlou Janssen	2020	7(7)	2(2)		Ja	Ja
Fredrik Buch	2021	7(6)		2(2)	Ja	Ja

A total of seven Board meetings were held during the year, of which one was the statutory Board meeting. An additional six per capsulam meetings were held in connection with the rights issue and set-off issue.

Remuneration of board of directors and management, 2022, kSEK	Director's fee/ Base salary	Director's additional services	Bonus	Pension costs	Other social security costs	Total
Philip Siberg	400	-	-	-	126	526
Fredrik Buch	200	-	-	-	63	263
Ulf Rosén	200	-	-	-	20	220
Marlou Janssen	200	-	-	-	63	263
Total Board of Directors	**1,000**	**-**	**-**	**-**	**272**	**1,272**
Helen Round Ljungdahl, CEO	3,107	-	-	180	209	3,496
Other Executive Management	5,422	-	247	436	988	7,094
Total Executive Management	8,529	-	247	616	1,197	10,590
Total	**9,529**	**-**	**247**	**616**	**1,470**	**11,862**

The Remuneration/Audit Committee receives no remuneration.

Helen Ljungdahl Round took over as the new CEO in January 2022.

Group management

CEO and Group management

The Board of Directors appoints the CEO to manage the company. In her role, the CEO reports to the Board of Directors and his main duty is the everyday management of the company's operations. The Board of Directors' rules of procedure and the instructions for the CEO establish which matters the company's Board is to make decisions on and which decisions fall within the CEO's area of responsibility.

The CEO is also responsible for formulating reports and the decision-making documentation required ahead of Board meetings and serves as a reporter of this material at the Board meetings. The CEO is to take the actions necessary to ensure that the company's accounting complies with the law and to ensure that the company's funds are managed in a satisfactory manner. It is therefore the CEO's responsibility to ensure that the company has efficient internal controls and procedures for ensuring that the established principles for financial reporting and internal control are applied.

The CEO is obligated to attend all general meetings in the company, whether they be the AGM or an extraordinary general meeting. In a serious crisis, it is also the CEO's duty to immediately inform the Board of Directors and, if necessary, to establish and instruct a crisis committee and formulate a contingency plan for the business. As soon as the CEO suspects that an event or a practice could have a significantly adverse impact on the business or the company's position, for example a liquidity crisis, he must report this to the Chairman of the Board.

The instructions for the CEO also apply to the Deputy CEO, when acting on behalf of the CEO.

The CEO will also lead the work of the company management. In 2022, in addition to the CEO, management consisted of Chief Financial Officer (CFO), Chief Research Officer (CRO), Chief Marketing Officer (CMO) and Chief Operating Officer (COO). The CMO left the company during the third quarter and as of December 31, 2022, the management consists of 4 people. A new management team was appointed in January 2023, for more information about the new senior executives in Acarix please refer to pages 40–41 in the annual report.

Incentive program 2022

At the Annual General Meeting on May 11, 2022, a resolution was passed on an employee stock option program that entitles the participants to subscribe for shares. The incentive program 2022/2026 for senior executives, employees and certain key employees consists of the issuance of a maximum of 3,500,000 employee stock options. Each employee stock option entitles the holder to acquire one new share in the Company at an exercise price of SEK 0.3588, corresponding to 130 percent of the volume-weighted average price on Nasdaq First North Premier Growth Market during the period from and including 30 December 2022 up to and including 13 January 2023.

Granted employee stock options vest over three years as follows:

a. 40 percent of granted employee stock options vest on January 31, 2023, and

b. 60 percent of granted employee stock options vest in linear quarterly from February 1, 2023 through March 1, 2026.

The employee stock options shall be granted free of charge.

Internal control and risk management of financial reporting

The Board of Directors is responsible for ensuring that there is an efficient system for internal control and risk management. The responsibility for creating favorable conditions for working on these matters has been delegated to the CEO. Both Group management and managers at various levels in the company have this responsibility within their respective areas. Authorities and responsibilities are defined in policies, guidelines, job descriptions and instructions for authorization rights. The Board has decided not to establish a special audit function (internal audit). The Board of Directors' annual evaluation concerning the need for such a function shows that is not warranted in view of the business's scope and risk exposure.

Pursuant to both the Companies Act and the Code, the Board is responsible for ensuring that the company maintains adequate internal controls and keeps itself continuously informed of and evaluates how the company's system for internal control functions.

Control environment

The procedures for internal control, risk assessment, control activities and the follow-up of financial reporting have been designed to ensure reliable overall financial reporting and external financial reporting in accordance with IFRS, applicable laws and regulations as well as other requirements that are to be applied by companies listed on Nasdaq First North Premier. This work involves the Board, Acarix's Group management and other employees.

Since its market listing, Acarix has chosen to continuously outsource accounting and payroll services. Acarix provides a comprehensive solution comprising an accounting portal and services whereby the supplier, through an assignment description, is responsible for operation, maintenance and support. Analytical work and financial reporting are handled internally within the company's finance function.

The company's control environment is continually further developed and its control activities are in progress and gradually being aligned to the company's size and business complexity.

A distinct division of roles and responsibilities for efficient management of the operations' risks is ensured, for example, through compliance with the Board of Directors' rules of procedure, the CEO's instructions and the governance documents adopted by the Board, including authorization orders.

Risk assessment

Acarix's Board of Directors works continuously and systematically with risk assessments to identify risks and take action regarding them. The company has a continuous risk review where risks are identified from a company perspective. The risk process is further developed in line with the company's growth and complexity.

Information and communication

To achieve correct information disclosure and clear external communications, the company has issued an information policy concerning the management of information involving external parties. The policy stipulates guidelines for how such communication should be conducted, and who is authorized to provide specific types of information. This is designed to ensure compliance with information obligations according to the law and listing agreements and to ensure that investors receive timely information.

Follow-up, evaluation and reporting

The CEO is responsible for ensuring that the Board continuously receives reports on the development of the company's operations, including the development of the company's earnings and financial position, as well as information about significant events, such as clinical results and important agreements. The Board of Directors meets the company's auditor annually, during which the company's internal controls and financial reporting are discussed.

Internal audit

Acarix has no specific audit function (internal audit). The company has an uncomplicated legal and operational structure whereby the Board of Directors continuously monitors the company's internal control in conjunction with external and internal financial reporting. In addition, the Audit Committee monitors the efficiency of the internal controls and risk management in respect of financial reporting. Against this background, the Board of Directors has chosen not to establish a specific internal audit function.

External audit

The company's auditor is normally elected by the AGM for the period until the end of the next AGM. The auditor examines the annual accounts and accounting records as well as the administration of the business by the Board of Directors and the CEO. Following each fiscal year, the auditor is to submit an audit report to the AGM. Each year, the company's auditor also reports his/her audit observations and assessment of the company's internal control to the Board. The 2022 AGM re-elected the accounting firm Öhrlings PricewaterhouseCoopers AB (PwC), with Authorized Public Accountant Cecilia Andrén Dorselius as auditor in charge at Acarix up to the end of the 2023 AGM.

This is a literal translation of the Swedish original report included in RevR 16.

Auditor's report on the Corporate Governance Statement

To the general meeting of the shareholders in Acarix AB (publ), corporate identity number 559009-0667

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2022 on pages 29-34 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Malmö 2023-04-20
Öhrlings PricewaterhouseCoopers AB

Cecilia Andrén Dorselius
Authorized Public Accountant
Auditor in Charge

Alexander Ståhl
Authorized Public Accountant

Risks and uncertainties

Acarix's operations and market are exposed to a number of risks that are fully or partly beyond the control of the company and that influence or could influence the company's operations, financial position and earnings. The risk factors below, which are not exhaustive and are not ranked in any order of significance, are deemed significant to Acarix's future development.

Market growth and general economic conditions

Start-ups in other countries, particularly countries in which the company has no previous experience, carry risks that can be difficult to foresee. In addition, external factors such as the general economic situation, access to products essential for the company, demand for the company's products, interest rates, prices or rates of inflation can all be subject to change over time, which could have a negative impact on the willingness of financiers to invest or on the company's revenue stream.

Products and market acceptance

There is a risk that the company's products will not generate revenue that justify the company's presence in the market. If the company's products do not generate revenue, become obsolete or for some other reason are not at the forefront of its field or are not included in state reimbursement programs and/or directives, this could have a negative impact on Acarix's operations, financial position or earnings.

Risks related to future commercialization

The company intends to continue applying for licenses or registration from state authorities or other administrative bodies in relevant markets to enable the marketing and sale of the company's products. There is a risk that the company's launches in individual markets will be delayed, become more expensive or will not materialize, which could have a negative effect on Acarix's operations, financial position or earnings.

Competition

There is a risk that competitors, both known and unknown, will develop a more effective pathway for the rule-out of CAD or that competitors' products will be included in insurance companies' reimbursement programs and/or be included in state directives for the treatment of CAD, which could have a negative effect on Acarix's operations, financial position or earnings.

Licenses and approval

Acarix is a commercial player operating in a market requiring certain permissions from the authorities. Acarix operates in a market that in various jurisdictions is subject to various regulatory permits, approval or demands from state authorities or other administrative bodies. Licenses are required and the company's products must be registered with relevant bodies in the various jurisdictions before they can be sold. If permission or registration is not granted or is withdrawn, this could have a significant negative impact.

Research and development

Continuing to develop the company's product, which is a result of more than ten years' research, and continuing to verify the results of the use of the product will require further investments in research and development. There is a risk that investments in research and development will not provide the company with the anticipated benefit.

Development costs

Developing commercial marketable products within the company's business area is generally extremely costly. The complexity associated with product development means that it is difficult to predict, or to determine in advance, what costs might arise. This creates a risk that planned product development will be more time consuming and/or more costly than planned.

Key person dependency

For the continued development of the company, Acarix is dependent on certain key persons who at the time of this annual report or hereafter will be working as experts within the company in several leading positions. The company is thus dependent on the key persons' expertise. Should key persons or other qualified staff leave the company, and the company cannot replace them in a timely and adequate way, this could have a negative effect on Acarix.

Product liability

In view of the nature of Acarix's business, it is relevant to consider the product liability that arises when the company develops and commercializes products. The Board of Directors is of the opinion that the company's current insurance cover is satisfactory, in view of the nature and scope of the business. However, there are no guarantees that the company's insurance cover will fully be able to cover potential future legal requirements, which could adversely affect Acarix's operations and earnings.

Intellectual property rights

There is a risk that the company will be unable to maintain or protect its patent families or that other innovations developed by the company may in the future be unable to obtain adequate protection. There is also a risk that the company may infringe, or be alleged to infringe, upon a third party's intellectual property rights or that a third party may infringe, or be alleged to infringe, upon the company's intellectual property rights. This could result in the company needing to defend itself against an alleged infringement or defend its intellectual property rights. If one or more of these risks are realized, this could have a negative effect on Acarix's operations, financial position or earnings.

Financing

Acarix may in the future become dependent on financing from lenders or shareholders and/or other forms of financing. Market conditions, the general availability of credit, the company's credit rating and uncertainty and/or disruptions in the capital and credit markets could also influence the company's access to financing. There is a risk that the company will not be able to obtain financing or that it will not be possible to obtain financing on terms that are favorable to Acarix or that the capital procured will not be sufficient to meet the Group's financing needs.

Tax

Acarix is domiciled in Malmö, Sweden, but conducts the predominant part of its operational activities in Denmark and its sales activities in the DACH region, the US and the Nordics. Acarix conducts, and has conducted, its operations in accordance with the company's interpretation of the tax legislation applicable at each respective time, the requirements of relevant tax authorities, applicable administrative general practices, and, where appropriate, tax agreements.

There is a risk that the company's interpretation and application of tax legislation may be incorrect, or that such rules could be changed retroactively.

Legislation and regulations

Should Acarix's operations become subject to restrictions from authorities or should the company fail to obtain neces- sary future government approvals, this could adversely affect Acarix commercially and financially.

Disputes

The company may occasionally become involved in legal disputes or be the subject of claims, investigations or other administrative proceedings that could result in Acarix being liable to pay compen- sation or to discontinue a certain activity or in members of the Board or other employees of the com- pany risking sanctions under criminal law. Such proceedings are generally time-consuming and costly, disrupt the ongoing operations of the company and the outcome can be difficult to predict, which could have a negative effect on Acarix's operations, financial position or earnings.

Pandemics

Effects of pandemics can have major consequences on the general economy and negatively affect Acarix's clinical and commercial activities in both the short and long term. Impact may also be on access to capital, which could affect Acarix's ability to obtain necessary financing for the business.

See also Note 5, Financial risks.

Board of Directors

Acarix has made great strides in the US market in 2022. We recruited a US-based management team and began building our own sales force. The first important deals have now been secured and we have gradually established good compensation levels with the major insurance companies for our own CPT III compensation code. The collaboration with the American College of Cardiology (ACC) is also an important milestone in jointly establishing clinical recommendations that support a broad rollout among the US's more than 30,000 cardiologists.

Philip Siberg,
Chairman of the Board

Philip Siberg

Chairman since 2021

Year of birth: 1973

Location: Sweden

Education: M.Sc. in Mechanical Engineering and Industrial Engineering and Management from KTH, Royal Institute of Technology in Stockholm, Sweden.

Previous assignments/experience: Philip Siberg has 20 years of experience as international CEO and board member of listed and unlisted companies in medical technology and life science. Philip has previously been CEO and co-founder of Coala Life AB (publ), CEO of Stille AB (publ) and CEO of Acacia Designs BV.

Other important ongoing assignments: Partner Southbloom Corporate Finance, Chairman of the Board of Senzime AB (publ), EEP Capital LLC and Portwear AB. CEO of Longmeadow Farm AB.

Holdings in Acarix: 400,000 shares and 500,000 warrants.

Ulf Rosén

Board member since 2014

Year of birth: 1960

Location: Sweden

Education: Ulf Rosén is a registered nurse and has a degree in business administration from IHM Business School. He has also completed several internships, including in financial management at INSEAD.

Previous assignments/experience: Ulf Rosén has been Chairman, Board member and CEO of several Scandinavian companies in medical technology, pharmaceuticals, and services. Previous positions include CEO of NeoPharma AB, CEO of Attana AB, Chairman of the Board of Trial Form Support International, Stille AB and Scibase AB, CEO of Fresenius-Kabi AB, Executive Vice President of Global Nutrition Division at Fresenius-Kabi, CEO of Pharmacia & Upjohn AS, CEO of Globen Ögonklinik AB and General Partner of Fund III at the investment company SEED Capital. Ulf is co-founder of Lobsor Pharmaceuticals AB and Intrance Holding/ Intrance Medical Systems Inc.

Other important ongoing assignments: Chairman of the Board of Intrance Holding AB, Intrance Medical Systems Inc, LobSor Holding AB, Ponscasa Holding AB, Palaggan AB, Tridentify AB and pro bono as Vice Chairman of Almtuna IS/Almtuna IS Ishockey AB.

Holdings in Acarix: 2,975,853 shares and 500,000 warrants.

Fredrik Buch, MD

Board member since 2021

Year of birth: 1954

Location: Sweden

Education: Orthopedic surgeon with a degree from the University of Gothenburg.

Previous assignments/experience: Fredrik Buch has worked with clinical trials and regulatory issues in the pharmaceutical industry both in Europe and internationally, at Squibb/Bristol Meyers, Hoechst, and Pharmacia/Upjohn. He then became a fund manager at SEB Läkemedelsfonder and invested in pharmaceuticals and medical technology worldwide. Forbes Magazine named the fund under Fredrik Buch one of the 50 best funds in the world. Fredrik Buch later became a partner at Health-Cap and worked with venture capital investments in life science. For the past 15 years, Fredrik has worked as a board member and consultant in companies.

Other important ongoing assignments: Several board assignments in life science companies.

Holdings in Acarix: 562,168 shares and 500,000 warrants.

Marlou Janssen-Counotte

Board member since 2020

Year of birth: 1965

Location: Netherlands

Education: Hotel management at TIO.

Previous assignments/experience: Marlou Janssen-Counotte has more than 25 years of experience in the medical technology industry. She began her career at Medtronic and over the past 20 years held senior positions as Executive Vice President at St. Jude Medical, Vice President of International Marketing and Sales at Biotronik and President and Board Member of Biotronik Inc.

Other important ongoing assignments: Head of EDP Solutions at Philips Medical Systems.

Holdings in Acarix: 500,000 warrants.

Management Team*

Helen Ljungdahl Round

President and CEO since 2021

Year of birth: 1964

Location: USA

Education: BSc in Economics from Uppsala University and MBA from American Graduate School of International Management (Thunderbird), USA.

Previous assignments/experience: Helen has more than 25 years of experience in global leadership in strategy, product innovation and development, business management, marketing and sales in biopharmaceutical and medical technology. She has previously held roles as CEO of Amnicell (a biotech start-up company in New York) and Senior Vice President of Global Marketing & Business Development for GN Hearing Denmark. During her many years at Merck & Co, Inc., she held international leadership and executive roles across Merck's therapeutic areas and business operations in North America, Europe, the Middle East/Africa, Latin America and Asia.

Other important ongoing assignments: Vice Chairman of the Board of Pearl S Buck International. Advisor to SonicCloud, a Californian company that manufactures software for hearing technologies.

Holdings in Acarix: 2,642,857 shares and 814,200 employee stock options.

Christian Lindholm

Chief Financial Officer (CFO) since 2016

Year of birth: 1964

Location: Sweden

Education: Business Administration at the University of Växjö and Kristianstad University.

Previous assignments/experience: For the past 20 years, Christian has held CFO roles in both private and listed companies. Prior to joining Acarix, he was CFO of Doro AB and TFS International AB.

Other important ongoing assignments: Board member of Lindholm Finance AB.

Holdings in Acarix: 40,831 shares and 800,000 warrants.

Thomas Lundstroem

Chief Operating Officer (COO) since 2022

Year of birth: 1974

Location: Denmark

Education: eMBA from IMD, Switzerland, and a Master of Science in Management of Planning and Technology from the Technical University of Denmark (DTU), Denmark.

Previous assignments/experience: Thomas has more than 20 years of experience in the medical technology industry. Previously, Thomas was SVP of Global Operations at GN Hearing with responsibility for procurement, manufacturing, distribution, and service. Thomas also has extensive experience as a management consultant at Accenture and Valcon.

Other important ongoing assignments: -

Holdings in Acarix: 468,853 shares and 459,940 employee stock options.

Claus Christensen

Head of R&D (interim) since 2023

Year of birth: 1964

Location: Denmark

Education: MSc & PhD in molecular biology from University of Copenhagen and MBA (Management of Technology) from Tech University of Denmark.

Previous assignments/experience: Claus has leadership experience from the international biotechnology and medical technology industry with a focus on product innovation, product development, people and advisory board management, clinical studies, strategy for regulation and capital raising. He is a serial entrepreneur and, among other things, co-founder of Acarix in 2009 and other bio- and medical technology companies.

Other important ongoing assignments: CEO of CPHbiomedix Aps (DK) and Ausculto Aps (DK), as well as advisor to Danish start-ups.

Holdings in Acarix: 200,000 shares and 191,136 warrants.

* New Management Team from January 1, 2023.

Carma Connely

US Commercial Lead since 2022

Year of birth: 1975

Location: USA

Education: BS in Chemistry from Butler University, IN and MS in Biochemistry from University of Denver, CO.

Previous assignments/experience: Carma has over 20 years of experience in medical devices with a focus on neurosurgery and cardiology. She has experience in sales, product management, quality, regulatory, operations, clinical training, and finance. Carma has previously held roles as vice president of operations at Coala Life, product management at Raumedic and has also launched several European companies in the US market.

Other important ongoing assignments: -

Holdings in Acarix: 408,520 employee stock options.

Jennifer Matson

Head of Medical Affairs since 2022

Year of birth: 1977

Location: USA

Education: BSc in Biomedical Engineering from Boston University, MA and Master of Public Health from Johns Hopkins Bloomberg School of Public Health, MD.

Previous assignments/experience: Jennifer has more than 20 years of experience in research and development, clinical research/product innovation in the medical device industry (FDA class II and III, including HDE) on an international level for Biotronik, Bayer and other start-ups. She also has experience leading program evaluations for health care reform initiatives as part of a Medicare and Medicaid innovation project.

Other important ongoing assignments: -

Holdings in Acarix: 408,520 employee stock options.

Jennifer Anderson

Head of Marketing and Communication since 2022

Year of birth: 1979

Location: USA

Education: BS in Finance from the University of Colorado, CO and an MBA (Market Strategy) from Regis University, CO.

Previous assignments/experience: Jennifer has more than 20 years of experience in global marketing, where she has led teams, launched products, and developed product portfolios in medical technology. She previously held roles as Senior Director of Marketing at Keystone Heart and Senior Marketing Manager at LivaNova, where she led the heart valve marketing group and launched the Perceval sutureless valve in the US market. Jennifer has also held various marketing roles within Medtronic's surgery and patient monitoring portfolios, including team leader, product manager, and marketing manager, responsible for new product development and strategic marketing.

Other important ongoing assignments: -

Holdings in Acarix: 205,680 employee stock options.

Acarix As Investment

In 2022, Acarix started its transformation from an R&D-focused organization to a commercially strong organization to deliver revenue growth, profitability, and shareholder value.

A groundbreaking innovation combining ultra-sensitive acoustics and AI-based technologies to benefit patients, doctors, and health-care systems.

A strong development program with 6,000 patients, robust performance data and 45 patents.

A new market segment with high potential in early and rapid diagnostics for assessment of patients with chest pain or symptoms of coronary artery disease.

A strong focus on US market opportunities with key building blocks in place, including FDA DeNovo clearance, AMA-approved CPT III replacement code, and strategically important partnerships.

A clearly defined strategy and business model to meet guidance of 3,000 CADScor®Systems on the market, SEK 200 million in revenue and a gross margin >80% and reach break-even by end of 2024.

Outlook 2023

We are excited about the opportunities ahead of us in 2023.

2022 was a successful year for Acarix, as several important milestones were achieved. With the FDA DeNovo clearance, CPT III reimbursement approval and a strategic collaboration with the American College of Cardiology (ACC), our focus in 2023 is primarily on the American market. There, we are well placed to drive sales across our key sales channels for clinics, hospitals, IDNs and the US Veterans Health Administration. We will increase our footprint through expansion of our sales team and partnerships with commission-based sales agents. Reimbursement rates from insurers to clinics will continue to be an important focus to support our US business model. As the CADScor®System has the potential to revolutionize the early assessment of patients with chest pain and coronary artery disease suspicion, we will continue to build our collaborations with scientific leaders, expand the clinical experience across sales channels, and complete the clinical framework with the ACC team.

We are developing well and according to plan to meet our forecast for 2024. We have the most important building blocks in place and in 2023 our focus will be on implementation in the US market with high potential.

Helen Ljungdahl Round,
President and CEO

Administration Report

Acarix AB (publ), Corp. Reg. No. 559009-0667

The Board of Directors and the CEO hereby present the annual accounts for the Parent Company and the Group for the 2022 fiscal year. The consolidated balance sheet and income statement and the balance sheet and income statement for the Parent Company will be presented for adoption to the AGM on May 11, 2023.

Group

Acarix AB (publ) is the Parent Company of the Group also comprising the wholly owned subsidiaries:

- Acarix A/S, Hellerup, Denmark
- Acarix USA Inc., New York, US
- Acarix GmbH, Cologne, Germany
- Acarix GmbH, Vienna, Austria
- Acarix Incentive AB, Malmö, Sweden

The Parent Company

Acarix AB is a Swedish public limited liability company that was formed in Sweden and whose current registered name was registered with the Swedish Companies Registration Office on September 30, 2016. Acarix's operating activities have been conducted in Denmark since 2009. The company's corporate registration number is 559009-0667. Acarix is domiciled in Malmö.

Line of business

Acarix is a Swedish medical technology company that develops solutions for rapid AI-based coronary artery disease (CAD). The Acarix CADScor®System is CE marked and approved by FDA De Novo for patients experiencing chest pain with suspected CAD and is designed to reduce millions of unnecessary, invasive, costly diagnostic procedures. The CADScor®System calculates a patient specific CAD score non-invasively in less than 10 minutes with 96% confidence. Acarix is listed on Nasdaq First North Premier Growth Market (ticker: ACARIX).

Financial development

Revenue and gross margin

Revenues during the year amounted to kSEK 5,822 (3,760), of which kSEK 2,704 (1,604) pertained to CADScor®System and kSEK 2,156 (3,118) pertained to one-time patches. The share of revenue in the DACH region amounted to 60 percent while 31 percent related to the US market where sales began in the first quarter of 2022. The Nordic countries and England accounted for the remaining part of the revenue.

Gross profit amounted to kSEK 4,621, corresponding to a gross margin of 79 percent compared to kSEK 2,823 and 75 percent in 2021. The gross margin increase of 4 percentage points compared with last year is mainly due to initiated sales in the US market.

During the year, 61 CADScor®Systems and 8,650 disposable patches were sold, compared to 57 CADScor®Systems and 6,880 one-time patches in the previous year. Sales in the US market began in the first quarter of 2022 and a total of 20 CADScor®Systems and 880 one-time patches were sold, corresponding to 33 and 10 percent of the total number of units sold, respectively. Within the DACH region, 32 CADScor®Systems and 6,850 one-time patches were sold, representing 52 and 79 percent of total units sold, respectively.

Expenses

Total operating expenses (R&D and sales/general administration expenses) for the year amounted to kSEK 81,095 compared to kSEK 54,519 in the previous year. Selling, general and administrative expenses amounted to kSEK 53,338 (33,026), of which kSEK 37,125 (20,903) refers to sales and marketing expenses. Research and development costs amounted to kSEK 27,758 (21,493). The cost increase during the year of 26 576 kSEK is mainly generated by the build-up of the US organization and the expansion of manufacturing and delivery capacity in order to meet increased demand primarily in the US market but also in the DACH region.

Financial performance

During the financial year, the Group reported an operating loss of kSEK –76,475 compared to kSEK –51,696 in the previous year. Depreciation during the year amounted to kSEK 3,038 (3,376) divided between capitalized development costs of kSEK 2,333, patents 269 kSEK, leasing assets of kSEK 296 and depreciation of tangible assets of kSEK 140. Net loss for the year amounted to kSEK –76,985 compared to kSEK –51,731 in the corresponding period last year. Earnings per share amounted to SEK -0.31 (-0.37) and SEK -0.29 (-0.34) including ongoing rights issue and set-off issue.

Intangible assets

As of December 31, 2022, intangible assets amounted to a total of kSEK 14,863 compared to kSEK 16,165 the previous year. Capitalized development costs amounted to kSEK 10,798 (12,170) while acquired rights amounted to kSEK 4,065 (3,995). No investments were made during the period.

Cash flow and financial position

Cash and cash equivalents at year-end amounted to kSEK 11,161 (15,860), a decrease of kSEK 4,699 since the beginning of the year. The change mainly consists of cash flow from operating activities amounting to kSEK -74,869 (-48,007), mainly attributable to operating profit. The effect from working capital amounted to TSEK -110 (306). During the year, payment was received after a new share issue of 69 335 kSEK.

At year-end, a rights issue was underway which, together with the subsequent remuneration issue to guarantors, provided the company with a total of SEK 32.7 million before transaction costs of SEK 8.2 million, of which SEK 7.2 million was liquidity-impacting. The company received the issue proceeds in January 2023 totaling net SEK 25,5 million. Within the framework of the rights issue, warrants were issued which, when fully exercised, are expected to provide the company with an additional approximately SEK 5.8 – 26.3 million before issue costs during the second quarter of 2023.

The Board of Directors considers that cash and cash equivalents, by the end of March 2023, including payments from outstanding warrants and the directed issue, are sufficient to finance the activities until at least mid-2023 based on the annual forecast prepared by the company's management.

The Board further assesses that the conditions are good to raise capital to secure at least 12 months of ongoing operation. Therefore, the company's financial statements have been prepared on the going concern assumption. However, if none of the solutions can be implemented, there is an uncertainty regarding funding in 2023.

Equity

As of December 31, 2022, consolidated equity amounted to kSEK 51,826, compared to kSEK 100,545 on December 31, 2021. As of December 31, 2022, the share capital amounted to kSEK 2,520 and the total number of shares amounted to 251,972,194. During January 2023, the company's rights issue and set-off issue were registered, which increased the share capital by kSEK 1,213 to kSEK 3,733. The number of shares increased in January by 121,358,915 to a total of 373,331,109 shares.

Significant risks and uncertainties

Acarix's earnings have been affected, and will be affected going forward, by several factors, wholly or partly beyond the company's control. The company's main operating and financial risks are market processing and the time it takes to create acceptance for CADScor®-System and thereby generate revenue. The risks may also be attributable to events in the external environment and may affect some industries more than others. Risk management is therefore an important and an integral part of the company's operations and strategy.

Acarix is exposed to certain specific risk categories:

- Operational risks, for example attributable to the capital-intensive and risky development of new medical devices, dependence on external parties, risks in clinical trials, dependence on qualified personnel and key personnel.
- External risks such as patent infringement, competition, rapid technological development, regulatory requirements, pricing and compensation for costs.
- Financial risks, such as exchange rate risk, interest rate risk, credit risk and financing risk.
- Risks related to pandemics, such as Covid-19.
- Risks related to armed conflicts and relations between different countries.

Further information on risks can be found on page 36 in the Annual Report.

Events after the balance sheet date

- On 3 January 2023, the company announced the outcome of the rights issue. Acarix received approximately SEK 32.7 million before deduction of costs attributable to the rights issue.
- On 11 January 2023, the Board of Directors of the Company announced that it had resolved on a directed issue of new shares to the parties who have provided guarantees in the Rights Issue and who have chosen to receive guarantee compensation in the form of newly issued shares in the Company. The subscription price in the Remuneration Issue is set at SEK 0.28 per share and payment is made by offsetting the guarantors' claims on the Company.

Information about the share

The company's shares are of the same class and there is no difference in voting rights. The share is traded on NASDAQ First North Growth Market under the name ACARIX and ISIN code SE0009268717, and the shares are listed under the Premier segment.

During December, a rights issue was underway, the final outcome of which was announced in January 2023. In connection with the announcement of the outcome of the rights issue, the set-off issue was initiated for guarantors who have chosen to receive the guarantee remuneration in the form of newly issued shares.

In the rights issue, the number of shares increased by 116,958,915, from 251,972,194 to 368,931,109 and provided the company with approximately SEK 32.7 million before deduction of costs related to the rights issue. The dilution effect in the rights issue amounted to 31.7%. Through the set-off issue, the number of shares in Acarix increased to a total of 373,331,109 shares. The dilution effect in the set-off issue amounted to 1%.

Through the rights issue, a total of 116,958,915 warrants will be issued. If all these warrants are exercised for subscription of shares, the number of shares in Acarix will increase by 58,479,457 shares.

The number of shares in the company at year-end amounted to 251,972,194 (141,045,437). The registration of the rights issue and the set-off issue was carried out with the Swedish Companies Registration Office after the turn of the year.

Certified advisor

Redeye AB with e-mail address certifiedadviser@redeye.se is the company's Certified Adviser.

Proposed appropriation of the company's profits:

Unrestricted shareholder´s equity in the parent company	SEK
Share premium reserve	303,454,720
Result brought forward	-160,024,821
Result for the year	-77,605,263
Total	**65,824,637**

The Board of Directors proposes that the profits available for distribution and unrestricted reserves be allocated as follows:

Carry forward	**65,824,637**

Financial information

Group – Consolidated statement of income

kSEK	Note	Year 2022	Year 2021
Revenue	14	5,822	3,760
Cost of goods sold		-1,201	-937
Gross profit		**4,621**	**2,823**
Research and development costs		-27,758	-21,493
Sales, general and administrative costs		-53,338	-33,026
Operating profit	6,7,8	**-76,475**	**-51,696**
Financial income	9	14	36
Financial costs	9	-525	-71
Profit before tax		**-76,985**	**-51,731**
Tax	10	-	-
Net loss for the period		**-76,985**	**-51,731**
Net income attributable to parent company´s shareholders		**-76,985**	**-51,731**
Basic earnings per share (SEK)[1,2]	11	-0,31	-0,37
Diluted earnings per share (SEK)	11	-0,29	-0,34
Average number of shares, before dilution (thousands)		251,972	141,045
Average number of shares, after dilution (thousands)		262,085	150,289

1)) Ongoing rights issue and offset issue will add a total of 121,358,915 new shares to the company.

2)) EPS – Net profit for the period, attributable to shareholders of the Parent Company, divided by average number of shares outstanding.

Group – Consolidated statement of comprehensive income

kSEK	Note	Year 2022	Year 2021
Net loss for the period after tax		-76,985	-51,731
Items that may be reclassified to profit or loss			
Foreign currency translation adjustment		2,957	224
Other comprehensive income for the period, net of tax		2,957	224
Total comprehensive income for the period, net of tax		**-74,028**	**-51,506**
Total comprehensive income attributable to:			
Oweners of Acarix		-74,028	-51,506

Group – Consolidated statement of financial position

kSEK	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Tangible assets			
Leased assets	7	264	474
Tangible assets		159	237
Total tangible assets		**423**	**711**
Intangible assets			
Acquired rights		4,065	3,995
Development projects, capitalized		10,798	12,170
Total intangible assets	12	**14,863**	**16,165**
Financial assets			
Long term financial receivable	13	521	-
Total financial assets		**521**	**-**
Total fixed assets		**15,807**	**16,876**
Current assets			
Inventory		5,248	3,601
Accounts receivables		892	786
Other receivables	15	36,373	81,478
Cash and cash equivalents	16	11,161	15,860
Total current assets		**53,674**	**101,725**
Total assets		**69,481**	**118,601**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
Share capital	17	2,520	2,520
Other contributed capital		519,559	494,962,
Reserves		4,571	1,614
Retained earnings		-397,840	-346,821
Result for the period		-76,985	-51,731
Total equity		**51,826**	**100,545**
Long term liabilities			
Lease debt	7,20	-	239
Total long term liabilities		**-**	**239**
Current liabilities			
Lease debt	7,20	251	284
Accounts payable	18	5,751	7,210
Other liabilities	19	11,653	10,323
Total current liabilities		**17,655**	**17,817**
Total equity and liabilities		**69,481**	**118,601**

Group - Consolidated statement of changes in quity

kSEK	Share capital	Share premium	Other reserves	Retained earnings	Total shareholders equity
As at 1 January 2022	**2,520**	**494,962**	**1,614**	**-398,552**	**100,545**
Profit/loss for the period	-	-	-	-76,985	-76,985
Other comprehensive income:					
Foreign exchange rate adjustment	-	-	2,957	-	2,957
Total	**2,520**	**494,962**	**4,571**	**-475,537**	**26,517**
Transactions with owners:					
Issue of warrants	-	-	-	712	712
Ongoing new share issue	-	32,748	-	-	32,748
Costs connected to increase in capital	-	-8,152	-	-	-8,152
At December 31 2021	**2,520**	**519,559**	**4,571**	**-474,825**	**51,826**
As at 1 January 2021	**1,411**	**426,156**	**1,390**	**-346,821**	**82,136**
Profit/loss for the period	-	-	-	-51,731	-51,731
Other comprehensive income:					
Foreign exchange rate adjustment	-	-	224	-	224
Total	**1,411**	**426,156**	**1,614**	**-398,552**	**30,629**
Transactions with owners:					
Ongoing new share issue	1,109	82,086	-	-	83,195
Costs connected to increase in capital	-	-13,860	-	-	-13,860
Issue of warrants	-	580	-	-	580
At December 31 2021	**2,520**	**494,962**	**1,614**	**-398,552**	**100,545**

Group – Consolidated statement of cash-flow

kSEK	Note	Year 2022	Year 2021
Operating activities			
Operating result		-76,475	-51,696
Adjustment for depreciation		3,037	3,378
Other non-cash items		1,067	-
Financial items		-255	4
Cash-flow before change of working capital		**-74,760**	**-48,314**
Working capital adjustments:			
Change in inventory		-1,519	-259
Change in receivables and prepayments		-322	-1,525
Change in trade and other payables		1,731	2,090
Total change in working capital		**-110**	**306**
Cash -flow from operating activities		**-74,869**	**-48,007**
Investing activities			
Investment in fixed assets		-151	-43
Cash-flow from investing activities		**-151**	**-43**
Financing activities			
Issue of warrants		-	580
Amortization of lease debt	21	-305	-744
Rights issue after deduction of transaction costs		69,335	-
Cash flow from financing activities		**69,030**	**-164**
Cash flow for the period		**-5,989**	**-48,214**
Currency translation differences		1,291	-39
Cash and cash equivalents, beginning of period		15,860	64,113
Cash and cash equivalents, end of period		**11,161**	**15,860**

Parent Company – Income statement

kSEK	Note	Year 2022	Year 2021
Other revenues		**7,674**	**10,908**
Sales, general and administrative costs	6,7,8	-23,073	-24,272
Operating result		**-15,400**	**-13,365**
Profit / Loss from shares in group companies		-62,118	-34,136
Financial income	9	1	36
Financial expense	9	-88	-8
Profit before tax		**-77,605**	**-47,473**
Tax		-	-
Net loss for the period		**-77,605**	**-47,473**
Net income attributable to Parent Company´s Shareholder		**-77,605**	**-47,473**

Parent Company – Statement of comprehensive income

kSEK	Note	Year 2022	Year 2021
Net loss for the period after tax		-77,605	-47,473
Total comprehensive income for the period, net of tax		**-77,605**	**-47,473**
Total comprehensive income attributable to:			
Owners of Acarix		-77,605	-47,473

Parent Company – Balance sheet

kSEK	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Fixed assets		26	42
Total fixed assets		**26**	**42**
Financial assets			
Paticipations in subsidiaries	22	44,868	44,868
Total financial assets		**44,868**	**44,868**
Current assets			
Other receivables	15	33,563	80,054
Cash and cash equivalents	16	731	11,288
Total current assets		**34,295**	**91,342**
Total assets		**79,189**	**136,252**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
Share capital	17	2,520	2,520
Other capital contribution		303,455	278,858
Retained earnings		-237,630	-160,025
Total equity		**68,345**	**121,353**
Current liabilities			
Accounts payable	18	1,271	6,103
Other liabilities	19	9,573	8,796
Total current liabilities		**10,844**	**14,899**
Total equity and liabilities		**79,189**	**136,252**

Parent Company - Statement of changes in quity

kSEK	Aktiekapital	Övrigt tillskjutet kapital	Ansamlad förlust	Summa eget kapital
As at January 1 2022	**2,520**	**278,858**	**-160,025**	**121,353**
Net loss for the period	-	-	-77,605	-77,605
Total comprehensive income	**2,520**	**278,858**	**-77,605**	**-77,605**
Transactions with the owners				
Rights issue	-	32,748	-	32,748
Cost related to ongoing rights issue	-	-8,152	-	-8,152
Total transactions with owners	**-**	**24,597**	**-**	**24,597**
At December 30 2022	**2,520**	**303,455**	**-237,630**	**68,345**
As at January 1 2021	**1,411**	**210,051**	**-112,552**	**98,910**
Net loss for the period	-	-	-47,473	-47,473
Total comprehensive income	1,411	210,051	-160,025	51,437
Transactions with the owners				
Issue of stock options	-	580	-	580
Rights issue	1,109	82,086	-	83,195
Cost related to ongoing rights issue	-	-13,860	-	-13,860
Total transactions with owners	**1,109**	**68,806**	**-**	**69,915**
At December 31 2021	**2,520**	**278,858**	**-160,025**	**121,353**

Parent Company - Statement of cash-flow

kSEK	Note	Year 2022	Year 2021
Operating activities			
Operating result		-15,400	-13,365
Adjustment for depreciation		6	2
Financial items		-88	27
Cash-flow before change of working capital		**-15,481**	**-13,336**
Working capital adjustments:			
Change in receivables and prepayments		-89	-108
Change in trade and other payables		-2,204	1,301
Total change in working capital		**-2,293**	**1,193**
Cash-flow from operating activities		**-17,774**	**-12,143**
Investing activities			
Shareholder contribution		-62,118	-36,868
Investment in fixed assets		-	-43
Cash-flow from investing activities		**-62,118**	**-36,911**
Financing activities			
Rights issue after deduction of transaction costs		69,335	-
Issue of warrants		-	580
Cash flow from financing activities		**69,335**	**580**
Cash flow for the period		**-10,557**	**-48,475**
Cash and cash equivalents, beginning of period		11,288	59,763
Cash and cash equivalents, end of period		**731**	**11,288**

Notes

Notes

Note 1 Information about the company

Corporate information

Acarix AB is a limited liability company registered and domiciled in Malmö, Sweden. The head office is located in Regus Malmö, Hyllie Boulevard 34, 215 32 Malmö, Sweden. Acarix's core business is the development, production and marketing of a new cardiovascular diagnostic method and associated equipment for the same and related services. Acarix consists of:

The Acarix Group consist of:

Acarix A/S	The main operating company	Incorporated and located in Denmark
Acarix GmbH	Supporting sales on the German market	Incorporated and located in Germany
Acarix Inc	Supporting sales on the US market	Incorporated and located in USA
Acarix Ltd	Supporting sales on the UK market	Incorporated and located in UK
Acarix GmbH	Supporting sales on the Austrian market	Incorporated and located in Austria
Acarix Incentive AB		Incorporated and located in Sweden

Note 2 Basis for preparation

The annual report for the Group has been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union (EU), RFR1 and the Annual Accounts Act. The annual report is presented in Swedish kronor (SEK). The parent company Acarix AB is registered in Sweden and has Swedish kronor as its functional currency. The accounting policies in the Parent Company's financial statements can be found under the section "PARENT COMPANY".

Note 3 Significant accounting policies

Consolidation

The consolidated financial statements consist of financial reports for Acarix AB (the Parent Company), as well as the subsidiaries where the Parent Company holds 100 percent of the votes. The consolidated financial statements are prepared from the financial statements of the parent company and its subsidiaries by combining items of a similar nature and then eliminating intra-group transactions and balances. The consolidated financial statements are prepared in accordance with the Group's accounting principles.

Currency

The Group's financial reports are presented in Swedish kronor (SEK), which is also the functional currency. Foreign affiliates have euro (EUR), US dollars (USD) and Danish kroner (DKK) as foreign currency. All items included in the financial statements of each unit are calculated in the functional currency of that unit. Transactions denominated in currencies other than the functional currency are considered transactions in foreign currencies.

In the initial statement, transactions in foreign currency are translated according to the exchange rates prevailing on the transaction date. Receivables, liabilities and other monetary items denominated in foreign currencies that have not been settled on the date of the transaction are translated at the rates prevailing at the balance sheet date. Exchange differences from operating items between exchange rates on the transaction date and exchange rates on the date of payment and balance sheet date are recognised in the income statement under other operating expenses.

Assets and liabilities from foreign operations have been translated to SEK at the rate prevailing on the balance sheet date, and the income statement has been translated at the rates prevailing on the transaction dates or at an approximate average exchange rate. The exchange differences from the translation are reported separately in comprehensive income as a translation reserve. Upon the disposal of foreign operations, the accumulated currency adjustments are reclassified in equity to the income statement.

INCOME STATEMENT

Revenue recognition

Revenue is recognized to the extent that it is likely that the economic benefits will be passed on to the Group and revenue can be measured reliably, regardless of when the payment is made. Revenue is measured at fair value for the consideration received or to be received, taking into account contractual payment terms and excluding tax and duty. The specific accounting criteria set out below must also be met before revenue is recognized.

Leasing – the Group as lessor

When assets are leased under a finance lease agreement, the present value of the lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned financial income. The lease payment is divided between financial income and reduction of receivables so that the financial income corresponds to a steady return on the net investment made. When assets are leased under an operating lease, the asset is recognized in the balance sheet, in the relevant asset class. Leasing income is reported on a straight-line basis during the lease term.

Sales of goods

The Group sells CADScor®System to clinics and hospitals in the DACH region, the Nordic region and in the US market. The revenue from the sale of goods is recognized at a given time, when control passes to the customer, which occurs when the products are delivered to the customer. In some cases, the products are sold at discounts. Revenue from sales is recognized based on the price in the contract, less estimated volume discounts.

The Group also sells patches associated with the system. Revenue from patches is recognized when control is passed to the customer, which takes place at a point in time when the products are delivered to the customer.

Costs

Research and development costs

Research and development costs include salaries, external development costs and write-off of patents related to Acarix A/S research and development before the criteria for capitalization of development costs were met (see accounting principles for development projects). Costs related to research are expensed on an ongoing basis.

Selling, general and administrative expenses

Selling, general and administrative expenses include salaries and other expenses attributable to management, company and business development and administration.

Financial income and expenses

Financial income and expenses consist of interest income and expenses, as well as exchange rate adjustments.

Amortization of intangible fixed assets

Acquired rights and development projects are amortized using the straight-line method over a period of 10 years, respectively. Amortization of acquired rights and development projects is charged to Research and development costs. If any impairment loss is recognized related to acquired rights or development projects, this will also be recognized in Research and development costs.

Tax

Tax for the period, which includes current tax on taxable income and deferred tax adjustments for the year, is recognized in the statement of comprehensive income as regards the portion that relates to the net profit/loss for the year and is recognized directly in equity as regards the portion that relates to entries directly in equity or other comprehensive income.

In assessing current tax for the period, applicable tax rates and rules decided on the balance sheet date are used. Tax for the period is reported based on the company's current effective tax rate for the full year.

Deferred tax is measured according to the statement of financial position liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. The deferred tax is stated based on the planned utilization of the individual asset and the settlement of the individual liability, respectively. Deferred tax assets, including the tax value of loss carry-forwards, are recognized in the statement of financial po¬sition at the amount expected to be utilized, either through elimi¬nation against tax on future earnings or through a set-off against deferred tax liabilities. As of the balance sheet date, there are no deferred tax assets linked to loss carryforwards.

Operating segments

An operating segment is a part of a company whose operating results are regularly reviewed by the company's top decision-makers to assess the segment's performance and make decisions about which resources to allocate to the segment. The Group's highest decision-maker is the CEO, who leads and operates the Group as a unit or segment, which is reflected in the internal accounting. No lower-level segment information is currently disclosed in internal accounting.

STATEMENT OF FINANCIAL POSITION

Development

For accounting purposes, research costs are defined as costs incurred for current and planned studies carried out with a view to obtaining new scientific or technical knowledge and understanding. Development costs are defined as costs incurred in applying research findings or specialist knowledge to drawings or designs to the production, provision or development of new or substantially improved products, services or processes, respectively, prior to the commencement of commercial production or use.

Development costs were incurred in the Group until 2017 and were capitalised in the balance sheet when the units showed:

- That it is technically feasible to complete the intangible fixed asset so that it becomes available for use or sale.
- The entities' intention to complete the project and their ability to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.
- The ability to reliably calculate costs during development.

Depreciation of development costs began in the second half of 2017.

Research and development costs mainly consist of the cost of clinical studies, research and development activities in the areas of application technology and other technology, field trials, regulatory approvals and extension of granted permits. Research costs are recognised as an expense when they are incurred.

Impairment test

At each balance sheet date, the Group assesses whether there are indications that an asset may be subject to impairment by considering whether there have been any events or changes in circumstances that indicate that an asset's carrying amount is not recoverable. If there are such indications, the Group makes an estimate of the recoverable amount of the asset. The recoverable amount of an asset is the maximum fair value of an asset less its selling costs and its value in use. The recoverable amount is determined for an individual asset, unless the asset generates cash inflows that are largely independent from other assets. When the recoverable amount of the asset exceeds its recoverable amount, the asset is considered impaired and written down to its recoverable amount.

In assessing value in use, estimated future cash flows are discounted against present value using pre-tax discount rates that reflect the current market assessment of the time value of money and the risks specific to the asset. In determining fair value less cost of sales, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Inventories

Inventories are carried at cost on a first-in-first-out basis. When net realisable value is less than cost, inventories are written down to the lower value. Goods for resale, raw materials and consumables are valued at cost, including purchase price and freight costs. Net realisable value of inventories is the estimated selling price less applicable variable selling costs. The net realisable value is determined considering marketability, obsolescence and development of the expected selling price.

Receivables

Receivables are carried at fair value and then at amortised cost using the effective interest method, less impairment losses. At each balance sheet date, the Group assesses whether there is objective evidence that a receivable or a group of receivables has been written down. Impairment testing is performed when there is objective evidence that the company will not be able to recover all amounts due in accordance with the original terms attributable to the claim. Significant financial difficulties for the debtor, the likelihood that the debtor will go bankrupt or carry out a financial restructuring, as well as late or non-payment are considered indicators that the claim is subject to impairment. The amount of the provision is the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted by the asset's original effective interest rate. The carrying amount of the asset is reduced by applying a provision account, and the amount of the loss is recognised in the income statement under selling expenses. When a claim is finally established as unenforceable, it is written off against the provisioning account for receivables.

Trade receivables

The Group's accounts receivable are classified according to business model where the purpose of the holding is to obtain contractual cash flows. Receivables are carried at fair value and then at amortised cost using the effective interest method, less impairment losses. The Group has chosen to apply the simplified method for calculating credit losses, which means that the loss reserve is valued at an amount corresponding to the expected credit losses for the remaining maturity. The expected credit loss levels are based on individual assessments of each customer and are adjusted to take into account current and forward-looking information, including macroeconomic factors that may affect customers' ability to pay receivables. The provision for credit losses is recognised in the income statement under selling expenses.

Other receivables

Other receivables are carried at fair value and then at amortised cost using the effective interest method, less impairment losses.

Cash and cash equivalents

Cash and cash equivalents consist of cash and bank.

Financial liabilities

The Group's financial liabilities are measured at amortised cost using the effective interest method. Financial liabilities are removed from the balance sheet when the obligations have been settled, cancelled or otherwise terminated.

Equity

The translation reserve in the consolidated financial statements comprises foreign-exchange differences arising on translation of financial statements of Group entities from their local functional currencies to the presentation currency used by the Group (SEK). On the disposal, entirely or partially, of a Group entity, the exchange-rate adjustment is recognized in profit or loss as a portion of the gain/loss on the sale.

Accounts payable

Accounts payable are measured at fair value, and subsequently at amortized cost using the effective interest method less impairment. The carrying amount for accounts payable is presumed to correspond to the fair value since it is short-term by nature. The present value method is not used because the duration is short.

Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all associated conditions have been complied with. When the grant relates to an expense item, it is recognized systematically as income over the periods that the related costs, for which it is intended to compensate, are expensed. When grants relate to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the entities receive grants of non-monetary assets, the asset and the grant are recognized at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by applying equal annual installments.

CASH-FLOW STATEMENT

The cash flow statement is prepared in accordance with the indirect method and shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the financial period. Cash flow from operating activities is reported as profit before tax adjusted for financial income and expenses, operating items that do not affect cash flow, changes in working capital, received and paid financial items and taxes paid. Cash flow from investing activities consists of payments related to acquisitions and disposals of enterprises and operations and purchases and sales of tangible and financial fixed assets. Cash flow from financing activities consists of changes in the parent company's share capital and related expenses, as well as the raising and repayment of loans and partial payments of interest-bearing liabilities. Cash and cash equivalents consist of cash, bank deposits and short-term securities that are subject to an insignificant risk of changes in value.

EARNINGS PER SHARE

Earnings per share are calculated as net profit/loss for a given period, divided by the average weighted number of shares outstanding for the period.

SHARES IN SUBSIDIARIES

Investments in subsidiaries are reported at cost less impairment. The cost of the acquisition is tested for impairment annually.

New and amended standards applied by the Group

No standards, amendments and interpretations that have become effective for the financial year beginning January 1, 2022 have had a material impact on Acarix's financial statements.

Leasing

Acarix leases mainly consist of rent for premises and cars. The terms are negotiated separately for each agreement and can contain a large number of different contract terms regarding premises where, among other things, the lease period differs between different agreements. The leasing agreements for cars are normally signed for fixed periods of 3 years. The leases are recognized as rights of use and a corresponding liability on the date that the leased asset is available for use by the Group. The right of use and the lease liability are reported in the lines Right of use asset and Long-term lease liability and Short-term lease liability in the balance sheet, respectively. Each lease payment is divided between amortization of the debt and interest expense. Interest expenses are allocated over the lease period so that each accounting period is charged with an amount corresponding to a fixed interest rate for the liability recognized in each period. The right of use is amortized on a straight line basis over the shorter of the useful life of the asset and the length of the lease. Assets and liabilities arising from leases are initially reported at present value. Lease liabilities include the present value of the following lease payments:

- Fixed charges (including charges which are fixed in substance), after deduction of any benefits received in connection with the signing of the lease
- Variable lease payments due to an index or interest rate, initially valued using the index or interest rate at the initial date
- Guaranteed residual value that the lessee expects to have to pay to the lessor.

The lease payments are discounted at the implicit interest rate if this interest rate can be easily determined. If this interest rate cannot be easily determined, the lessee's marginal loan rate is used. The right-of-use assets are measured at cost and include the following:

- The amount of the lease liability originally measured at
- Lease payments paid on or before the commencement date, after deduction of any benefits received in connection with the signing of the lease.

Acarix has chosen to apply the exemptions for short-term contracts in IFRS 16. Payments for short-term contracts are recognised as an expense in the income statement. Short-term contracts are contracts with a lease term of 12 months or less.

PARENT COMPANY'S ACCOUNTING POLICIES

The Parent Company prepares its financial reports in accordance with the Swedish Annual Accounts Act (1995:1554) and RFR 2, Accounting for Legal Entities. In the Parent Company's annual accounts, all IFRS approved by the EU are applied to the extent that they do not conflict with the Annual Accounts Act and the connection between accounting and taxation. The recommendation specifies which exceptions should be made and can be made based on IFRS. This means that the Parent Company applies the same accounting principles as the Group, except for exceptions listed below:

Classification and layout

The Parent Company's income statement and balance sheet are prepared in accordance with the format of the Annual Accounts Act, while the statement of comprehensive income, the statement of cash flows is based on IAS 1 Presentation of financial statements and IAS 7 Statement of cash flows, respectively. Shareholder contributions are added to the value of shares and participations in the balance sheet, after which an impairment test is made.

Note 4 Significant accounting policies, judgements and assumptions

In preparing the consolidated financial statements, management makes various judgments and estimates and establishes assumptions that form the basis for recognition, measurement and presentation of the Group's assets and liabilities. These estimates and assumptions are based on past experience, the most recent information available at the balance sheet date, and other factors that management considers reasonable under the circumstances. The assessment criteria and information may by their nature be incorrect or incomplete, and the company is subject to certain uncertainties, which may cause the actual outcome to deviate from estimates and established assumptions. It may be necessary in the future to change previous estimates and assessments as a result of additional information, additional knowledge or experience and subsequent events. In applying the Group's accounting policies described in Note 3, management has assumed the following significant judgments and estimates, which have a significant impact on the amounts reported in the consolidated financial statements.

Deferred tax assets

The Group recognizes deferred tax assets relating to tax losses carried forward when management determines that these tax assets can be offset against positive taxable profit for the foreseeable future. The assessment is made at the balance sheet date and is based on relevant information, taking into account the possible impact of restrictions on the right to benefit from tax losses in the respective country's tax legislation. Deferred tax assets related to tax loss carryforwards are recognised to the extent that they are likely to be available for future tax gains against which the unused tax carryforwards can be drawn. At the balance sheet date, there are no deferred tax assets linked to loss carryforwards.

Development costs

The entities capitalized development costs up to year 2017 for projects in progress in accordance with the disclosed accounting policies. Initial capitalization is based on Management's judgment that technical and financial feasibility is archieved. Management regularly estimates whether the development project is likely to generate future economic benefits for the Group in order to qualify for recognition. The entities capitalize development costs as intangible assets insofar as the criteria in IAS 38 Intangible Assets are met and approval from the appropriate regulatory body is received.

At the end of 2022, the carrying amount of capitalized development costs amounted to kSEK 10,798 (12,170).

Impairment of development projects

For ongoing development projects, impairment testing is per-formed at least annually. Impairment tests are based on a DCF model, where cash flows are derived from the budget. The recov¬erable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows, growth rate, interest rate and risks. For additional information see note 12.

Note 5 Financial risks

The Group is exposed to a limited market risk and credit risk. Market risk is the risk that the fair value of future cash flows for a financial instrument will fluctuate due to changes in market prices. The primary type of market risk to which the Group is exposed is exchange rate risk, which is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in exchange rates between DKK, USD and EUR in relation to SEK. This exposure arises primarily from the consolidation of foreign subsidiaries and is not considered material as the majority of transactions take place in the functional currency of each subsidiary. The company does not hedge foreign currency. The Group is minimally exposed to interest rate risks. Since these market risks are minimal, management makes the assessment that a sensitivity analysis is not required.

Credit risk is the risk that a counterparty fails to fulfil its obligations in relation to a customer contract, leading to a financial loss. The Group is primarily exposed to credit risk from trade receivables. As the company is in the early stages of the commercialization phase, accounts receivable are not material. Outstanding receivables are monitored regularly.

Management of capital and liquidity risk

The Group's equity consists of the sum of equity attributable to the Group's shareholders. At year-end, the Group's capital amounted to KSEK 51,826 (100,545).

The Group's objective regarding capital structure is to secure the Group's ability to continue its operations in order to generate returns for shareholders in the future and to maintain an optimal capital structure to keep capital costs down. Up to the balance sheet date, the Group has been financed through shareholder contributions in the form of a new share issue. During the year, there was no change in the Group's capital management. See Note 20, Maturity analysis for financial liabilities.

The Board regularly reviews the company's existing and forecasted cash flows to ensure that the company has the funds and resources required to conduct the business and the strategic direction decided on by the Board. The company's long-term cash needs are determined by how successfully the company will be able to commercialize its product. Commercialization, in turn, is dependent on a number of different factors where, among other things, costs related to ex-penses for marketing and obtaining and compliance with regulatory requirements will affect the need.

The Group's cash and cash equivalents consist of checking accounts and Acarix AB is responsible for the liquidity of the subsidiaries and secures the Group's financing. At the balance sheet date, the Group has no outstanding loans to credit institutions and is essentially financed solely through owner financing.

As of 31 December 2022, cash and cash equivalents amounted to SEK 11.2 million, of which SEK 4.5 million refers to blocked funds for pledges. In January 2023, a rights issue was completed that raised SEK 25.5 million after issue costs. Furthermore, a directed share issue was carried out in April 2023, which provided the company with an additional SEK 9.2 million after issue costs. The proceeds from the directed issue are expected to be received by the company between 18 and 21 April.

During the latter part of May 2023, cash is expected to be received from outstanding warrants of series 2022:U. The size of the amount depends on the subscription price with outcomes in the range of SEK 5.8 - 26.3 million.

The Board of Directors is actively working to secure long-term financing for the company and continuously evaluates various opportunities. The Board assesses that cash and cash equivalents, as of the end of March 2023, including payments from outstanding warrants and the directed issue, are sufficient to finance operations until at least mid-2023 based on the annual forecast prepared by the company's management. The Board of Directors considers that the conditions are good to secure capital to secure at least 12 months of ongoing operation. Therefore, the company's financial statements have been prepared on the going concern assumption. However, if none of the solutions can be implemented, there is an uncertainty regarding funding in 2023.

Note 6 Auditor's fees

Auditor's fees

Group, KSEK	2022	2021
Auditing assignments PwC	593	468
Auditing activities in addition to the auditing assignment PwC	45	45
Tax advise PwC	102	139
Other services PwC	186	288
Total	**925**	**939**

Parent Company, kSEK	2022	2021
Auditing assignments PwC	404	345
Auditing activities in addition to the auditing assignment PwC	45	45
Tax advise PwC	102	108
Other services PwC	135	230
Total	**686**	**729**

Note 7 Leasing

Operational leasing

Parent Company, kSEK	2022	2021
Lease cost for renting offices	297	321
Leasing costs for cars	163	289

Future lease payments pertaining to non-cancelable leases were as follows:

Within 6 months	128	234
Between 6-12 months	57	75
Later than 1 year and within 2 years	0	147

Group, kSEK	2022	2021
Assets and rights of use		
Office rental	-	-
Leasing of cars	278	474
	278	**474**
Leasing debt		
Short term	251	284
Long term	-	239
	251	**523**
Depreciation of rights of use		
Office rental 4	-	454
Leasing of cars	296	335
	296	**788**
Interest expense related to leasing agreements	**14**	**31**
Costs related to short Short term lease	**297**	**321**

Note 8 Personnel costs for the employees

Personnel costs for employees

Group, kSEK	2022	2021
Wages and salaries	25,381	13,977
Bonus	646	1,134
Pension	1,648	1,256
Social security	3,521	3,490
Total	**31,196**	**19,857**
Total remuneration and benefit for Group Management		
Wages and salaries	8,529	5,173
Bonus	247	667
Pension	616	861
Social security	1,197	1,934
Total	**10,590**	**8,635**
Parent Company, kSEK		
Average number of employees (FTE)	18	8
Men	11	6
Women	7	2
Other executive management	4	3
Number of employees at year-end (FTE)	**20**[1]	**8**

1)) The number of employees in Sweden was 2, Denmark 8, USA 7 and Germany 3 at year-end.

Pension

Employees are only covered by defined contribution pension plans. In defined contribution plans, the enterprise pays fixed fees to another enterprise and has no legal or constructive obligation to pay anything additional even if the other enterprise is unable to meet its commitment. The Group's earnings are charged to costs as the employees' pensionable services are performed.

Parent Company, kSEK	2022	2021
Wages and salaries	6,173	7,401
Bonus	0	730
Pension	1,025	1,256
Social security	-2,209	2,928
Total	**9,408**	**12,315**
Total remuneration and benefit for Group Management		
Wages and salaries	2,793	4,655
Bonus	-	667
Pension	436	681
Social security	988	1,877
Total	**4,218**	**7,880**
Parent Company, kSEK		
Average number of employees (FTE)	4	5
Men	4	4
Women	0	1
Other executive management	1	3
Number of employees at year-end (FTE)	**2**	**5**

Warrant program 2020/2023

At the Annual General Meeting on 14 May 2020, a decision was made on a warrant program which gives participants the right to sign up for shares.

Incentive program 2020/2023 for senior executives, employees and key personnel consist of the issuance of maximum 3,000,000 warrants, and each warrant entitles the holder to pur¬chase a share during the exercise period 1 August 2023 through October 1, 2023. The subscription price for the shares, before rights issue, attributable to the warrant program are SEK 1.17.

In connection with the warrant offer, a market-based pricing model was used. Duration of the incentive program is 3 years.

Warrant program 2021/2025

At the Annual General Meeting on May 11, 2021, a decision was made on a warrant program which gives participants the right to subscribe for shares.

Incentive program 2021/2025 for board members consist of the issue of a maximum of 2,000,000 warrants, and each warrant entitles the holder to purchase a share during the exercise period June 1, 2025 through August 31, 2025. The subscription price for the shares, before rights issue, attributable to the warrant program is 2.25 SEK.

In connection with the warrant offer, a market-based pricing model was used. Duration of the incentive program is 4 years.

Employee stock option program 2021/2024

At the Extraordinary General Meeting on August 5, 2021, a decision was made on an employee stock option program that gives participants the right to subscribe for shares.

Incentive program 2021/2024 for senior executives, employees and certain key personnel consist of the issue of a maximum of 2,000,000 employee stock options. Each employee stock option entitles the holder to acquire a new share in the Company into one redemption price corresponding to 130 percent of the volume-weighted average price on the Nasdaq First North Premier Growth Market during the period from 21 October 2021 until on November 22, 2021.

Granted employee stock options vest over three years as follows:

a. 40 percent of granted employee stock options vest on November 1, 2022, and

b. 60 percent of granted employee stock options vest in linear quarterly from November 1, 2022 through November 1, 2024.

The employee stock options shall be granted free of charge. The salary costs for the options are estimated to approximately SEK 1,700,000, including social costs during the period 2021–2024. In 2022, SEK 712 thousand has been charged to earnings.

Employee stock option program 2022/2026

At the Annual General Meeting on May 11, 2022, a resolution was passed on an employee stock option program that entitles the participants to subscribe for shares.

Senior executives, employees and certain key employees consist of the issuance of a maximum of 3,500,000 employee stock options. Each employee stock option entitles the holder to acquire one new share in the Company at an exercise price of SEK 0,3588, corresponding to 130 percent of the volume-weighted average price on Nasdaq First North Premier Growth Market during the period from and including 30 December 2022 up to and including 13 January 2023.

Granted employee stock options vest over three years as follows:

a. 40 percent of granted employee stock options vest on January 31, 2023, and

b. 60 percent of granted employee stock options vest in linear quarterly from February 1, 2023 through March 1, 2026.

The employee stock options shall be granted free of charge. The accounting salary costs for the options are estimated to amount to a total of approximately SEK 1,605,000 including social security costs during the period 2021–2024.

Remuneration of board of directors and management, 2022, kSEK	Director's fee/ Base salary	Director's additional services	Bonus	Pension costs	Other social security costs	Total
Philip Siberg	400	-	-	-	126	526
Fredrik Buch	200	-	-	-	63	263
Ulf Rosén	200	-	-	-	20	220
Marlou Janssen	200	-	-	-	63	263
Total Board of Directors	**1,000**	**-**	**-**	**-**	**272**	**1,272**
Helen Round Ljungdahl, CEO	3,107	-	-	180	209	3,496
Other Executive Management	*5,422*	-	*247*	*436*	*988*	*7,094*
Total Executive Management	**8,529**	**-**	**247**	**616**	**1,197**	**10,590**
Total	**9,529**	**-**	**247**	**616**	**1,470**	**11,862**

Helen Ljungdahl Round took over as the new CEO in January 2022.

Per Persson was dismissed as CEO in January 2022 with the last day of employment on August 31, 2022. Termination costs are included under Other Executive Management

Remuneration of board of directors and management, 2021, kSEK	Director's fee/ Base salary	Director's additional services	Bonus	Pension costs	Other social security costs	Total
Philip Siberg	233	-	-	-	73	307
Fredrik Buch	117	-	-	-	12	129
Ulf Rosén	201	-	-	-	63	264
Marlou Janssen	201	-	-	-	63	264
Werner Braun	253	-	-	-	26	279
Paolo Raffaelli	84	-	-	-	27	111
Johanne Braendgaard	84	-	-	-	27	111
Anders Jacobson	84	-	-	-	27	111
Total Board of Directors	**1,258**	**-**	**-**	**-**	**317**	**1,575**
Per Persson	2,286	-	300	434	829	3,848
Other Executive Management	*3,067*	-	*367*	*247*	*1,105*	*4,786*
Total Executive Management	**5,353**	**-**	**667**	**681**	**1,934**	**8,635**
Total	**6,611**	**-**	**667**	**681**	**2,251**	**10,210**

Terms of termination

The notice period from the company's side and from the CEO's side is six months. The CEO is entitled to termination pay for a period of six months in the event of termination by the company or the CEO. Other senior executives have agreements on termination pay between one and three months.

Variable remuneration for the CEO and other management team

The variable cash remuneration shall be based on and linked to the outcome in relation to predetermined and measurable concrete targets based on the Company's business strategy and in the long-term business plan approved by the Board of Directors. The variable cash remuneration shall amount to a maximum of 40 percent of the fixed salary.

Note 9 Financial income and expenses

Financial items

Group, kSEK	2022	2021
Interest income	14	36
Exchange rate income	260	-
Interest expenses	-163	-71
Exchange rate losses	-622	-
Total	**-511**	**-35**

Financial items

Parent Company, kSEK	2022	2021
Interest income	1	36
Interest expenses	-5	-8
Exchange rate losses	-83	-
Total	**-87**	**28**

Note 10 Tax on profit for the year

Group, kSEK	2022	2021
Current income tax	-	-
Deferred tax	-	-
Total reported tax expense in the Group	**-**	**-**

Reconciliation of tax

Group, kSEK	2022	2021
Reported result before tax	-76,985	-51,731
Statutory income tax rate 20,6%	15,859	10,657
Adjustments for effects of:		
Tax effect of non-deductible expenses	-22	-11
Tax effect of unrecorded deductible expenses	1,679	2,855
Temporary differences, not capitalised	-618	-313
Effect of foreign tax rates	417	270
Uncapitalised losses	-17,316	-13,458
Other	-	-
Reported effective tax	**0**	**0**
Effective tax rate	**0.0%**	**0.0%**

Parent Company, kSEK	2022	2021
Current tax	-	-
Deferred tax	-	-
Tax on profit for the year	**-**	**-**

Reconciliation of effective tax

Parent Company, kSEK	2022	2021
Reported result before tax	-77,605	-47,473
Statutory income tax rate 20,6%	15,987	9,779
Adjustments for effects of:		
Tax effect of non-deductible expenses	-12,818	-7,043
Tax effect of unrecorded deductible expenses	1,679	2,855
Uncapitalised losses	-4,848	-5,591
Reported effective tax	**0**	**0**
Effective tax rate	**0.0%**	**0.0%**

Deferred tax has not been recognised in respect of the following items:

Group, kSEK	2022	2021
Loss carry-forwards	88,353	66,775
Intangible assets	-3,200	-3,520
Leasing IFRS 16	-	-
Total unrecognised deferred tax assets (net)	**85,153**	**63,255**

Parent Company, kSEK	2022	2021
Loss carry-forwards	21,713	16,876
Intangible assets	-	-
Total unrecognised deferred tax assets (net)	**21,713**	**16,876**

The Group generates tax losses. Since it is still uncertain whether deferred tax assets can be exercised, such assets have not been recognised in the financial statements.

Under current tax law, tax loss carryforwards can be carried forward indefinitely.

Note 11 Result per share

Earnings per share	2022	2021
Earnings per share before dilution		
Net loss for the year	-76 985	-51 731
Weighted average number of ordinary shares for measuring fundamental EPS	251 972	141 045
Earnings per share before dilution	**-0,31**	**-0,37**
Earnings per share after dilution		
Net loss for the year	-76 985	-51 731
Weighted average number of ordinary shares for measuring fundamental EPS	262 085	150 289
Earnings per share before dilution	**-0,29**	**-0,34**

Note 12 Intangible assets

Group, 2022, kSEK	Acquired rights	Development costs	Total
Cost at January 1, 2022	**5,972**	**22,468**	**28,439**
Foreign currency translation adjustment	462	1,980	**2,442**
Cost at December 31, 2022	**6,434**	**24,448**	**30,881**
Amortization and impairment at January 1, 2022	**-1,978**	**-10,298**	**-12,276**
Amortization	-269	-2,333	-2,602
Foreign currency translation adjustment	-122	-1,020	-1,142
Amortization and impairment losses at December 31, 2022	**-2,369**	**-13,651**	**-16,020**
Carrying amount at December 31, 2022	**4,065**	**10,798**	**14,863**

Group, 2021, kSEK	Acquired rights	Development costs	Total
Cost at January 1, 2021	**5,873**	**22,040**	**27,913**
Foreign currency translation adjustment	100	427	**527**
Cost at December 31, 2021	**5,973**	**22,467**	**28,440**
Amortization and impairment at January 1, 2021	**-1,700**	**-7,898**	**-9,598**
Amortization	-258	-2,235	-2,493
Foreign currency translation adjustment	-20	-165	-185
Amortization and impairment losses at December 31, 2021	**-1,978**	**-10,298**	**-12,276**
Carrying amount at December 31, 2021	**3,995**	**12,170**	**16,165**

Development projects are related to the development of CADScor®-System (acoustic cardiovascular diagnostic method) that documents heart sounds and noise for calculating a patient's specific score in order to determine the patient's risk of suffering from coronary artery disease. During the second quarter of 2017, CADScor®-System was introduced to the market and the first sales orders were received. The capitalization of development costs ceased when the product was ready to market in the second quarter of 2017 and the amortization of capitalized development costs began. Management estimates that the useful life of development projects is ten years. These assets are tested for impairment when events or changes in circumstances indicate that the carrying amount exceeds the recoverable amount. Development projects have been tested for impairment in December 2022. The impairment tests are based on management's budget and estimates of expected sales and expected costs in accordance with established forecasts for the next 10 years. These forecasts are based on expected future developments as well as management's assessment of market developments. The impairment test includes a discounting factor for WACC (Weighted Average Cost of Capital) of 20 percent (20) and a perpetual growth rate of 3 percent (3). Under the assumptions presented above, value in use exceeds the carrying amount of the cash-generating unit. An increase in WACC by 2 percentage points would not generate any impairment need.

Note 13 Leases receivables

kSEK	2022	2021
Long-term receivables		
Financial leasing - gross	531	-
Unearned financial income	-10	-
Total long term receivables	**521**	**-**
Current receivables		
Financial leasing - gross	512	-
Unearned financial income	-34	-
Total short term receivables	**478**	**-**
Gross receivables finansial leasing		
Within 1 year	478	-
Between 1 and 5 years	521	-
More than 5 years	-	-
Unearned financial income from financial leasing		
Net investments in financial leasing	-43	-
The net investments in financial leasing is distributed as follows		
Within 1 year	-34	-
Between 1 and 5 years	-10	-
More than 5 years	-	-

Note 14 Segment reporting

Acarix's business consists of one business segment. Net sales and intangible assets for segments per geographical area are specified below. Net sales are based on the customer's domicile and assets are based on the Acarix companies' domicile.

	Net sales		Intangible assest	
kSEK	2022	2021	2022	2021
Germany	3,328	3,181	-	-
USA	1,819	-	-	-
Sweden	394	208	-	-
Denmark	-	-	14,863	16,165
Austria	154	349	-	-
UK	118	-	-	-
Other	9	22	-	-
Total	**5,822**	**3,760**	**14,863**	**16,165**

Note 15 Other receivables

Other receivables

Group, kSEK	2022	2021
VAT	457	1,595
Deposit	148	136
Prepaid expenses	2,542	409
Financial receivable	478	-
Receivables from ongoing new share issue	32,748	79,338
	36,373	**81,478**

Parent Company, kSEK	2022	2021
VAT	457	602
Prepaid expenses	358	114
Receivables from ongoing new share issue	32,748	79,338
	33,563	**80,054**

Note 16 Cash and bank equivalents

Group, kSEK	2022	2021
Bank balances	6,614	15,803
General pledging of bank deposits	4,540	50
Cash	7	7
On December 31	**11,161**	**15,860**

Parent Company, kSEK	2022	2021
Bank balances	681	11,238
General pledging of bank deposits	50	50
Cash	-	-
On December 31	**731**	**11,288**

Note 17 Share capital

Share capital		Shares	Share capital
Total December 31, 2015		**19,403,820**	**23,989**
Conversion of loans, Class A1 shares	July 2016	3,362,847	4,342
Acquisition of Parent Company Acarix AB	September 2016	500,000	500
Non-cash issue, Class Y shares	September 2016	162,162	209
New issue, Class A1 shares	October 2016	2,000,000	2,656
Conversion of loans, Class A1 shares	November 2016	902,586	1,185
New issue, Class Y1 shares	November 2016	4,000	5
Non-cash issue to former owners of Acarix A/S	December 2016	-25,835,415	-32,386
Non-cash issue	December 2016	15,067,376	15,067
Reduction of share capital in Acarix AB	December 2016	-500,000	-500
New issue in conjunction with IPO	December 2016	7,960,000	7,960
New issue	November 2019	28,666,667	28,667
Reduction of share capital	August 2020	-	-51,177
New issue	September 2020	89,351,394	894
Nyemission	January 2022	105,784,077	1,058
Kvittningsemission	January 2022	5,142,680	51
Total December 31, 2022		**251,972,194**	**2,520**

The quota value amounted to SEK 0.01 on 31 December 2022.

In January 2023, the final outcome of the rights issue was announced and the subsequent set-off issue was initiated

During December 2022, the rights issue was ongoing, the subscription period of which ended before the end of the year. The final outcome was announced in January 2023. In connection with the announcement of the outcome of the rights issue, the set-off issue was initiated.

In the rights issue, the number of shares increased by 116,958,915, from 251,972,194 to 368,931,109. The guarantors in the rights issue had, in accordance with the guarantee agreements entered into, the opportunity to choose to receive guarantee compensation in the form of cash consideration or newly issued shares in the Company. A number of guarantors chose to receive the guarantee remuneration in the form of newly issued shares. Due to this, a set-off issue was carried out, based on the authorization from the Annual General Meeting on May 11, 2022, which comprised a total of 4,400,000 shares. Through the set-off issue, the number of shares in Acarix increased to a total of 373,331,109 shares.

Note 18 Account payable

Group, kSEK	2022	2021
Accounts payable	5,751	7,210
	5,751	**7,210**

Parent Company, kSEK	2022	2021
Accounts payable	1,271	6,103
	1,271	**6,103**

Note 19 Other liabilities

Group, kSEK	2022	2021
Accrued personnel-related expenses	1,861	3,512
Other accrued costs	9,792	6,811
	11,653	**10,323**

Parent Company, kSEK	2022	2021
Accrued personnel-related expenses	859	2,861
Other accrued costs	8,714	5,935
	9,573	**8,796**

Note 20 Maturity statement for derivate financial liabilities

2022

Time interval; months	0-3	3-6	6-9	9-12	>12	Total
Accounts payable	5,751	-	-	-	-	**5,751**
Leasing debt	76	76	66	33	0	251
	5,827	**76**	**66**	**33**	**0**	**6,002**

2021

Time interval; months	0-3	3-6	6-9	9-12	>12	Total
Accounts payable	7,210					**7,210**
Leasing debt	76	69	69	70	239	523
	7,286	**69**	**69**	**70**	**239**	**7,733**

Note 21 Leasing debt

Lease liability 2022-12-31	2021-12-31	Additional lease contracts	Amortization (financing activities)	Paid interests (operating activities)	Currency translation	Discount	Other	Lease liability 2022-12-31
Leasing debt	524	0	-305	-14	21	25	-	252

Lease liability 2021-12-31	2020-12-31	Additional lease contracts	Amortization (financing activities)	Paid interests (operating activities)	Currency translation	Discount	Other	Lease liability 2021-12-31
Leasing debt	1,366	0	-744	-31	-104	37	-	524

Note 22 Shares in subsidiaries

Parent Company, kSEK	2022	2021
Acquisition value	198,308	161,440
Nybildning dotterbolag (denna rad tas bort)		
Shareholder contribution	62,118	36,868
Closing acquisition value at December 31	**260,426**	**198,308**
Impairment loss for the year	-153,440	-119,262
Impairment for the year	-62,118	-34,178
Carrying amount at December 31	**44,868**	**44,868**

The company's holdings of participations in Group companies

Name of company	Equity share	No of shares	2022-12-31	2021-12-31
Acarix A/S	100%	23,027,376	38,469	38,469
Acarix GmbH	100%	25,000	3,364	3,364
Acarix Incentive AB	100%	50,000	50	50
Acarix USA Inc.	100%	1,000	2,759	2,759
Acarix GmbH	100%	1	226	226
			44,868	**44,868**

Name of company	Reg Nr	Domicile	Result (kSEK)	Equity (kSEK)
Acarix A/S	32648223%	Hellerup, Denmark	-41,108	-4,130
Acarix GmbH	HRB88101	Cologne, Germany	305	27,113
Acarix Incentive AB	559102-0044%	Malmö, Sweden	0	50
Acarix USA Inc.	37-2013718%	New York, USA	-19,924	5,035
Acarix GmbH	ATU73943307	Vienna, Austria	0	226

Note 23 Related parties

Related parties consist of board members and other senior executives.

No transactions were made during the period with directors, management, senior executives, large shareholders or other related parties.

For further information, see Note 8.

Note 24 Significant events after the year-end

On January 3, 2023, the company announced the outcome of the rights issue. The final outcome showed that 90,334,941 Units, corresponding to approximately 48 percent of the Rights Issue, were subscribed for with the support of unit rights (incl. subscription commitments of approximately 4 percent). In addition, 6,983,825 Units were subscribed for without unit rights, corresponding to approximately 4 percent of the Rights Issue. The remaining 19,640,149 Units, corresponding to approximately 10 percent of the Rights Issue, are subscribed for by the parties that have provided issue guarantees. Through the Rights Issue, Acarix received approximately SEK 32.7 million before deduction of costs attributable to the Rights Issue.

On 11 January 2023, the Board of Directors of the Company announced that it had resolved on a directed issue of shares to the parties who have provided guarantees in the Rights Issue and who have chosen to receive guarantee compensation in the form of newly issued shares in the Company. The subscription price in the Remuneration Issue is set at SEK 0.28 per share and payment is made by offsetting the guarantors' claims on the Company.

Note 25 Pledged securities and guarantees

The Group and the Parent Company

Acarix A/S has issued a bank guarantee of kSEK 4,490 (kDKK 3,000) to subcontractor Paul E. Danchell A/S as security for orders of components for CADScor®System.

A deposit of kSEK 50 was pledged with SEB as a guarantee to Euroclear Sweden AB in connection with the listing of Acarix AB (publ), in accordance with the rules of Euroclear. The Parent Company has issued a guarantee of capital cover to secure the operation of its subsidiaries Acarix A/S and Acarix GmbH.

Note 26 Proposed appropriation of profits

Unrestricted shareholder´s equity in the parent company	SEK
Share premium reserve	303,454,720
Result brought forward	-160,024,821
Result for the year	-77,605,263
Total	**65,824,637**

The Board of Directors proposes that the profits available for distribution and unrestricted reserves be allocated as follows:

Carry forward	**65,824,637**

Statements

The Board of Directors and the Executive Management declare that the consolidated financial statements have been prepared in accordance with IFRS, as issued by the IASB and adopted by the EU, and give a fair view of the Group's financial position, results of operations and cash flow. The financial statements of the Parent Company have been prepared in accordance with generally accepted accounting principles in Sweden and give a fair view of the Parent Company's financial position, results of operations and cash flow. The Board of Directors' Report for the Acarix Group and the Parent Company provides a fair view of the development of the Group's and the Parent Company's operations, financial position, results of operations and cash flow and describes material risks and uncertainties facing the Parent Company and the companies included in the Group.

Malmö, April 20, 2023

Executive management

Helen Ljungdahl Round
CEO

Board of directors

Philip Siberg
Chairman of the Board

Fredrik Buch
Board Member

Marlou Janssen-Counotte
Board Member

Ulf Rosén
Board Member

Our audit opinion was issued on April 20, 2023
Öhrlings PricewaterhouseCoopers AB

Cecilia Andrén Dorselius
Authorized Public Accountant
Auditor in Charge

Alexander Ståhl
Authorized Public Accountant

Auditor's report

Unofficial translation

To the general meeting of the shareholders of Acarix AB (publ), corporate identity number 559009-0667

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Acarix AB (publ) for the year 2022 The annual accounts and consolidated accounts of the company are included on pages 44-70 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Material uncertainty related to going concern

Without qualifying our opinion, we would like to draw attention to section "Cash flow and Financial position" in the administration report and Note 5 "Financial risks", where it is described that the Group has not sufficient financing for the business for the following 12 months from 31 December 2022. At the time of issuing our audit report, financing has not been secured. These conditions indicate that there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and can be found on pages 1-28, 35-43 and 73. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Acarix AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Malmö 20 April 2023

Öhrlings PricewaterhouseCoopers AB

Cecilia Andrén Dorselius
Authorized Public Accountant
Auditor in Charge

Alexander Ståhl
Authorized Public Accountant

Glossary

Arteries

Arteries are the blood vessels that carry oxygen-rich blood from the heart out to the body's cells.

Auscultation

Auscultation is a medical examination in which sounds generated in the patient's body are listened to. If examination is done with a stethoscope, it is called indirect auscultation, unlike direct auscultation when the doctor places the ear directly on the patient's body.

Pharmacological provocation

Pharmacological provocation means that the body is under the influence of drugs.

Free radicals

Free radicals are atoms or molecules with unpaired electrons in the outermost parts of the atoms (orbital). Radicals are thus highly reactive, and often form new chemical compounds.

Smooth muscles

Smooth muscle is a muscle tissue that covers the walls of, for example, the trachea, blood vessels and internal organs.

Invasive

The term "invasive" means to penetrate or to attack. Invasive medical examinations are those examinations that involve some form of penetration through body cavity or surgical intervention.

Isotope

Isotopes are atoms of the same element but with a different set of neutrons.

Cardiology

Cardiology can be described as the study of heart functions and diseases.

Catheter

A catheter is a tubular medical instrument that is inserted into the body for the purpose of draining fluid, introducing medicines, or introducing other medical instruments.

Collagen

Collagen is a fiber protein found primarily in supporting tissue such as bones, skin, tendons and blood vessel walls.

Coronary arteries

The coronary arteries are connected to the heart muscle and bring in nutrient- and oxygen-rich blood and carry out nutrient- and oxygen-poor blood.

Lipids

Lipids are a collective name for substances consisting of fats and fat-like substances.

Macrophages

Macrophages (or phagocytes) are cells that are part of the so-called non-specific immune system and function by enclosing foreign cells, such as bacteria, in a process called phagocytosis.

Myocardium

Myocardium is the muscle layer found in the walls of the heart and is surrounded on the outside of the heart by a thin epicardium, and on the inside by chambers and atriums surrounded by an equally thin endocardium.

Oxidation

Oxidation is a chemical reaction in which one or more electrons are emitted.

Transducer

A transducer is a technology that converts one form of energy into another.

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