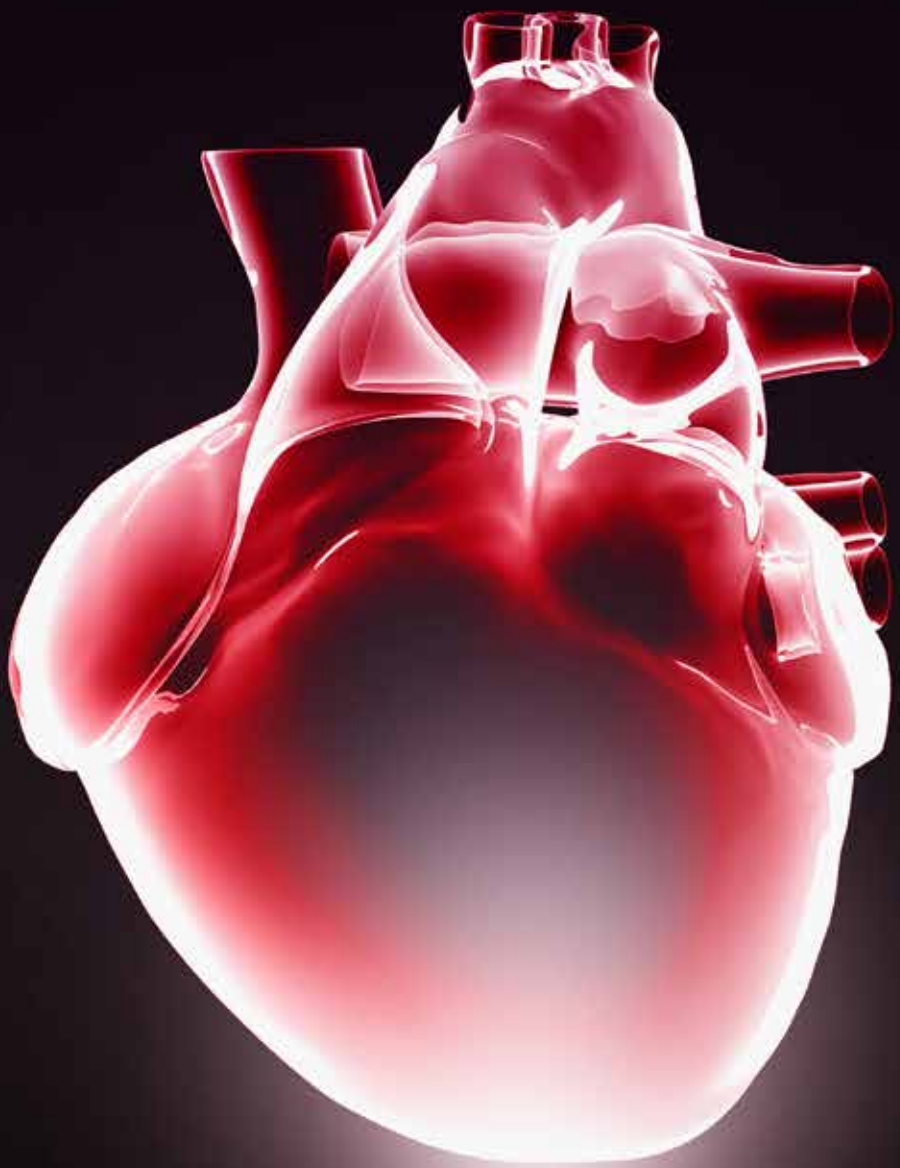
Acarix Annual Report 2017



“At Acarix, we are determined to help healthcare providers and policy makers offer better patient selection and more efficient diagnostic pathways, and the Acarix CADScor®System offers exactly that opportunity thus benefiting both individual patients and society at large.”

Contents

Acarix in brief

Acarix is a Swedish medical technology company that develops and commercializes diagnostic tests for cardiovascular diseases based on the technology platform CADScor®System. The company's main market is for medical technology for cardiovascular diseases. The company's technology is mainly applicable in the EU, US, and Asia Pacific.

The primary area of application for CADScor®System is the diagnosis of patients displaying symptoms of Coronary Artery Disease. Today only around ten percent of all patients who seek medical care for Coronary Artery Disease actually have the disease. These patients cannot currently be identified by their physician and are therefore forced to undergo a long and comprehensive diagnostic process in order to receive a correct diagnosis. With 96 percent confidence (negative predictive value*), CADScor®System can rule out up to 50 percent of patients who today present symptoms of Coronary Artery Disease to their physician, but due to another illness.

This is expected to generate significant cost savings for the healthcare and social insurance system, while enabling the patient to avoid unnecessary, invasive and in some cases harmful diagnostic procedures. The product was launched on the German, Swedish and Danish market during June, 2017.

* Dan-NICAD study.

Highlights 2017

- Presentation at Vator Securities Unicorn Summit in Stockholm on March 2017. Following its listing on Nasdaq First North Premier in Stockholm in December, Acarix provided an update on upcoming activities for its CE-marked CADScor®System which provides non-invasive, radiation-free acoustic rule-out of Coronary Artery Disease (CAD) within minutes. Acarix had an unique opportunity to network with industry peers and investors.
- Announced the results from a multi-center trial (DanNicad I) of CADScor®System for non-invasive, non-radiation acoustic detection of Coronary Artery Disease ("CAD"). The results were presented at the American College of Cardiology 2017 Annual Scientific Meeting held in Washington on March 2017 and showed that the CADScor®System rules out CAD with 97 percent negative predictive value. The results confirm the Company's previously announced figures which, prior to this study, was unconfirmed.
- CADScor®System was in April on display at DKG 2017 in Mannheim, Germany. Delegates was attending to a symposium and reviewed first results from the multi-center trial (DanNicad I) applying the CADScor®System involving 1,675 patients from two Danish hospitals with a low to intermediate likelihood of CAD.
- Acarix won the Danish Design Award in the category Employment Growth. The award is a recognition of Acarix and its CADScor®System's potential for outstanding international success.
- Acarix announced that Herning Hospital has placed the first commercial order for the CADScor®®System for non-invasive, non-radiation acoustic detection of Coronary Artery Disease (CAD).
- In June Acarix received first German commercial order for CADScor®System from Private Cardiology Clinic In Berlin
- In September the Cardiology Department at Skåne University Hospital in Lund become the first Swedish Clinic using CADScor®System for non-invasive, non-radiation acoustic ruleout of Coronary Artery Disease (CAD).
- In November Acarix AB announced the publication of the results from a multi-center trial (DanNicad I) of its CADScor®System for detection of Coronary Artery Disease ("CAD") in the prestigious medical journal Heart. The results showed that the handheld CADScor®System rules out CAD with 96 percent negative predictive value.

Key figures	2017	2016
Operating loss, KSEK	–30,743	–26,790
Loss after tax, KSEK	–29,776	–48,240
Loss per share, after taxes before and after dilution, SEK	–1.29	–3.68
Cash and cash equivalents, KSEK	103,457	145,895

Financial calendar	Date
Annual shareholders' meeting 2018	May 23, 2018
Interim Report, first quarter	May 23, 2018
Interim Report, second quarter	August 21, 2018
Interim Report, third quarter	November 14, 2018
Interim Report, forth quarter and Year end Report	February 20, 2019

Acarix initiated commercialization of CADScor®System

Dear shareholder,
Cardiovascular disease remains the world's number one killer. Each year, it is responsible for 17.5 million premature deaths, and by 2030 this is expected to rise to 23 million. Much focus is on prevention thus encouraging people to know their heart and live a healthier life, but there is also recognition of a need for improved early detection and proper allocation of precious healthcare resources. One of the cardiovascular diseases, Coronary Artery Disease (CAD), is one of the most common diseases in the western world and Asia. No easy to use method to rule out CAD has hitherto been available. Hence, patients with suspected CAD has been referred to special tests including stress tests such as exercise ECG that are time-consuming and often do not produce sufficient information for an accurate diagnosis or rule-out.

With the Acarix CADScor®System now introduced in healthcare as a frontline test to rule out CAD with high accuracy, many benefits are brought to both the patient and healthcare. The patient does not have to be exposed to the stress and risk involved with further tests and can leave the doctor's office with peace of mind if ruled out early. Furthermore, healthcare resources can be used only for the patients who need further tests, potentially also reducing waiting times for these tests.

In 2017, we achieved historic milestones in Acarix – most noticeably the receipt of our first commercial order for CADScor®System in June and thus a confirmation of the commercialization program being on track. This first order was placed by Herning Hospital in Denmark and researchers at the hospital have extensively trialed CADScor®System and presented data at the American College of Cardiology 2017 Annual Scientific Meeting showing that the system rules out CAD with 97% negative predictive value. The team at Herning Hospital has an international reputation for outstanding research in CAD and we look forward to continuing our close collaboration with them.

The abovementioned first order was quickly followed by orders from the important German and Swedish markets. The first German order was received from a private cardiology clinic in Berlin and to launch first in the private sector in Germany is in keeping with the company strategy in anticipation of future reimbursement and launch in the larger public-sector market. The first Swedish order was received from the cardiology department in one of Sweden's largest hospitals, Skåne University Hospital in Lund.

Furthermore, we continued to build awareness and generate leads at key meetings and events around Europe. During the year, CADScor®System was presented at the annual meeting of the German Society of Cardiology, the Swedish Society of Cardiology spring meeting, the British Cardiovascular Society meeting, and the European Society of Cardiology congress – the premier annual event for key decision makers within cardiology. Such meetings and events are imperative for a company like Acarix where the sales process includes introducing not only a new technology with the potential to significantly improve the diagnostic pathway for CAD patients, but also introducing Acarix as a commercial stage company to decision makers.

A key enabler to help ensure our future success is our commercial team and during 2017, we have invested significant resources in hiring and onboarding new field sales team members as well as established a sales subsidiary in Germany to serve this key market. In parallel we continue to invest in securing the long-term success of the company by also maintaining a clear focus on a strong clinical program and in November new data was published in the prestigious medical journal Heart showing that CADScor®System quickly, accurately, and cost-effectively can provide answers to

the pressing issues in CAD diagnosis and thus potentially reduce patient referrals by approx. 50%.

Functional design is an integral part of the concept behind CADScor®System. Against this background, we were delighted to win the prestigious Danish Design Award 2017, which highlights the impact and value of design, celebrates companies and designers across the country and displays the difference their solutions make to industry, everyday life, and society at large. The award was a recognition of Acarix and the CADScor®System's potential for outstanding international success and employment growth.

I am confident that Acarix will continue to turn challenges into opportunities and help to secure a future full of benefits for patients, payers, and physicians.

Thank you for the trust you place in us and for being a shareholder of Acarix.

SINCERELY,

CHRISTIAN LINDHOLM
CHIEF EXECUTIVE OFFICER

Operations

Acarix is a medical technology company in the still early stage of commercialization of a radical new rule-out technology for Stable Coronary Artery Disease.

Today only about 10 percent of all patients who seek medical care for Coronary Artery Disease actually have the disease. In 90 percent of cases, the symptoms are attributable to other complaints, such as muscle pain, diffuse stomach complaints or psycho-social stress.

The current diagnostic pathway for Coronary Artery Disease (CAD) result in many patients undergoing unnecessary or radioactive exposure, invasive and in some cases harmful examinations. Acarix's automated acoustic system, The CADScor®System, avoids this by detecting abnormal heart sounds from turbulence in the coronary blood flow and myocardial movements. Patients can be ruled-out from CAD with a very 97% confidence and can be investigated for other causes.

Most often these patients are presenting in primary care or primary healthcare centers and some at private cardiologists, where an efficient rule-out of CAD is not always feasible, using todays first line risk scoring or tests. The patients often are referred to further evaluation in e.g. hospitals or dedicated clinics, depending on national preferences or guidelines.

Consequently, many patients are entering a diagnostic pathway resulting in both high healthcare costs and in unnecessary risk of short and longterm complications for the individual.

There is thus a clear need to be able to rule out patients who do not have Coronary Artery Disease when they are first seen by a physician.

With a 97 percent negative predictive value*, the CADScor®System can rule-out up to 50 percent of patients who today present with symptoms of suspected stable Coronary Artery Disease. This efficient rule-out has the potential to provide significant cost savings for the healthcare- and social insurance system, and at the same time saving patients unnecessary, potentially harmful and invasive diagnostic tests and stressful speculations in the often long evaluation period.

Cardiovascular diseases cause over 17.5 million deaths annually worldwide. Coronary Artery Disease is one of the most common cardiovascular diseases and causes one in six deaths globally. Today 120 million people are living with the disease in Europe, China and the US.

Since Acarix' target group also includes patients who present with symptoms of Coronary Artery Disease, the company's target group is significantly larger than the number of patients who live with Coronary Artery Disease.

* Dan-NICAD study.

History

2007
- The technology developed at Aalborg University receives the Medicoprisen award in Denmark.
- The technology is incubated in the Coloplast Innovation Center.

2008
- Receives 6.8 MDKK in funding from Højteknologifonden (High Tech Fund) in Denmark.

2009
- Is spun off and becomes a separate company, Acarix A/S, with Coloplast, Aalborg University and the individual founders as the shareholders.

2010
- Private placement of MDKK 21 in seed capital with Sunstone Capital, Seed Capital and Seventure as new investors.
- First CAD - CP002 studies on high-risk groups.
- Prototype completed.
- Receives MDKK 5.3 in funding from the Market Development Fund in Denmark.

2013
- Performs new share issue of MDKK 27.
- Completes registry study of high-risk groups for CAD - AC003.

2014
- Performs new share issue of MDKK 18.7.

2015
- Receives CE Marking for commercialization in Europe.

2016
- Completes CADScor®System's transition from prototype to production of final product.
- Completes registration of the major Dan-NICAD study comprising 1,675 patients.
- CADScor®System receives regulatory approval in Canada.
- Strategic investor Puhua Jingxin signs an agreement for a major investment in Acarix and discusses the possibility of a collaboration in the Chinese market.
- Completed IPO of new shares and listing on Nasdaq First North Premier Stockholm.

2017
- Direct sales force in place in Germany, Sweden and Denmark.
- First sales in Germany, Sweden, Denmark and Austria.

Business concept, goals and strategy

Acarix is a Swedish medical technology company that develops and commercializes diagnostic tests for cardiovascular diseases. Acarix's primary objective is to establish the company's first test – the CADScor®System – for early rule-out of Coronary Artery Disease on patients whose symptoms give cause for further investigation. The test can determine with a high degree of precision (negative predictive value) that a patient is not suffering from Coronary Artery Disease, and is expected to enable early rule out in the patient's first contact with the physician or cardiologist.

Business concept

By providing a tool for physicians and cardiologists, Acarix intends to establish a new market segment, where Coronary Artery Disease can already be ruled out in the first line. CADScor®System will be sold to clinics at minor capital investment. Acarix will also sell preprogramed patches, to which the actual ultra-sensitive microphone is attached, in the form of disposable goods.

Vision

The company's vision is to create a paradigm shift in early assessment of cardiovascular diseases and to be world leading in acoustic diagnostics of the cardiovascular system.

Target

Acarix's ambition is to establish CADScor®System as a standard tool to enable physicians and cardiologists to rule out cardiovascular diseases in their first contact with a symptomatic patient.

Strategy

Acarix's strategy is to develop and provide tests enabling swift, reliable and non-invasive rule-out of cardiovascular diseases in patients whose symptoms at the time give cause for further and more invasive examination. The company's strategy is to address the need to be able to rule out cardiovascular diseases at an early stage. Cardiovascular diseases are characterized by, for example, vague and non-specific symptoms, whose link to cardiovascular diseases cannot be ruled out without comprehensive diagnostic testing. Today, only about 10 percent of all patients who seek medical care for Coronary Artery Disease actually have the disease. Accordingly, there is a real need to be able to rule out the disease swiftly, reliably and non-invasively in the first contact with healthcare professionals.

Acarix's revenue model

Most of the customer segments currently have varying levels of importance depending on the healthcare structure of their respective market. In Northern Europe, the company have started with sales to private cardiologists and walk-in cardiology clinics. Thereafter, the company intends to introduce the product in the significantly larger customer segment where reimbursement is required.

Acarix offer the CADScor®System as a multi-tool with disposable patches. The disposable patches contain an RFID chip* and are preprogrammed to match the device.

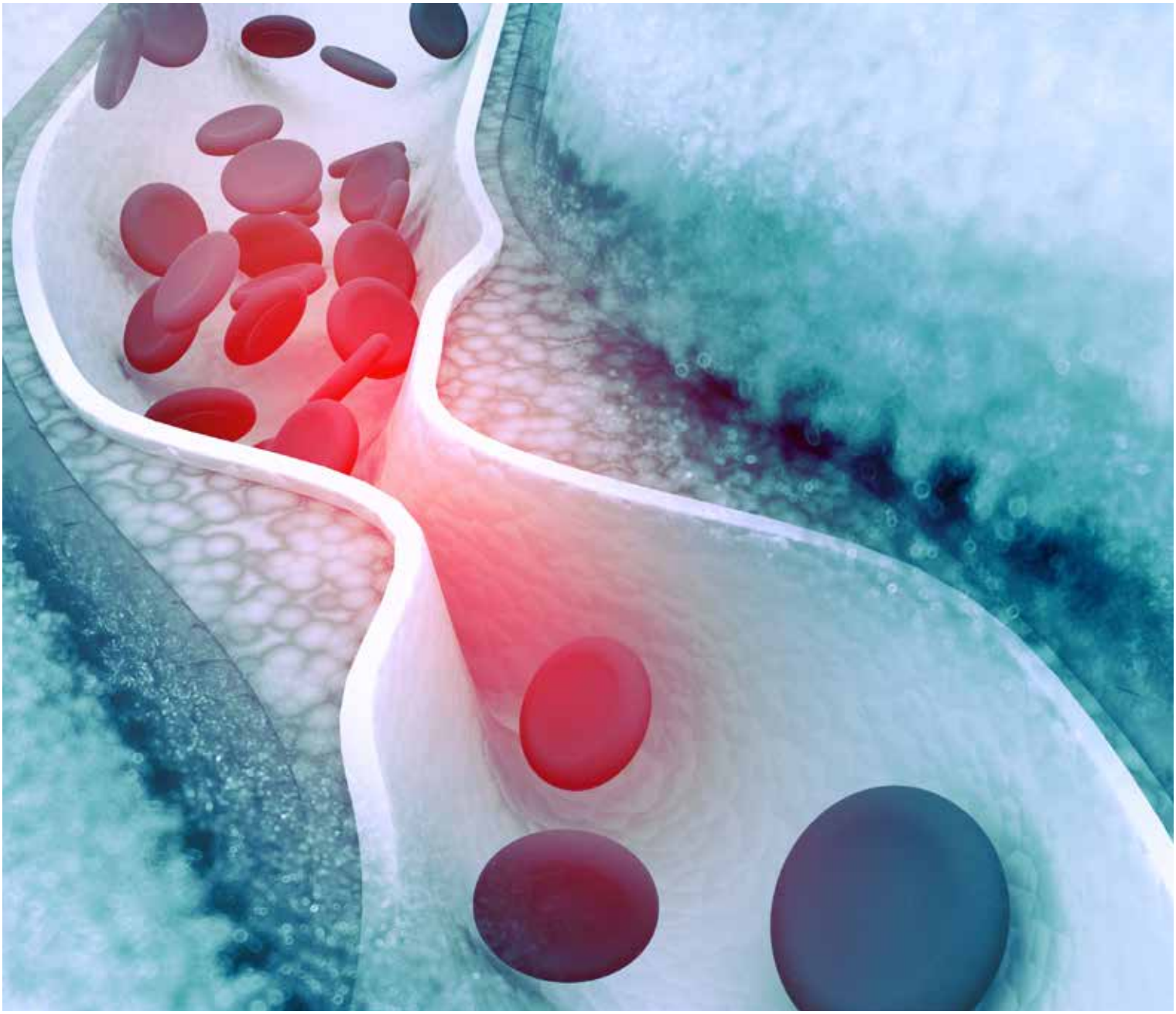
In the short term, revenue is driven by the number of CADScor Systems sold, while the bulk of revenue is generated from the sale of disposable patches in the longer term.

Commercialization strategy

Acarix's primary goal is to make CADScor®System part of the standard diagnostic chain for Coronary Artery Disease. As clinical data is collected, the company aims to establish CADScor®System as a standard method for physicians and cardiologists to quickly and safely rule out patients who display the symptoms but do not have Coronary Artery Disease.

Acarix is to pursue a tactic of gradually and selectively commercializing the test in Europe, where Germany is the company's first market. The company introduced the CADScor®System in Denmark, Sweden and intend to introduce the CAD Scor®System in the UK and in other European markets where Acarix has a product approval. In order to receive reimbursement, a number of clinical and health economics studies must be conducted, which is scheduled to take a number of years. Before Acarix obtains reimbursement on the public German market, the test will be sold to clinics covered by the private health insurance system under existing reimbursement codes.

* A chip capable of sending out a radio signal for identification.



An important step will be to systematically introduce the test to Key Opinion Leaders, who will then work for CADScor®System's inclusion as a standard method for the diagnosis of Coronary Artery Disease.

Reimbursement and national guidelines

Acarix aims to have CADScor®System included in the national and medical organizational guidelines for Coronary Artery Disease diagnosis. In parallel to the private segment of the health insurance system, Acarix is applying for inclusion in the state reimbursement system in the German market. To achieve this, the company must also present health economics data showing that the CADScor®System benefits health economics.

In the UK, Acarix will work with the National Institute of Clinical Excellence (NICE) to investigate the clinical and health economic benefits of the CADScor®System.

Technology

The CADScor®System is built to register and analyze sounds emitted from the human heart. The first application of sound analysis for the CADScor®System is for ruling-out coronary artery disease, as an aid in the diagnostic work-up for a patient suspected of stable coronary artery disease.

Even though the doctor is trained to listen to heart sounds, the sound arising from discrete stenoses in the coronary arteries, are up 1,000 times lower than can be heard by a human ear.

Background

The first early type stethoscopes were made more than 200 years ago, basically as wooden sticks conducting sounds through a central canal. Over the years the stethoscope was refined to modern times binaural types, and today even digital recording stethoscopes can be purchased.

The application of sound in diagnosis using stethoscopes has been and still is, very important in identifying lung and heart disease by the human ear. In the early 1970s, new laser technology demonstrated laser beam patterns reflected from the chest of a heart patient to be different from healthy patients, indicating additional non-audible acoustic information present in the heart patient.

Based on that observation a quest to identify these sounds was later accomplished by researchers at University of Aalborg, Denmark, developing an algorithm to distinguish between healthy patients and patients with coronary artery disease. This subsequently led to the founding of Acarix, whose goal is to develop acoustic-based diagnostic equipment, initially for the identification of coronary artery disease.

Research with cardiologists and physicians

Very early on user-studies were conducted in close collaboration with private and hospital-based cardiologists and physicians for the purpose of identifying the most relevant user need.

Established patient evaluation pathways showed a very inefficient process, from first patient contact to medical service to final diagnosis or rule-out of stable coronary artery disease. A majority of patients were referred for many additional analyses before a diagnosis could be made.

Based on this analysis, CADScor®System was developed to:

1. Make it possible for first contact physicians to perform a standardized analysis for ruling out coronary artery disease, with a very high level of confidence (high “Negative Predictive Value”),
2. Enable patient assessment in standard environments using a sophisticated adaptive noise filtering system, and
3. Generate a result, a CAD-score, quickly by using an autonomous acoustic algorithm without the need for complicated accessories, such as electrodes or separate computers.

A new technology

The core technology of the CADScor®System is a very high-grade audio recording system, using extremely low noise components and highly sensitive microphones. Adding to the high-quality recordings is a specially designed patch, that in combination with the recording sensor, eliminates external micro vibrations and maintains a constant pressure towards the chest of the patient.

During sound recording a number of quality checks are performed to ensure that optimal recording conditions are met throughout the recording.

During 2018 an exploratory clinical study will be initiated to evaluate heart sounds obtained from Heart Failure patients. A positive evaluation of the clinical study data could lead to further clinical studies to investigate development of an algorithm for detection of Heart Failure earlier than in the current evaluation pathway.

Patents

Acarix owns seven patent families in respect of CADScor®System. In its patent applications, Acarix focuses first and foremost on the largest markets: the US, China, Europe and India. Four patent families pertain to classification of cardiovascular signals for identification of coronary artery dis-

ease, two of which relate to pathways and exclusivity in the US. Two patent families cover the product's design and construction in respect of the signal between skin and product. One pertains to the adaptive filtering of the recorded signal.

The majority of the patents have already been granted, while others are pending.

Ongoing and planned studies

The Validate study collecting data from a high prevalence population of coronary artery disease patients referred to invasive coronary angiography, has finalised patient recruitment, and data are in processing. Read-out from the Validate study is expected during 2018.

The exploratory BACC study collecting acoustic data from patients suspected of acute myocardial infarction, has seen a slightly lower than expected recruitment and is projected to include patients through-out 2018 until the minimum inclusion number has been reached. Read-out from the BACC study will be expected late 2018 or early 2019.

Two clinical studies were planned during 2017 to begin enrolment in 2018;

The dan-NICADII trial is to recruit up to 2000 patients suspected of stable coronary artery disease. The goal of the study is to collect more patient data for continued algorithm performance improvement and to expand the patient group by including the lower age group of 30-39-year-old patients.

The inclusion period is expected to last from 12 to 18 months.

The second clinical trial "Seismo" to initiate during 2018 is an exploratory study to obtain seismo-cardiographic data from validated heart failure patients and control patients without heart failure. The Seismo-study is a clinical study partly funded by the Innobooster program (Denmark), in collaboration with the University hospitals in Aalborg and Odense, both in Denmark. The seismo-cardiographic data will be used for algorithm development, to establish if detection of heart failure patients at an early stage can be obtained. The clinical trial aims to enrol approx. 200 patients, during a 12-months inclusion period.

The devices used in the study will be modified CADScor Systems obtaining additional seismo-cardiographic data information.

Market

Cardiovascular disease is a generic term for heart attack, stroke, heart failure and other diseases affecting the circulatory organs. Coronary Artery Disease is one of the most common cardiovascular diseases and is estimated to cause around 7.4 million deaths annually, representing one in six deaths worldwide. In the EU, US and China alone, it is estimated that 120 million people are living with Coronary Artery Disease.

Coronary Artery Disease

The primary symptoms of Coronary Artery Disease are rarely unambiguous and risk being confused with symptoms of other complaints. Studies show that only around 10 percent of all patients who seek medical care for Coronary Artery Disease have the disease. In 90 percent of cases, the symptoms are attributable to other complaints, such as muscle pain, diffuse stomach complaints or psychosocial stress. However, these patients cannot be identified by their physician using today's tests but are referred for further investigation. Consequently, many patients who go through the care chain for Coronary Artery Disease do so unnecessarily, resulting in high medical care costs and risks to patients.

Today's diagnostic pathways

Symptoms of Coronary Artery Disease include pressure or pain in and around the heart, in combination with breathing difficulties, dizziness or nausea. Since the symptoms are not unambiguous, the patient is generally asked to consult a cardiology specialist who will investigate whether the symptoms are due to Coronary Artery Disease or if there may be other causes.

The primary examination is divided into a number of steps, all of which are evaluated in order to determine whether there is a need further examinations to be performed. The diagnostic pathways subsequently used depend first and foremost on which country the patient is in and how the reimbursement system is designed. The four most common steps for diagnosis of Coronary Artery Disease are:

- General medical examination
- Exercise ECG
- Echocardiography or myocardial scintigraphy and, in certain cases, coronary computed tomography angiography (cCTA)
- Coronary angiogram

In addition to the costs and the time involved in today's diagnostic pathways, they lead in many cases to such consequences as invasiveness, radiation exposure and the risk of serious complications. The non-invasive alternatives, exercise ECG, echocardiography and myocardial scintigraphy, often produce inconsistent results and depend on the assessment of the particular cardiologist. Patients are therefore frequently referred for an invasive coronary angiogram, which results in high costs as well as discomfort and risks for the patient.

Market Review

The World Health Organization (WHO) estimates that around 17.5 million people died of some form of cardiovascular disease in 2012. It is estimated that around 1.9 million people in Europe die each year of cardiovascular diseases, which represents 47 percent of the total number of deaths in Europe. In the US, the corresponding figure is 800,000 deaths annually. The total cost to society of cardiovascular diseases in the EU and the US amounts to EUR 196 billion and USD 108 billion, respectively.

CADScor®System was launched initially in Germany and Scandinavian markets. The company subsequently intends to apply for FDA approval in order to commercialize the product in the US.

In the US, 44 million diagnostic tests for Coronary Artery Disease are ordered annually, which may be compared with 1.6 million performed treatments for Coronary Artery Disease. This means that 27 diagnostic tests were ordered for each patient who underwent treatment for Coronary Artery Disease. Since only around 10 percent of the patients who go through the care chain for Coronary Artery Disease de facto have the disease, the company estimates that the number of appointments made with physicians in the US for symptoms of Coronary Artery Disease exceeds 10 million. This implies an addressable market of around MEUR 500 in the US.

In Europe around 3.2 million patients per year are treated for Coronary Artery Disease. Based on these figures, the company estimates the number of visits to the physician due to symptoms of Coronary Artery Disease at more than 21 million in Europe. Since the company estimates that the price per test is somewhat lower in Europe than in the US, the addressable market in Europe is estimated to be worth the same amount; i.e. MEUR 500.

Germany – the company's first market

Acarix is to pursue a tactic of gradually commercializing the test in Europe, where Germany was the company's first market. The German market is characterized by a division between patients with private healthcare insurance (who represent approx. 10 percent of the market) and patients that are subject to the national health insurance. Acarix's strategy is to first penetrate the private insurance market via an existing reimbursement code and then the national healthcare system. Around 585,000 patients are being treated for Coronary Artery Disease in Germany and the company estimates the number of hospital visits for symptoms of Coronary Artery Disease at 5.8 million per year.

The company have then introduced the CADScor®System in Denmark and Sweden.

The share

Acarix AB (publ) is the parent company in the Group consisting of three wholly owned subsidiaries, of which Acarix A / S with Registered office in Kongens Lyngby, Denmark, is the company in which the Group's operations are conducted. The Acarix share has been traded since December 19, 2016 on First North Premier. It was introduced at a price of SEK 17.60 per share and the final closing price at December 31, 2017 was SEK 12.45. Over the past year, the shareprice has fallen 53%. In 2017, the highest price paid was SEK 24.00 on January 2, 2017, and the lowest price paid was SEK 11.25 on December 21, 2017.

The share trades under the ACARIX ticker and the ISIN code SE0009268717 and is included in the Nasdaq First North Healthcare Index, which rose by 4.1% and fell by 5.2% during 2017 and 2016, respectively. The number of shares in the company at year-end totaled 23,027,376 (23,027,376) and comprised a total market cap of SEK 286.7 million as of December 31, 2017.

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

The five largest shareholders together with shareholders in the management team entered into a lock-up agreement of 360 days from the first day of trading, which was expired on December 19, 2017.

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

At General Meeting held on May 24, 2017, a resolution was passed on two warrant programs carrying entitlement to subscribe for shares.

The first program "Incentive Program 2017/2020" for senior executives and employees comprises an issue of a maximum of 825,000 warrants, with each warrant entitling the holder to purchase one share during the exercise period June 1, 2020 – June 15, 2020. The subscription price for the shares pursuant to the warrant program is SEK 25.60. Market-based pricing was applied in conjunction with the warrant offering.

The second program "Incentive Program 2017/2021" for the Board of Directors comprises an issue of a maximum of 300,000 warrants, with each warrant entitling the holder to purchase one share during the exercise period June 1, 2021 – June 15, 2021. The subscription price for the shares pursuant to the warrant program is SEK 29.54. Market-based pricing was applied in conjunction with the warrant offering.

The duration of Incentive program 2017/2020 is three years while the duration of Incentive Program 2017/2021 is four years.

Annual general meeting

The annual general meeting of Acarix AB (publ) will take place on May 23, 2018 at Baker & McKenzie Advokatbyrå offices, Vasagatan 7, 101 23 Stockholm, Stockholm. Notice to attend the annual general meeting will be published on Acarix´s website www.acarix.com.

“Acarix is a Swedish medical technology company that develops and commercializes diagnostic tests for cardiovascular diseases.”

Resolutions in respect of distribution of profit in the limited company are taken 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 of shareholders are registered as a holder of shares in the share 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 residents in Sweden for tax purposes are generally liable for Swedish withholding tax.

Risk Factors

Acarix's operations and market are exposed to a number of risks that are fully or partially 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 nor 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, in particular countries in which the company has no previous experience, carry risks that can be difficult to foresee. Further, 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 levels 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 income stream.

Products and market acceptance:

There is a risk that the company's products will not generate revenues that justify the company's presence on the market. If the company's products do not generate income, 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 influence on Acarix's operations, financial position or earnings.

Risks related to future commercialization

The company intends to apply 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 will be delayed or be more expensive or not take place, 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 to rule out patients from Coronary Artery Disease or that competitors' products will be included in insurance companies' reimbursement programs and /or be included in state directives for the treatment of Coronary Artery Disease, 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 permission from the authorities. Acarix operates in a market that in some 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 products, which are 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 implies a risk that planned product development will be more time-consuming and/or more costly than planned.

Key person dependency

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

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 infringes, or is alleged to infringe, upon a third party's intellectual property rights or that a third party infringes, or is alleged to infringe, upon the company's intellectual property rights. This could result in the company needing to defend itself against alleged infringement or defend its intellectual property rights. If one or more 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, 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 access to financing. There is a risk that the company will not be able to obtain financing or that financing cannot be obtained on terms that are favorable to Acarix or that the capital procured is not 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 Germany. Acarix conducts, and has conducted, its operations in accordance with the company's interpretation of the tax legislation applicable at each respective time, 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 is incorrect, or that such rules are changed retroactively.

Disputes

The company may occasionally become involved in legal disputes or be the subject of claims, investigations or other administrative proceedings which could result in Acarix being liable to pay compensation or to discontinue a certain activity or that members of the Board or other employees of the company risk 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.

Administration report

Acarix AB (publ) corporate ID 559009-0667

The Board of Directors and the Chief Executive Officer hereby present the annual accounts for the Parent Company and the Group for the 2017 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 at the Annual General Meeting on May 23, 2018.

Group

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

- Acarix A/S, Kongens Lyngby in Denmark
- Acarix GmbH, Köln in Germany
- Acarix Incentive AB, Malmö in Sweden

Parent Company

Acarix AB is a Swedish public limited liability company which was established in Sweden and whose current firm 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 ID is 559009-0667. Acarix is domiciled in Malmö.

Line of business

Acarix is a Swedish medical technology company currently entered into commercial phase that develops and commercializes diagnostic tests for cardiovascular diseases based on the company's technology platform CADScor®System. The company's main market is the market for medical technology for cardiovascular diseases. The company's principal geographic markets are Europe, China and the US. The primary area of application for CADScor®System is the diagnosis of patients displaying symptoms of Coronary Artery Disease. Today only around ten percent of all patients who seek medical care for Coronary Artery Disease actually have the disease. These patients cannot currently be easily identified by their physician and are therefore forced to undergo a long and comprehensive diagnostic process in order to receive a correct diagnosis. CADScor®System can with 97 percent confidence (negative predictive value*) rule out up to 50 percent of patients who today present symptoms of Coronary Artery Disease to their physician.

This is expected to generate significant cost savings for the healthcare and social insurance system, while enabling the patient to avoid unnecessary, invasive and in some cases harmful diagnostic procedures. Acarix's main focus is on the company's test for Coronary Artery Disease. The company is currently considering extending the technology platform's area of application to other diagnostic applications for cardiovascular diseases.

* Dan-NICAD study.

Activities and events during the fiscal year

The Group was during second quarter entering the commercialization phase and received first commercial order for CADScor®System during June 2017 from a Danish hospital. Researchers at the hospital have extensively trialed CADScor®System and presented data at the American College of Cardiology 2017 Annual Scientific Meeting showing that CADScor®System rules out CAD with 97% negative predictive value. The timing of this first order was a sign of the success of Acarix's commercial development.

Financial Report

Revenues and gross margin

Since the commercialization of CADScor®System during second quarter 2017, a total of 10 CADScor®Systems and 1,360 patches have been sold and generated totally SEK 638 thousand in revenues. Gross profit for the year amounted to SEK 430 thousand, corresponding to a gross margin of 67%.

Expenses

The group expenses for 2017 amounted to SEK 31,173 thousand against SEK 26,790 thousand, the latter including non-recurring costs (IPO costs) amounting SEK 11,900 thousand. The cost increase compared to previous year relates primary to increased market activities both on the Scandinavian and German market and additionally the fact that development costs related to the CADScor®System would no longer be capitalized as of second quarter 2017. Sales, General & Administration costs amounted to SEK 25,884 thousand of which SEK 11,478 related to sales and marketing costs against SEK 25,543 thousand previous year. Research

and development costs amounted to SEK 5,289 against SEK 1,247 thousand previous year.

Financial performance

In 2017, the group recorded an operating loss of SEK 30,743 thousand against a reported loss of SEK 26,790 thousand in previous year, the latter including non-recurring costs of SEK 11,900 thousand. The net financial income was SEK 7 thousand in 2017, positively impacted by interest gains, against a net financial loss of SEK –24,265 thousand in previous year related to fair value measurment of a convertible loan before conversion.

The loss before tax was SEK 30,736 thousand 2017 against a reported loss of SEK 51,055 thousand in 2016. In 2017, the group had a tax income of SEK 960 thousand due to the Danish R&D tax credit against SEK 2,815 thousand in previous year. R&D tax credit related to CADScor®System ceased in second quarter 2017 due to commercialization of the product. In 2017, the group recorded a net loss of SEK 29,776 thousand, against a reported net loss of SEK –48,240 thousand in 2016, and basic earnings per share of SEK –1.29 in 2017 against SEK –3.68 previous year. No dilution effect arose.

Non-current assets

Tangible assets comprise capitalized development costs and acquired rights.

At the beginning of August 2015, the German quality organization TÜV certified the CADScor technology with a CE marking and by that time capitalization of the development costs was initiated. Capitalization ceased when the product was launched on the market during the second quarter of 2017 and amortization of development costs was initiated. As of December 31, 2017, capitalized development costs amounted to SEK 20,351 thousand, against SEK 18,179 thousand in previous year.

Total carrying amount of intangible assets in December 2017 was SEK 25,191 thousand, against SEK 23,123 thousand in previous year.

Cashflow and financial position

The total cash flow for 2017 showed an outflow of SEK 42,320 thousand against an inflow of SEK 144,394 thousand in previous year, which was led by the proceeds in connection with the listing of the company's shares in December 2016. In 2017, cash flow from operating activities amounted to an outflow SEK 40,539 thousand against an outflow of SEK 9,056 thousand in the previous year. Outflow in working capital 2017 amounted to SEK 13,664 thousand, against an inflow of 14,490 in previous year.

Investments in intangibles in 2017 amounted to SEK 2,984 thousand compared to SEK 12,201 thousand in 2016 related to increased short term debt related to accrued IPO costs.

Cash flow from financing activities in 2017 amounted to an inflow of SEK 1,203 thousand, due to issue of warrants, against an inflow SEK 165,651 thousand in 2016, which was led by the net proceeds in connection with the listing of the company's shares in December 2016.

Cash and cash equivalents amounted to SEK 103,457 thousand as per December 31, 2017, as compared with SEK 145,895 thousand at December 31, 2016.

Equity

As of December 31, 2017, consolidated equity amounted to kSEK 128,939 compared to kSEK 155,516 on December 31, 2016. Decrease in equity is due to the net loss of SEK 29,776 and foreign exchange adjustments if Acarix A/S. Total number of shares amounted to 23,027,376, against 23,027,376 in December 31, 2016.

Warrant Program

At General Meeting held on May 24, 2017, a resolution was passed on two warrant programs carrying entitlement to subscribe for shares. The first program "Incentive Program 2017/2020" for senior executives and employees comprises an issue of a maximum of 825,000 warrants and the second program "Incentive Program 2017/2021" for the Board of Directors comprises an issue of a maximum of 300,000 warrants. See note 17.

Significant risks and uncertainties

All business operations in Acarix involve risk. Risk management is essential and an integral part of the company's operations and strategy. Risk may be due to events in the external environment and may affect certain industries more than others.

Risk may also be specific to the individual company. Acarix is exposed to some specific risk categories:

- Operational risks, attributable, for example, to the capital-intensive and risky development of new medical technical equipment, dependency on external partners, risks arising from clinical trials, dependence on qualified staff and key persons.
- External risks, such as patent infringement, competition, rapid technological development, regulatory requirements, pricing and cost reimbursement.
- Financial risks, such as exchange rate risk, interest risk, credit risk and financing risk.

Further information about risks is presented on page 14 of the Annual Report.

Events after the balance-sheet date

CEO Søren Rysholt Christiansen resigned on 6 November 2017 and left the company in February 2018. The company's CFO, Christian Lindholm, will act as interim CEO in the process of appointing a permanent CEO.

Information about the share

The company's shares are all of the same class and there is no difference in voting rights. The share has been traded on NASDAQ First North under the ACARIX ticker and the ISIN code SE0009268717 since December 19, 2016, and the shares are listed in the Premier segment.

The number of shares in the company at year-end totaled 23,027,376 (23,027,376).

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

The lock-up agreement of 360 days from the first trading day, entered by the five largest shareholders, have expired as of December 19, 2017.

Certified Adviser

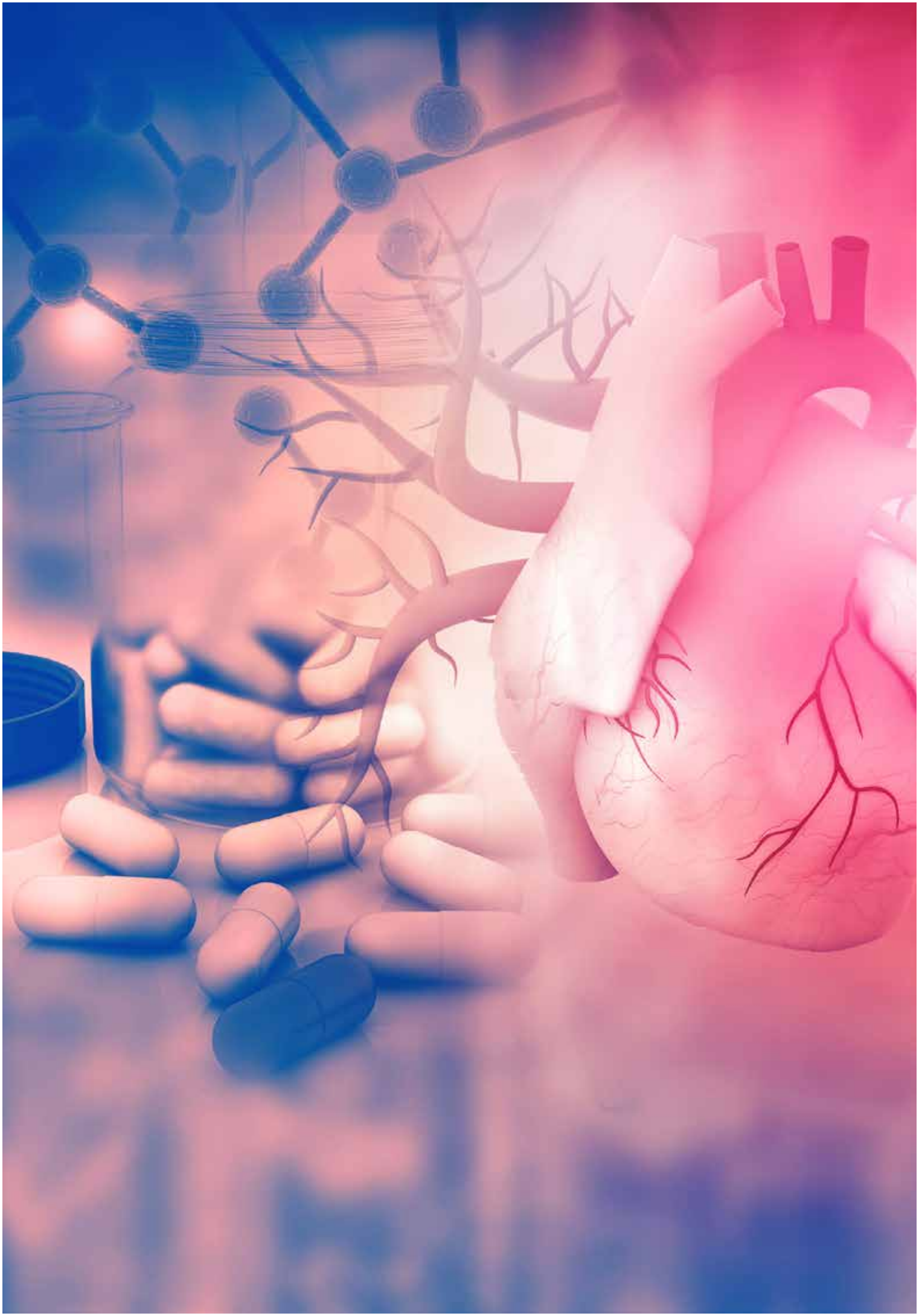
Wildeco Ekonomisk Information AB is the company's certified adviser on Nasdaq First North Premier.

Proposed appropriation of profits

Unrestricted shareholder´s equity in the parent company	SEK
Share premium reserve	156,912,111
Result brought forward	–4,804,495
Result for the year	–6,016,692
Total	**146,090,924**

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

	SEK
Carry forward	146,090,924



Group – Consolidated **statement of income**

kSEK	Note	Full-year 2017	Full-year 2016
Revenue		638	–
Cost of goods sold		–208	–
Gross profit		**430**	**–**
Research and development costs		–5,289	–1,247
Sales, general and administrative costs		–25,884	–25,543
Operating profit	6, 7, 8	**–30,743**	**–26,790**
Financial income	9	130	–
Financial costs	9	–123	–24,265
Profit before tax		**–30,736**	**–51,055**
Tax	10	960	2,815
Net loss for the period		**–29,776**	**–48,240**
Net income attributable to Parent Company's shareholders		**–29,776**	**–48,240**
Basic earnings per share (SEK) [1), 2)]		–1.29	–3.68
Average number of shares, thousands	11	23,027	13,103

[1)] No dilution effects arose

[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	Full-year 2017	Full-year 2016
Net loss for the year after tax		–29,776	–48,240
Items that may be reclassified to profit or loss:			
Foreign currency translation adjustment		664	–456
Other comprehensive income for the year, net of tax		**664**	**–456**
Total comprehensive income for the year, net of tax		**–29,112**	**–48,696**
Total comprehensive income attributable to:			
Owners of Acarix		–29,112	–48,696

Group – Consolidated **balance sheet**

kSEK	Note	2017	2016
ASSETS			
Intangible assets			
Acquired rights		4,840	4,944
Development projects, capitalized		20,351	18,179
Total intangible assets	12	**25,191**	**23,123**
Current assets			
Tax receivable	13	995	2,625
Inventory		1,945	–
Accounts receivables		454	–
Other receivables	14	1,634	1,488
Prepayments		380	155
Cash and cash equivalents	15	103,457	145,895
Total current assets		**108,865**	**150,163**
TOTAL ASSETS		**134,056**	**173,286**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
Share capital and share premium	16	396,044	394,841
Other reserves		689	25
Retained earnings		–267,794	–239,350
Total equity		**128,939**	**155,516**
Current liabilities			
Accounts payable	18	1,464	4,404
Other liabilities	19	3,653	13,366
Total current liabilities		**5,117**	**17,770**
TOTAL EQUITY AND LIABILITIES		**134,056**	**173,286**

Group – Consolidated **statement of changes in shareholders' equity**

kSEK	Share capital and share premium *	Other reserves	Retained earnings	Total shareholders equity
As at December 31 2016	**394,841**	**25**	**–239,350**	**155,516**
Corrections from previous period	–	–	1,332	1,332
As at 1 January 2017	**394,841**	**25**	**–238,018**	**156,848**
Profit/loss for the period	–	–	–29,776	–29,776
Other comprehensive income:				
Foreign exchange rate adjustment	–	**664**	**–**	664
Total comprehensive income	**–**	**664**	**–**	**664**
Transactions with owners:				
Issue of warrants	1,203	**–**	**–**	1,203
At December 31 2017	**396,044**	**689**	**–267,794**	**128,939**
As at 1 January 2016	**84,976**	**481**	**–73,318**	**12,139**
Profit/loss for the period	–	–	–48,240	–48,240
Other comprehensive income:				
Foreign exchange rate adjustment	–	–456	–	–456
Total comprehensive income	**–**	**–456**	**–**	**–456**
Transactions with owners:				
Capital increase	21,387	–	–	21,387
Conversion of convertibles	41,401	–	–	41,401
Exercise of warrants	21	–	–	21
Reorganization of companies	118,006	–	– 118,006	0
New issue in connection with IPO	140,096	–	–	140,096
Costs connected to increase in capital	–11,046	–	–	–11,046
Share–based payments	–	–	214	214
At December 31 2016	**394,841**	**25**	**–239,350**	**155,516**

* As at December 31 2017, Share capital is included with kSEK 23,027 (23,027).

In 2017, after the company´s financial statements for the year ended December 21, 2016 were approved for issue, the company discovered a mistaken accounting recognition of the inventory. The cumulative effect on the error on the Loss brought forward is kSEK 1,332. Management has assessed that the error affecting year 2016 is not material and therefore, the financial statements of 2016 were not restated.

Group – Consolidated **statement of cash flows**

kSEK	Note	Full-year 2017	Full-year 2016
Operating activities			
Result before tax		–30,736	–51,055
Adjustment for depreciation		1,433	–
Taxes received		2,421	3,175
Adjustment for non-cash effect of the share-based payments		–	83
Financial expenses		7	24,265
Cash-flow before change of working capital		**–26,875**	**–23,532**
Working capital adjustments:			
Change in inventory		–355	–
Change in receivables and prepayments		–656	163
Change in trade and other payables		–12,653	14,327
Total change in working capital		**–13,664**	**14,490**
Cash-flow from operations		**–40,539**	**–9,042**
Interest paid		–	–14
Cash-flow from operating activities		**–40,539**	**–9,056**
Investing activities			
Investments in intangibles		–2,984	–12,201
Cash-flow from investing activities		**–2,984**	**–12,201**
Financing activities			
Issue of warrants		1,203	–
Costs for capital increase		–	–11,046
Capital increase		–	176,698
Cash flow from financing activities		**1,203**	**165,651**
Cash flow for the period		**–42,320**	**144,394**
Currency translation differences		–118	–620
Cash and cash equivalents, beginning of period		145,895	2,121
Cash and cash equivalents, end of period		**103,457**	**145,895**

Parent Company **income statement**

kSEK	Note	Full-year 2017	Full-year 2016
Other revenues		4,239	–
Sales, general and administrative costs	6, 7, 8	–10,295	–4,804
Operating result		**–6,056**	**-4,804**
Financial income		105	–
Financial expense		–66	–
Result before tax		**–6,017**	**–4,804**
Tax		–	–
Net loss for the period		**–6,017**	**–4,804**
Net income attributable to Parent Company's shareholders		**–6,017**	**–4,804**

Parent Company **statement of comprehensive income**

kSEK	Note	Full-year 2017	Full-year 2016
Net loss for the year after tax		–6,017	–4,804
Total comprehensive income for the year, net of tax		**–6,017**	**–4,804**
Total comprehensive income attributable to:			
Owners of Acarix		–6,017	–4,804

Parent Company **balance sheet**

kSEK	Note	2017	2016
ASSETS			
Financial assets			
Participations in subsidiaries	20	68,876	49,616
Total financial assets		**68,876**	**49,616**
Current assets			
Other receivables	14	4,773	203
Cash and cash equivalents	15	98,741	129,633
Total current assets		**103,514**	**129,836**
TOTAL ASSETS		**172,390**	**179,452**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
Share capital	16	23,027	23,027
Other capital contribution		156,912	155,709
Retained earnings		–10,821	–4,804
Total equity		**169,118**	**173,932**
Current liabilities			
Accounts payable	18	109	979
Other liabilities	19	3,163	4,540
Total current liabilities		**3,272**	**5,519**
TOTAL EQUITY AND LIABILITIES		**172,390**	**179,452**

Parent Company **statement of changes in equity**

kSEK	Share capital	Other capital contribution	Retained earnings	Total shareholders' equity
As per January 1, 2017	**23,027**	**155,709**	**–4,804**	**173,932**
Net loss for the year	–	–	–6,017	–6,017
Total comprehensive income	**–**	**–**	**–6,017**	**–6,017**
Transactions with the owners:				
Issue of warrants	–	1,203	–	1,203
Total transactions with owners	**–**	**1,203**	**–**	**1,203**
Changes in shareholders' equity	–	1,203	–6,017	–4,814
At December 31, 2017	**23,027**	**156,912**	**–10,821**	**169,118**
As per January 1, 2016	**500**	**–**	**–**	**500**
Net loss for the year	–	–	–4,804	–4,804
Total comprehensive income	**–**	**0**	**–4,804**	**–4,804**
Transactions with the owners:				
Non-cash issue	15,067	250,118	–	265,186
Reduction of share capital	–500	–	–	–500
Merger reserve	–	–215,570	–	–215,570
Capital increase	7,960	132,136	–	140,096
Issuance costs	–	–10,975	–	–10,975
Total transactions with owners	**22,527**	**155,709**	**–**	**178,237**
Changes in shareholders' equity	22,527	155,709	–4,804	173,432
At December 31, 2016	**23,027**	**155,709**	**–4,804**	**173,932**

Parent Company **statement of cash flows**

kSEK	Note	Full-year 2017	Full-year 2016
Cash flow from operating activities			
Profit before tax		–6,017	–4,804
Working capital adjustments:			
Changes in other receivables and prepayments		–4,570	–203
Changes in trade and other payables		–2,248	5,519
Total working capital		**–6,818**	**5,316**
Net cash flows from operating activities		**–12,835**	**512**
Cash flow from investing activities			
Shareholder contribution		–19,260	–
Net cash flow from investing activities		**–19,260**	**–**
Cash flow from financing activities			
Capital increase		–	140,096
Issue of warrants		1,203	–
Cost of raising capital		–	–10,975
Net cash generated from/(used in) financing activities		**1,203**	**129,121**
Net increase in cash and cash equivalents		**–30,891**	**129,633**
Cash and cash equivalents, opening balance		129,632	0
Cash and cash equivalents at year-end		**98,741**	**129,633**

Notes, Group and Parent Company

Note 1 Corporate information

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

Group reorganization and Initial Public Offering
As per September 30, 2016, the entities presented combined financial statements, as explained in the interim report for the third quarter 2016. On December 1, 2016, the shares of Acarix A/S were contributed in kind to Acarix AB, thus establishing Acarix AB as the Parent Company of the Group. The previous shareholders of Acarix A/S maintained their previous respective ownership shares. Accordingly, the consolidated financial statements of Acarix AB as of December 31, 2016 represent a continuation of the existing Group at the time and no fair value adjustments have been made. Any difference in equity that resulted from the reorganization has been recognized separately as an adjustment to equity.

Following the Group's reorganization, Acarix AB completed its initial public offering ("IPO") of new shares on Nasdaq´s First North Premier Segment in Stockholm. The first day of trading was December 19, 2016 and the company received issue proceeds in the amount of MSEK 140.0, partly offset by MSEK 16.1 of related IPO transaction costs. Of the transaction costs, MSEK 11.0 comprised direct and incremental costs associated with the issurance of new shares and has been deducted from shareholders equity, while the remaining costs of MSEK 5.1 were directly associated with the IPO but not incremental and therefore not eligible to be offset against the issue proceeds, and were therefore recognized in general and administration costs.

Note 2 Basis of preparation

The Annual Report of the Group has been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union (EU),RFR1 , and the Swedish Annual Accounts Act. Figures in the Annual Report are presented in Swedish kronor (SEK). The Parent Company Acarix AB is registered in Sweden and has SEK as its functional currency. The accounting policies in the Parent Company's financial statements are included under the section "PARENT COMPANY".

Note 3 Significant accounting policies

Consolidation
The consolidated financial statements comprise the financial statements of Acarix AB (the Parent Company), Acarix GmbH, Acarix A/S and Acarix Incentive AB the subsideries in which the Parent Company holds 100 percent of the voting rights. The consolidated financial statements are prepared on the basis of the financial statements of the Parent Company and its subsideries by aggregating items of a similar nature and subsequently eliminating intra-Group transactions and balances. The financial statements used for consolidation purposes are prepared in accordance with the Group's accounting policies.

Currency
The consolidated financial statements are presented in SEK, which is also The functional currency of Acarix A/S and Acarix GmbH is the Danish kroner (DKK) respectively Euro (EUR). All items included in the financial statements of each entity are measured using that entity's functional currency. Transactions denominated in currencies other than the functional currency are considered transactions denominated in foreign currencies.

On initial recognition, foreign currency transactions are translated at the exchange rate prevailing on the transaction date. Receivables, liabilities and other monetary items denominated in foreign currency that have not been settled at the transaction date are translated at closing rates. For-

eign exchange differences between the rate of exchange at the date of the transaction and the rate of exchange at the settlement date or the balance sheet date are recognized in profit or loss under financial items.

The assets and liabilities of foreign operations are translated into SEK at exchange rates prevailing on the reporting date and the income statement is translated at exchange rates prevailing at the date of the transactions or at an approximate average rate. The exchange difference arising on the translation is recognized in the satement of comprehensive income. On disposal of foreign operations, the accumulated foreign exchange adjustments in the separate component of equity are reclassified to profit or loss.

INCOME STATEMENT

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The specific recognition criteria described below must also be met before revenue is recognized.

Invoiced sales per country, kSEK	Q2 2017	Q3 2017	Q4 2017	Q1-Q4 2017	Q1-Q4 2016
Germany	64	152	–	216	–
Sweden	–	63	36	99	–
Denmark	65	–	194	259	–
Other	64	–	–	64	–
Total	**193**	**215**	**230**	**638**	**–**

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Costs

Research and development costs

Research and development costs include salaries, share-based payment costs, external development costs and amortization of patents related to Acarix A/S's research and development activities before the criteria for capitalization of development costs are met (refer to accounting policies for development projects). Research costs are expensed as incurred.

Sales, General and administrative costs

Sales, general and administrative costs include salaries, share-based payment costs and other expenses relating to the management, corporate and business development, and administration of the entities.

Financial income and costs

Financial income and costs comprise interest income and expenses, as well as foreign currency translation.

Amortization of intangible 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.

The current tax payable or receivable is recognized in the statement of financial position, stated as tax calculated on the year's taxable income. The Group recognizes tax credits relating to R&D work in Denmark as per the Danish Tax rules. In assessing current tax for the year, the applicable tax rates and rules on the statement of financial position date are used. Tax for the period is recognized based upon the company's estimated full-year effective tax rate.

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 position at the amount expected to be utilized, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities.

Operating segments
An operating segment is a component of a company whose operating results are regularly reviewed by the company's Chief Operating Decision Maker (CODM) in order to assess the performance of the segment and make decisions about resources to be allocated to the segment. The Group's CODM is the Group CEO, who manage and operate the Group as one business unit or segment, which is reflected in the internal reporting. No lower segment information is currently disclosed in the internal reporting.

STATEMENT OF FINANCIAL POSITION

Development projects
For accounting purposes, research expenses are defined as costs incurred for current or planned investigations undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Development expenses are defined as costs incurred for the application of research findings or specialist knowledge to plans or designs for 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 are incurred in the Group and are capitalized in the balance sheet when the entities can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- The intention of the entities to complete the project and their ability to use and sell the asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.
- The ability to reliably measure the expenditures during development.

Amortization of development costs begins when the criteria listed above are met at the time of obtaining regulatory approval.

Research and development costs mainly comprise the costs of clinical studies, research and development activities in the areas of application technology and engineering, field trials, regulatory approvals and approval extensions.

Research costs as incurred are expensed.

Impairment test
The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired by considering if there have been any events or changes in circumstances that indicate that the carrying amount of an asset may not be recoverable. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. When the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to is recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Inventories
Inventories are measured at cost in accordance with the FIFO method. Where the net realizable value is lower than cost, inventories are written down to this lower value. Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs. The net realizable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables
Receivable are measured at fair value, and subsequently at amortized cost using the effective interest method less impairment. At each balance sheet date, the Group assesses whether there is objective evidence that a receivable or a group of receivables has been impaired. Impairment testing is performed when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an account for provisions, and the amount of the loss is recognized in profit or loss under selling expenses. When a trade receivable is finally established as uncollectible, it is written off against the allowance account for trade receivables.

Other receivables
Other receivables are measured at fair value, and subsequently at amortized cost using the effective interest method less impairment.

Cash and cash equivalents
Cash and cash equivalents comprise cash at abnk and on hand.

Financial liabilities
Financial liabilities are initially recognized at fair value (typically the amount of the proceeds received), net of transaction costs incurred. During subsequent periods, liabilities are measured at amortized cost. Any difference between the cost (proceeds) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Equity
Direct and incremental costs associated with the listing on Nasdaq First North Premier are accounted for as a reduction in the gross proceeds received from the issuance of new shares and recognized in shareholders' equity. Costs incurred by Acarix that are directly due to the listing but not incremental are not eligible to be offset against the gross proceeds and are therefore recognized in other external expenses.

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 presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the cash and cash equivalents at the beginning and end of the fiscal period. Cash flows from operating activities are stated as the Group's profit or loss before tax, adjusted for financial income and expenses, non-cash operating items, changes in working capital, paid financial expenses and received income taxes. Cash flows from investing activities comprise payments related to acquisitions and divestment of companies and activities as well as purchases and sales of property, plant and equipment and financial fixed assets. Cash flows from financing activities comprise changes in the Parent Company's share capital and related costs, as well as the raising and repayment of loans and installments on interest-bearing debt. Cash and cash equivalents comprise cash, bank balances and short-term securities subject to an insignificant risk of changes of value

EARNINGS PER SHARE
Earnings per share are calculated as net profit (or loss) for a given period, divided by the average weighted number of outstanding shares for period.

Standards issued but not yet effective
IFRS 9 Financial Instruments
In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects for accounting of financial instruments: classification and measurement; impairment; and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Except for hedge accounting, retrospective application is required, but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Group plans to adopt the new standard on the required effective date. During 2017, the Group conducted analyzis without any significant effects identified.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 was issued in May 2014 and establishes a fivestep model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after January 1, 2018. Early adoption is permitted.

The Group plans to adopt the new standard on the required effective date using the full retrospective method. During 2017, the Group conducted analyzis without any significant effects identified.

IFRS 16 Leases
IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC- 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17.

At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Early application is permitted, but not before an entity applies IFRS 15.

An analysis of the transition effects of IFRS 16 on the consolidated accounts shall begin in 2018.

PARENT COMPANY'S ACCOUNTING POLICIES

The Parent Company prepares its Annual Report in compliance with Sweden's Annual Accounts Act (1995:1554) and Recommendation RFR 2, "Accounting for Legal Entities" issued by the Swedish Financial Reporting Board. In the Parent Company's annual accounts, all EU-approved IFRSs and statements are applied as long as they do not contradict the Annual Accounts Act and the relationship between accounting and taxation. The recommendation specifies the exceptions from and additions to IFRSs that may be applied. This means that the Parent Company applies the same accounting policies as the Group, apart from the exceptions specified below:

Classification and presentation

The income statement and balance sheet for the Parent Company are prepared according to the stipulations of the Annual Accounts Act while the statement of comprehensive income and the cash-flow statement are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows, respectively. Shareholders' 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, judgments and assumptions

In preparing the consolidated financial statements, management makes various accounting judgments and estimates and defines assumptions, which form the basis of recognition, measurement and presentation of the Group's assets and liabilities. The estimates and assumptions applied are based on historical experience, the most recent information available at the reporting date and other factors that management considers reasonable under the circumstances. The basis for judgments and information can by nature be inaccurate or incomplete, and the company is subject to uncertainties, which could result in the actual outcome deviating from estimates and defined assumptions. It may be necessary in the future to change previous estimates and judgments due to supplementary information, additional knowledge and experience or subsequent events. In applying the Group's accounting policies described in Note 3, management has exercised the following critical accounting judgments and estimates, which materially influence the amounts recognized in the consolidated financial statements.

Deferred tax assets

The Group recognizes deferred tax assets relating to tax losses carried forward when management assess that these

tax assets can be offset against positive taxable income in the foreseeable future. The assessment is made at the reporting date and is based on relevant information, taking into account any impact on their utilization from restrictions in tax legislation in the various countries. Deferred tax assets arising from tax loss carryforwards are recognized to the extent it is considered probable that there will be sufficient future taxable profit against which future tax loss carryforwards can be utilized.

Development costs

The entities capitalize development costs 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 2017, the carrying amount of capitalized development costs was KSEK 20,351 (18,179).

Impairment of development projects

For development projects in progress, impairment testing is performed at least annually. Impairment tests are based on a DCF model, where cash flows are derived from the budget, taking into account the cost of completing the projects. The recoverable 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 amount of market risk and credit risk. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The main type of market risk that the Group is exposed to is foreign currency risk, which is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. However, management believes that foreign currency risk is limited, as the Group mainly transacts in DKK and EUR, which are currencies that do not highly fluctuate from the SEK. The Group is minimally exposed to interest rate risks. As these market risks are minimal, management deems that a sensitivity analysis is not necessary.

Credit risk is the risk that a counterparty will not meet its obligations under a customer contract, leading to a financial loss. The Group is exposed to credit risk primarily from trade receivables. As the Company is in early commercialization stage, trade receivables are not significant. Outstanding receivables are regularly monitored.

Management of capital and liquidity risk

The Group´d capital is the sum of equity attributable to the Group's shareholders. At year-end, the Group's capital amounted to KSEK 128,939 (155,516).

The Group's capital structure objective is to safeguard the Group's ability to continue as a going concern in order to generate shareholder returns in the future, and to maintain an optimal capital structure to minimize the cost of capital. Until the balance-sheet date, the Group was financed through shareholders' contributions in the form of new share issues. During the year, there were no changes to the Group's capital management. None of the Group's companies are subject to external capital requirements.

The Board of Directors reviews the company's day-to-day cash flow and cash flow forecasts on a regular basis to ensure that the company has the funds and resources required to conduct its operations, and to pursue the strategic direction adopted by the Board. The company's long-term cash requirements are determined by the company's ability to successfully commercialize its product. Commercialization, in turn, is dependent on a variety of factors, whereby costs related to marketing expenses and achieving regulatory compliance will affect the need.

In December 2016, the company completed a new share issue that generated proceeds of MSEK 140 million before issuance costs. The company raised a net amount of approximately MSEK 124 million. The Board considers the current cash flow sufficient for realizing the company's current business plan, whereby business finance is considered secured for at least the next 12 months.

The Group's cash and cash equivalents consist of current accounts, and Acarix AB is responsible for the liquidity of the subsidiaries and for securing the Group's financing. At the balance-sheet date, the Group had no outstanding loans to credit institutions and, in all material respects, is exclusively financed through shareholder loans.

Note 6 Auditor's fees

Group, kSEK	2017	2016
Auditing assignments PwC	411	–
Auditing assignments Beierholm A/S	–	424
Auditing assignments Rödl & Partner Nordic AB	–	150
Tax advise PwC	64	–
Other services Beierholm A/S	–	738
Other services PwC	134	–
Total	**609**	**1,312**

Other services (kSEK 738) pertain to the IPO in December 2016

Parent Company, kSEK	2017	2016
Auditing assignments PwC	220	–
Auditing assignments Rödl & Partner Nordic AB	–	150
Tax advise PwC	64	–
Other services PwC	114	–
Total	**398**	**150**

Note 7 Operational leasing

Group, KSEK	2017	2016
Lease cost for renting offices	605	557
Future lease payments pertaining to non-cancelable leases were as follows:		
Within one year	169	217
Later than one year but within five years	–	–
Later than one year	–	–

Parent Company, kSEK	2017	2016
Lease cost for renting offices	63	44
Future lease payments pertaining to non-cancelable leases were as follows:		
Within one year	42	91
Later than one year but within five years	–	–
Later than one year	–	–

Note 8 Personnel costs for employees

Group, kSEK	2017	2016
Wages and salaries	7,974	5,743
Bonus	397	9,701
Pension expense	588	360
Other social security costs	1,276	598
	10,235	**16,402**
Less capitalization of development costs	–1,004	–3,082
Total costs after capitalization of development costs	**9,230**	**13,320**
Total remuneration and benefit for Group Management		
Salaries of Management Group	3,588	3,753
Bonus payments to Management Group	397	9,307
Pension payments for Management Group	471	246
Social security costs for Management Group	921	576
	5,377	**13,882**
Employees		
Average number of employees (FTE)	8.3	6.9
Men	6.9	6.9
Women	1.4	–
Number of year-end employees (FTE)	12.0	7.0

Pensions

Employees are only covered by defined-contribution pension plans.

For defined-contribution plans, the company pays fixed contributions into another company and has no legal or constructive obligation to pay further contributions, even if the other company is unable to meet its commitments. The costs are charged against Group earnings as the employees' pensionable services are performed.

Parent Company, kSEK	2017	2016
Wages and salaries	2,870	655
Bonus	397	1,000
Pension expense	375	118
Other social security costs	1,111	549
	4,753	**2,322**
Remuneration and benefit for Management		
Salaries of Management Group	2,272	655
Bonus payments to Management Group	397	1,000
Pension payments for Management Group	341	118
Social security costs for Management Group	921	549
	3,931	**2,322**
Employees		
Average number of employees (FTE)	2.0	0.4
Men	2.0	0.4
Women	–	–
Number of year-end employees (FTE)	3.0	0.4

Remuneration of board of directors and management, 2017, kSEK	Director's fee/ Base salary	Director's additional services	Bonus	Pension costs	Other social security costs	Total
Werner Braun, Chairman of the Board of Directors	352	645	–	–	–	997
Denis Gestin, Board member	294	–	–	–	–	294
Claus Andersson, Board member	–	–	–	–	–	–
Hong Yun Fie, Board member	–	–	–	–	–	–
Oliver Johansen, Board member	–	–	–	–	–	–
Ulf Rosén, Board member	–	–	–	–	–	–
Total Board of Directors	646	645	–	–	–	1,291
Sören Rysholt Christiansen, CEO	1,572	–	157	236	568	2,533
Other Executive Management	2,016	–	240	235	352	2,843
Total Executive Management	3,588	–	397	471	921	5,377
Total	4,234	645	397	471	921	6,668

Remuneration of board of directors and management, 2016, kSEK	Director's fee/ Base salary	Director's additional services	Bonus	Pension costs	Other social security costs	Total
Werner Braun, Chairman of the Board of Directors	**29**	**–**	**–**	**–**	**–**	**29**
Denis Gestin, Board member	19	–	–	–	–	19
Claus Andersson, Board member	–	–	–	–	–	–
Hong Yun Fie, Board member	–	–	–	–	–	–
Oliver Johansen, Board member	–	–	–	–	–	–
Ulf Rosén, Board member	–	–	–	–	–	–
Total Board of Directors	**48**	**–**	**–**	**–**	**–**	**48**
Sören Rysholt Christiansen, CEO	622	–	1,000	118	520	2,260
Other Executive Management	3,131	–	8,307	128	56	11,622
Total Executive Management	**3,753**	**–**	**9,307**	**246**	**576**	**13,882**
Total	**3,801**	**–**	**9,307**	**246**	**576**	**13,930**

Remuneration paid from December 2016.

Note 9 Financial income and expenses

Group, kSEK	2017	2016
Interest income	64	–
Exchange rate income	66	–
Interest expenses	–95	–15
Exchange rate losses	–28	–38
Fair value of warrants on conversion	–	–22,774
Interest of warrants	–	–1,438
	7	**–24,265**

Note 10 Tax on result for the year

Main components of tax expense:

Group, kSEK	2017	2016
Current tax	960	2,638
Changes in deferred tax	–	–
Correction of preceding year	–	177
Tax income recognized in profit or loss	**960**	**2,815**

Parent Company, kSEK	2017	2016
Current tax	–	–
Changes in deferred tax	–	–
Correction of preceding year	–	–
Tax expenses recognized in profit or loss	**–**	**–**

Group, kSEK	2017	2016
Recognized profit before tax	–30,736	–51,055
Statutory tax rate 22%	6,762	11,232
Adjustments for effects of:		
Non-tax-deductible costs	–20	–5,398
Unrecognized deferred tax assets (value adjusted)	–6,032	–3,288
Other minor items	250	92
Tax expenses for the year before correction of the preceding year	**960**	**2,638**
Effective tax rate	**3.1%**	**5.2%**

Parent Company, kSEK	2017	2016
Recognized profit before tax	–6,017	–4,804
Statutory tax rate 22%	1,324	1,057
Adjustments for effects of:		
Non-tax-deductible costs	–14	–
Unrecognized deferred tax assets (value adjusted)	–1,310	–1,057
Tax expenses for the year before correction of the preceding year	**–**	**–**
Effective tax rate	**0.0%**	**0.0%**

Deferred tax pertains to the following:

Group, kSEK	2017	2016
Tax loss carryforwards	–24,381	–17,901
Intangible fixed assets	5,542	4,890
Other	–204	–
Deferred tax	**–19,043**	**–13,011**
Value adjustment, deferred tax assets	19,043	13,011
Deferred tax assets recognized net	**–**	**–**

Parent Company, kSEK	2017	2016
Tax loss carryforwards	–2,367	–1,057
Development costs	–	–
Patents	–	–
Other	–	–
Deferred tax	**–2,367**	**–1,057**
Value adjustment, deferred tax assets	2,367	1,057
Deferred tax assets recognized net	**–**	**–**

The Group generates tax loss carryforwards. Since there is still some doubt as to whether the deferred tax assets can be utilized, no such assets have been recognized in the annual report.

In accordance with applicable tax legislation, tax loss carryforwards can be deferred indefinitely.

Note 11 Earnings per share

Group, kSEK	2017	2016
Earnings per share before dilution		
Net loss for the year	–29,776	–48,240
Weighted average number of ordinary shares for measuring fundamental EPS	23,027	13,103
Earnings per share before dilution	**–1.29**	**–3.68**
Earnings per share after dilution		
Net loss for the year	–29,776	–48,240
Weighted average number of ordinary shares for measuring fundamental EPS	23,027	13,103
Earnings per share after dilution	**–1.29**	**–3.68**

Note 12 Intangible fixed assets

Group, 2017, kSEK	Acquired rights	Development costs capitalized	Total
Cost at 1 January 2017	**5,606**	**18,179**	**23,785**
Addition for the period	35	2,949	2,984
Foreign currency translation adjustment	132	484	615
Cost at 31 December 2017	**5,773**	**21,612**	**27,384**
Amortization and impairment at 1 January 2017	**–662**	**–**	**–662**
Amortization	–271	–1,261	–1,531
Amortization and impairment losses at 31 December 2017	**–933**	**–1,261**	**–2,193**
Carrying amount at 31 December 2017	**4,840**	**20,351**	**25,191**

Group, 2016, kSEK	Acquired rights	Development costs capitalized	Total
Cost at 1 January 2016	**3,080**	**5,971**	**9,051**
Addition for the period	2,404	11,804	14,208
Foreign currency translation adjustment	122	404	526
Cost at 31 December 2016	**5,606**	**18,179**	**23,785**
Amortization and impairment at 1 January 2016	**–381**	**–**	**–381**
Amortization	–281	–	–281
Amortization and impairment losses at 31 December 2016	**–662**	**–**	**–662**
Carrying amount at 31 December 2016	**4,944**	**18,179**	**23,123**

Development projects are related to the development of the CADScor®System (acoustic cardiovascular diagnostics), which records heart sounds and murmurs for calculating a patient's specific score in order to determine the patient's risk of coronary artery disease. During the second quarter, the CADScor®System was introduced on the market and the first sales orders were recognized. Capitalization of development costs ceased when the product was ready to launch on the market and amortization of capitalized development costs commenced. Management estimates the useful life of development projects to be 10 years. These assets are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds the recoverable amount. Development projects have been tested for impairment in December 2017. The impairment test is based on management budgets and estimates of expected sales and costs in accordance with established forecasts for the next eight years. These forecasts are based on expected future development and the management's assessment of market development. The impairment test includes a WACC (Weighted Average Cost of Capital) discount factor of 20 percent and a perpetuity growth rate of 3 percent. An increase in WACC by 2 percentage points would not generate any impairment requirement.

Note 13 Segment reporting

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

	Net sales		Intangible assest	
kSEK	2017	2016	2017	2016
Germany	216	–	–	–
Sweden	99	–	–	–
Denmark	259	–	25,191	23,123
Other	64	–	–	–
Total	**638**	**–**	**25,191**	**23,123**

Note 14 Other receivables

Group, kSEK	2017	2016
VAT	1,071	1,410
Deposit	122	78
Prepaid expenses	441	–
Total	**1,634**	**1,488**

Parent Company, kSEK	2017	2016
VAT	169	203
Receivables group companies	4,545	–
Prepaid expenses	59	–
Total	**4,773**	**203**

Note 15 Cash and cash equivalents

Group, kSEK	2017	2016
Bank balances	103,394	145,835
General pledging of bank deposits	50	50
Cash	13	11
On December 31	**103,457**	**145,895**

Parent Company, kSEK	2017	2016
Bank balances	98,691	129,583
General pledging of bank deposits	50	50
Cash	–	–
On December 31	**98,741**	**129,633**

Note 16 Share capital

Group, kSEK		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	1,184
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
Total December 31, 2017		**23,027,376**	**23,027**

The share capital and number of shares in the Group are presented based on the legal subsidiary until the date of the reverse acquisition in November 2016, after which the share capital and number of shares will be presented based on the legal parent company. The Extraordinary General Meeting of the Company on November 23, 2016 resolved to approve a non-cash issue of not more than 15,067,376 shares in the Company. Payment for subscribed shares was effected in accordance with the resolution in the form of a contribution in kind comprising a maximum of 25,835,415 shares in Acarix A/S (11,090,868 A1 shares, 10,440,454 A shares, 166,162 Y1 shares, 4,137,931 Y shares), corresponding to all shares outstanding in Acarix A/S. All 15,067,376 shares in the issue were subscribed for after which the Company had acquired all shares in Acarix A/S. Based on the above, a share swap was carried out in which existing shareholders in Acarix A/S received a number of shares of only one share class in the Company corresponding to their previous holding in Acarix A/S. This swap was based on the value of each of the share classes in Acarix A/S and the corresponding number of shares that the respective shareholders in Acarix A/S were entitled to subscribe for in the issue, which was determined pursuant to Article 4.1 of the Articles of Association of Acarix A/S.

Note 17 Warrant program

At a General Meeting held on May 24, 2017, a resolution was passed on two warrant programs carrying entitlement to subscribe for shares. The first program "Incentive Program 2017/2020" for senior executives and employees comprises an issue of a maximum of 825,000 warrants, with each warrant entitling the holder to purchase one share during the exercise period June 1, 2020 – June 15, 2020. The subscription price for the shares pursuant to the warrant program is SEK 25.60. Market-based pricing was applied in conjunction with the warrant offering. The second program "Incentive Program 2017/2021" for the Board of Directors comprises an issue of a maximum of 300,000 warrants, with each warrant entitling the holder to purchase one share during the exercise period June 1, 2021 – June 15, 2021. The subscription price for the shares pursuant to the warrant program is SEK 29.54. Market-based pricing was applied in conjunction with the warrant offering. The total number of registered shares and votes on the date of this proposal amounted to 23,027,376. The dilution resulting from Incentive Program 2017/2020 and Incentive Program 2017/2021 is estimated at approximately 4.66 percent of the total number of shares and votes in the Company, provided that full subscription and exercise of all warrants occurs in both programs. The market price of the warrant program has been determined by an independent party on the basis of the BlackScholes model. The essential parameters taken into account in the valuations are Acarix's share price, estimated dividends, volatility, the warrant exercise price and the risk-free rate. The duration of Incentive program 2017/2020 is three years while the duration of Incentive Program 2017/2021 four years. The CEO subscribed for 25,500 warrants and the other members of Group management subscribed for 138,000 warrants. Other employees and key individuals subscribed for 122,500 warrants. The Board of Directors subscribed for 20,000 warrants. Acarix Incentive AB subscribed for 819,000 warrants that can potentially be used for future employees. 1,125,000 warrants were issued in total.

The tables below summerize the inputs to the Black-Scholes model used to value the warrants granted:

Incentive Program 2017/2020	
Dividend yield (%)	0
Expected volatility (%)	40
Risk-free interest rate (%)	–0.54
Expected life of the warrants (years)	3
Share price (SEK)	20.59
Exercise price (SEK)	25.60

Incentive Program 2017/2021	
Dividend yield (%)	0
Expected volatility (%)	40
Risk-free interest rate (%)	–0.35
Expected life of the warrants (years)	4
Share price (SEK)	20.59
Exercise price (SEK)	29.54

Note 18 Accounts payable and other current liabilities

Group, kSEK	2017	2016
Accounts payable	1,464	4,037
Other current payable	–	368
	1,464	**4,404**

Parent Company, kSEK	2017	2016
Accounts payable	109	979
	109	**979**

Note 19 Other liabilities

Group, kSEK	2017	2016
Accrued personnel-related expenses	902	11,066
Accrued issue expenses	–	1,980
Other accrued costs	2,751	320
On December 31	**3,653**	**13,366**

Parent Company, kSEK	2017	2016
Other accrued expenses	1,890	2,565
Accrued personnel-related expenses	656	366
Accrued group expenses	617	1,609
On December 31	**3,163**	**4,540**

Note 20 Shares in subsidiaries

Parent Company, kSEK	2017	2016
Acquisition value	49,616	–
Newly formed subsidiary	–	49,616
Shareholder contribution	19,260	–
Closing acquisition value at December 31	**68,876**	**49,616**
Impairment loss for the year	–	–
Impairment losses at December 31	**–**	**–**
Carrying amount at December 31	**68,876**	**49,616**

Accounting policy

Investments in subsidiaries are recognized at cost less accumulated impairment losses.

The acquisition value is tested for impairment annually.

The company's holdings of participations in Group companies

			Booked value (kSEK)	
Name of the company	Equity share	Number of shares	2017-12-31	2016-12-31
Acarix A/S	100%	23,027,376	66,622	49,616
Acarix GmbH	100%	25,000	2,204	-
Acarix Incentive AB	100%	50,000	50	-
			68,876	**49,616**

Name of the company	Reg. Nr.	Domicile	Result of the year (kSEK)	Adjusted equity (kSEK)
Acarix A/S	32648223	Lyngby, Denmark	–21,773	24,446
Acarix GmbH	HRB88101	Cologne, Germany	–1,986	201
Acarix Incentive AB	559102-0044	Malmö, Sweden	0	50

Note 21 Related party disclosure

Related parties comprise the members of the Board of Directors and other senior executives. Apart from remuneration of the Board of Directors, the following transactions were recognized with related parties during the year.

Consultancy fee to member of Board of Directors, kSEK	2017	2016
Werner Braun (Chairman)	645	–

At a General Meeting held on May 24, 2017, decision was made on issue of new warrants to senior executives, employees, key employees and board of directors within the Acarix group. For further information see note 17.

Except as set out above, no transactions were made during the period with members of the Board of Directors, Executive Management, senior officers, significant shareholders or any other related parties

For additional information see note 8.

Note 22 Significant events after year-end

CEO Søren Rysholt Christiansen resigned on 6 November 2017 and left the company in February 2018. Search for Mr. Christiansen's successor is ongoing.

Note 23 Assets pledged and guarantees

Group and Parent Company
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 24 Proposed appropriation of profits

Unrestricted shareholder´s equity in the parent company	SEK
Share premium reserve	156,912,111
Result brought forward	–4,804,495
Result for the year	–6,016,692
Total	**146,090,924**

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

	SEK
Carry forward	146,090,924

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, 2018

EXECUTIVE MANAGEMENT

Christian Lindholm
CEO

BOARD OF DIRECTORS

Dr. Werner Braun
Chairman of the Board

Denis Gestin
Board Member

Oliver Johansen
Board Member

Claus Andersson
Board Member

Hong Yun Fei
Board Member

Ulf Rosén
Board Member

Our audit opinion was issued on April 20, 2018

Öhrlings PricewaterhouseCoopers AB

Cecilia Andrén Dorselius
Authorized Public Accountant
Auditor in Charge

Auditor's Report

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 2017. The annual accounts and consolidated accounts of the company are included on pages 16-42 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 parent company as of 31 December 2017 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 2017 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.

Other information

The audit of the annual accounts and consolidated accounts for financial year 2016 was performed by another auditor who presented an Auditor's Report dated 13 April 2017 with an unmodified opinion in the Report on the annual accounts and consolidated financial statements.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-15 and 47-49. The Board of Directors and the Managing Director are responsible for the 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 Mana-

ging 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 intend 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 2017 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 websitewww.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Malmö 20 April 2018

Öhrlings PricewaterhouseCoopers AB

Cecilia Andrén Dorselius
Authorized Public Accountant
Auditor in charge

Board of Directors

DR. WERNER BRAUN

CHAIRMAN OF THE BOARD AND BOARD MEMBER SINCE 2016

Born: 1946. Dr. Werner Braun has international experience from leading positions in companies from Germany, Austria and Switzerland. Dr. Werner Braun is a doctor in physics from the Technical University of Munich, Germany.

Shareholdings in Acarix: 3,600
Warrants in Acarix: 20,000

HONG YUN FEI

BOARD MEMBER SINCE 2016

Born: 1980. Hong Yun Fei holds a MSc degree in Pharmaceutical Science. Hong Yun Fei is presently CSO in the Chinese listed company ZheJiang-Jingxin Pharmaceutical Co. LTD. and has 12 years of experience from the company from R&D, to strategy and investment. Hong Yun Fei has also been a director of three companies, and a consultant in two Chinese venture capital companies. Hong Yun Fei has good relationships with the Chinese Universities Fudan University and ZheJiang University.

Shareholdings in Acarix: 0
Warrants in Acarix: 0

CLAUS ANDERSSON, MSC, PHD

BOARD MEMBER SINCE 2010

Born: 1968. Dr. Claus Andersson is a partner of the venture fund Sunstone Capital. Dr. Claus Andersson has been a board member of 17 companies, in six of these chairman of the board. Present assignments include ones for Cantargia AB and FBC Device ApS. Dr. Claus Andersson has 12 years of experience within venture capital, an industrial background within blood diagnostics and has founded four companies in Europe since year 2000. Dr. Claus Andersson is educated as a Master of Science in chemistry and has a PhD in mathematical statistics from the University of Copenhagen and Humbold University in Berlin.

Shareholdings in Acarix: 0
Warrants in Acarix: 0

OLIVER JOHANSEN, M.SC. (INDUSTRIAL ENG.)

BOARD MEMBER SINCE 2015

Born: 1971. Oliver Johansen is Senior Vice President of Research & Development in Coloplast A/S and also member of the executive committee. Within Coloplast A/S, Oliver Johansen is responsible for the process from initial innovation to concept development, product and process development, pilot production, global production and launch. Prior to joining Coloplast A/S, Oliver Johansen held positions within PriceWaterhouseCoopers, i2-Technologies A/S and Valcon A/S. Oliver Johansen has a masters degree in industrial engineering from the Technical University of Denmark.

Shareholdings in Acarix: 0
Warrants in Acarix: 0

DENIS GESTIN

BOARD MEMBER SINCE 2016

Born: 1964. Denis Gestin has a degree in economics from EDC Paris Business School, France. Denis Gestin has been the President of International Division at St. Jude Medical Inc. since January 2008 and brings in-depth knowledge of cardiac device development and marketing.

Shareholdings in Acarix: 0
Warrants in Acarix: 0

ULF ROSÉN, PARTNER

BOARD MEMBER SINCE 2014

Born: 1960. Ulf Rosén is General Partner at the investment company SEED Capital responsible for investments in medical technology and Digital Health Solutions. Since the end of the 1990s, he has been chairman of the board, member of the board and CEO of a number of Scandinavian companies active in the medical technology, pharma and service sectors. Ulf Rosén's earlier assignments include being CEO of NeoPharma AB (trade sale), CEO of Attana AB (asset transfer), chairman of the board of Trial Form Support International (partial exit to PE), member of the board of Observe Medical AB (trade sale), General Manager of Fresenius-Kabi AB, vice-CEO of Global Nutrion Division in Fresenius-Kabi, CEO of Pharmacia & Upjohn AS and CEO of Globen Ögonklinik AB.

Shareholdings in Acarix: 0
Warrants in Acarix: 0

Management

CHRISTIAN LINDHOLM

CHIEF EXECUTIVE OFFICER.
CHIEF FINANCIAL OFFICER SINCE 2016.

Over the past 17 years, Christian Lindholm has held positions as CFO in both private and listed companies. Prior to joining Acarix, Christian was CFO at Doro AB and TFS International AB. Christian Lindholm has studied economics at the University of Växjö and Kristianstad.

Shareholdings in Acarix: 2,000
Warrants in Acarix: 25,500

Contact: secli@acarix.com
+46 705 118 333

CLAUS BO VÖGE CHRISTENSEN

CHIEF OPERATING OFFICER SINCE 2009

Claus Bo Vöge Christensen has experience from own research, including management experience from research departments and research projects from start-up companies engaged in product and business innovation through market and user studies. At Acarix, Claus Bo Vöge Christensen has partly been executing clinical studies and processes leading to CE registration, and is fully engaged in product development and production. Claus Bo Vöge Christensen has previous experience from Novozymes A/S, MIC-DTU and most recently from Coloplast A/S, with responsibility for Medical Monitoring & Diagnostics, from which Acarix A/S was initiated. Claus Bo Vöge Christensen has an MBA from the Technical University of Denmark and a PhD in Molecular Biology from the University of Copenhagen, Denmark.

Shareholdings in Acarix: 154,982
Warrants in Acarix: 112,500

Contact: dkcbc@acarix.com
+45 2972 4411

DR. ANJA SCHAEFER

CHIEF MARKETING OFFICER SINCE 2016. (ENGAGED IN ACARIX THROUGH CONSULTANCY AGREEMENT.)

Since 2014, Anja Schaefer has been CEO of strategy consultancy company TaRes GmbH, Germany. She has more than 25 years experience from the healthcare industry, including international executive roles for pharmaceutical and medical device companies in various commercial and medical affairs functions. Anja has successfully launched innovative products and managed all lifecycle stages for broad product portfolios with a focus on cardiology since 1995. She holds a PhD in molecular genetics from The Max Planck Institute in Berlin, Germany.

Shareholdings in Acarix: 0
Warrants in Acarix: 0

Contact: dkasc@acarix.com
+49 171 8343085

Glossary

Arteries
Blood vessels that convey oxygenated blood from the heart to cells in the body.

Auscultation
Medical examination for listening for sounds produced within the body. If the examination is performed with a stethoscope, it is called indirect auscultation, which differs from direct auscultation, which entails that the physician places his/her ear directly on the patient's body.

Pharmacological provocation
Pharmacological provocation is when the body is under the influence of pharmaceuticals.

Free radicals
Free radicals are atoms or molecules that have unpaired electrons in the atomic orbital. Accordingly, radicals are extremely reactive and frequently form new chemical compounds.

Smooth muscle tissue
Muscle tissue that covers the walls of, for example, airways, blood vessels and internal organs.

Invasive
Entry into the living body. Invasive medical examinations are those that include some form of incision into a bodily cavity or insertion of an instrument.

Isotope
Isotopes are atoms of the same element but with a differing number of neutrons.

Cardiology
May be described as the science of the functions and illnesses of the heart.

Catheter
A hollow tube-like medical instrument that is inserted into the body in order to collect fluids, apply pharmaceuticals or insert other medical instruments.

Collagen
A fiber protein that primarily exists in connective tissues such as in limbs, skin, sinews and walls of blood vessels.

Coronary arteries
Coronary arteries are connected to the heart muscle and supply the heart muscle with blood rich in nutrients and oxygens and remove blood that is deficient in nutrients and oxygen.

Lipids
A group of substances comprising fatty, greasy, oily and waxy compounds.

Macrophages
Macrophages, or phagocytes, are cells belonging to the non-specific immune defense system and function by engulfing and digesting foreign substances, such as bacteria, in a process called phagocytosis.

Myocardium
A layer of muscle cells that comprises the thick wall of the heart, which is covered on the outside of the heart by a thin epicardium and interiorly by chambers and atriums surrounded by an equally thin endocardium.

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

Transducer
Transducers are used to convert one form of energy into another.

Production: Wildeco

Acarix AB (publ)
World Trade Center Malmö • Skeppsgatan 19 • SE-211 11 Malmö •Sweden
Phone: +46 10 471 58 02 • Mail: info@acarix.com • www.acarix.com