Annual Report 2023

acarix

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Acarix In Brief

Acarix aims to transform early cardiac diagnostics with the CADScor®System, an advanced acoustic-based diagnostic aid designed to easily and quickly rule out significant coronary artery disease (CAD) at point of care in patients experiencing symptoms such as non-acute chest pain or breathing difficulties. Ruling out significant CAD early in the diagnostic pathway improves patient care and helps prevent unnecessary and costly examinations.

New onset stable chest pain is a common problem in the United States. It is one of the most common reasons people seek medical attention in the ER or an outpatient setting.[1,2,3] Distinguishing between serious and benign chest pain is imperative to appropriately stratify patients to determine their best course of care. As many as nine out of ten patients undergoing diagnostic evaluations for chest pain do not have significant coronary artery disease.[4,5] Risk stratification can be challenging, especially in care settings with limited cardiology resources, lack of access to diagnostic testing, or high patient volumes that result in extended wait times for assessment. The CADScorSystem, on the other hand, can assess and exclude patients with a low risk of significant coronary artery disease with a high degree of certainty. An accessible, fast, and accurate aid for early diagnosis of patients with stable chest pain represents a significant and positive change for healthcare systems, doctors, and patients.

Acarix is a Swedish medical technology company that researches, develops, and commercializes diagnostic solutions for rapid acoustic-based diagnostics of heart disease. The CADScorSystem has been evaluated in extensive clinical studies with over 6,000 patients and has 45 approved patents. Today, the CADScorSystem has CE marking for Europe and FDA DeNovo clearance for the US market. The CADScorSystem is designed to reduce millions of unnecessary and often invasive and costly diagnostic procedures. By listening to the blood flow in the coronary arteries and quickly calculating a patient-specific CAD-score, the CADScorSystem can help exclude more than a third of patients with at least 96.2% certainty, in a population with approximately 10% prevalence of coronary artery disease.[6,7,8]

The company continues to transform from a successful R&D company with initial sales in Europe to a commercially strong organization that focuses on the large US market. In 2023, several important internal changes were implemented within manufacturing/operations management and the US commercial team to strengthen the focus on the United States. With an FDA DeNovo clearance, an approved CPT-III code, a clinical framework, and a solid interest from physicians in the CADScorSystem, the company has robust building blocks in place to succeed in the US.

Acarix is listed on Nasdaq First North Premier Growth Market in Sweden (Ticker: ACARIX). For more information, visit www.acarix.com.

Acarix streamlines diagnostics and provides peace of mind for patients

SEK 1 billion in reduced annual healthcare costs

A CADScorSystem evaluation can be done in 10 minutes

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

1) Cairns C, Kang K. National Hospital Ambulatory Medical Care Survey: 2021 emergency department summary tables. Available from: https://ftp.cdc.gov/pub/Health_Statistics/NCHS Dataset_Documentation/NHAMCS/doc21-ed-508.pdf.

2) Santo L, Kang K. National Ambulatory Medical Care Survey: 2019 National Summary Tables. Available from: DOI: https://dx.doi.org/10.15620/cdc:123251

3) Therming C, et al. Eur Heart J Qual Care Clin Outcomes. 2018; 4:301-308

4) Winther S, et al. Heart 2018;104:928–935 (Dan-NICAD I)

5) Douglas et al, N Engl J Med 2015;372:1291-300 (Promise)

6) Winther S, et al. Heart 2018;104:928–935 (Dan-NICAD I)

7) Rasmussen et al. Heart 2023;109:1223-1230 (Dan-NICAD II)

8) Schmidt SE, Winther S, Larsen BS, et al. Coronary artery disease risk reclassification by a new acoustic-based score. Int J Cardiovasc Imaging. 2019;35(11):2019-2028. doi:10.1007/s10554019-01662-1 https://pubmed.ncbi.nlm.nih.gov/31273633/.

Acarix History

2009

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

2015

- Receives CE-approval for commercialization in Europe.

2016

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

2017

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

2018

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

2019

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

2020

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

2021

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

2022

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

2023

- Breakthrough Order from US Veterans Health Administration.
- Acarix Awarded the Business Sweden 2023 Catalyst Program Award.
- Veterans Affairs Healthcare System standardizes the Use of Acarix CADScor System.
- First Order from the East African Market.
- American College of Cardiology Collaborates with Acarix on Initial Clinical Protocol for CADScorSystem
- Fred Colen appointed as interim CEO during temporary medical leave of CEO Helen Ljungdahl Round.

Key Highlights 2023 and first quarter 2024

Strengthened Financing

On January 3, the company announced the final outcome of the rights issue, which expired on December 30, 2022. Through the rights issue, Acarix raised approximately 32.7 million SEK before deduction of expenses.

Breakthrough Order from US Veterans Health Administration

On February 21, the company announced that it had received the first order from the US Veterans Health Administration (VA) consisting of 11 CADScorSystems and 220 disposable patches. This breakthrough order has an initial value of 1.0 million SEK with immediate delivery to the VA Southeast Louisiana Healthcare System.

Diagnostic Value of Acarix CADScor System Strengthened by Published Study

On March 14, the company announced the publication of a new study in the reputable scientific journal Heart. The study reinforces the use of the CADScorSystem for excluding coronary artery disease in low-risk patients with chest pain.

Acarix Strengthens its Cash Position through a Directed Share Issue

On April 4, the board of directors of Acarix announced its decision to carry out a directed new share issue equivalent to approximately 9.5 million SEK before deduction of transaction-related costs. Subscribers in the Directed Share Issue include several existing shareholders and external investors.

American College of Cardiology Collaborates with Acarix on Initial Clinical Protocol for CADScor System

On May 9, the company announced its collaboration with the American College of Cardiology (ACC) on the initial version of a clinical protocol for the CADScor system. The protocol establishes a workflow for the CADScor system as a diagnostic tool for patients with stable chest pain.

Acarix Awarded the Business Sweden 2023 Catalyst Program Award

On May 16, 2023, the company announced that it had been awarded the 2023 Catalyst Program Award in the Life Sciences sector by Business Sweden. The Catalyst program is designed to support and accelerate the growth of Sweden's most innovative and promising companies by providing tailored commercialization support, advice, and coaching in a selected market.

State-of-the-Art Cardiology Clinic Enhances Patient Care with CADScor System

On May 17, 2023, the company announced that Abo-Auda Associates Cardiologists in Texoma, Texas, will utilize the CADScorSystem as a routine diagnostic tool in assessing patients with stable chest pain.

Acarix Strengthens Its Cash Position by Approximately 22 MSEK through the Exercise of Subscription Options and Simultaneously Decides on a Directed New Issue

On May 22, 2023, the company announced that it had bolstered its cash reserves by exercising subscription options from the 2022 series, with an exercise rate of approximately 88 percent. To ensure the full subscription amount of 100%, the company conducted a directed new issue to a consortium of existing shareholders, raising approximately 2.7 MSEK. Consequently, the company raised a total of approximately 21.6 MSEK before deduction of transaction costs.

Acarix Strengthens Advisory Board with Dr. Deepak R. Talreja MD as New Medical Advisor

On August 28, the company announced the appointment of Dr. Deepak R. Talreja, MD, as a new medical advisor. With an impressive background in cardiology, Dr. Talreja brings broad knowledge and expertise to Acarix, further enhancing the company's position in the American market.

Veterans Affairs Healthcare System Standardizes the Use of Acarix CADScor System

On August 29, 2023, the company announced a significant advancement in the use of the CADScor System within the Veterans Administration (VA). The VA Healthcare System in Southeast Louisiana has approved the inclusion of the CADScor System in its Standard Operating Procedure (SOP) for risk stratification of symptomatic patients with suspected coronary artery disease (CAD).

First Order from the East African Market

On September 4, the company announced the commencement of collaboration with Maeva Health, led by Dr. Peter Svalander, CEO, to launch the CADScor system in Mauritius and further into the expansive East African market, with a population of over 485 million. As a result of the partnership, Maeva placed an initial order for multiple Acarix CADScor Systems.

Expanding the Use of CADScor System in Osteopathic Medicine

On September 27, 2023, the company announced that it had secured its first deal within osteopathic medicine in the USA market. The initial order of CADScorSystem from Legacy Medical LLC represents another significant milestone in the company's ongoing commercialization efforts in the American market.

Strengthened Financing through the Rights Issue

On October 20, 2023, the company announced the final outcome of the rights issue of units, consisting of shares and subscription options of series 2024:U1 (TO2) and series 2024:U2 (TO3). The final outcome revealed that approximately 74.1 percent of the Rights Issue was subscribed for, and guarantors were allocated approximately 25.9 percent of the Rights Issue. Acarix bolstered its cash position by approximately 54.3 million SEK before deduction of costs related to the Rights Issue.

Veterans Administration (VA) Expands Usage of CADScor System

On November 23, 2023, the company announced progress in the utilization of its CADScorSystem within the Veterans Administration (VA) Healthcare system, the largest healthcare provider in the USA. The Southeast Louisiana VA Healthcare System ordered additional patches for the Slidell and Baton Rouge facilities.

Acarix Appoints Aamir Mahmood as CEO

On February 1, 2024, the board of Acarix announced the appointment of Aamir Mahmood as the new CEO, effective the same day. Aamir Mahmood succeeded interim CEO Fred Colen and Helen Ljungdahl Round, who decided early 2024 not to return to her position after sick leave.

Participation of American Investors in Directed Issue

On February 1, 2024, the board of Acarix decided to carry out a directed new share issue equivalent to a subscription amount of approximately 33.7 million SEK. Investors in the Directed Issue consist of a group of reputable new American investors. The Directed Issue was approved at the extraordinary general meeting on February 21, 2024.

US Federal Supply Schedule Registration for CADScor System

On February 2, 2024, the company announced that the CADScor System has been added to the US federal procurement contract, simplifying purchases and enabling Veterans Affairs Healthcare (VA) and other federal agencies to more efficiently procure the Acarix CADScor System.

Enhanced Advisory Board

On February 15, 2024, the company announced the appointment of Ken Nelson, Dr. Saumil R. Oza, and Dave Brown as new advisors to the Advisory Board. All bring valuable expertise in marketing, cardiology, and strategy, marking an important milestone for Acarix.

Strengthened Financing through exercise of warrants

On March 20, 2024, the board of directors of Acarix AB announced the outcome of warrants issued in connection with Acarix rights issue announced on September 11, 2023. A total of 54,975,781 shares were subscribed and Acarix received approximately SEK 13.7 before issue costs.

A Message from the CEO

It's been nearly three months since I stepped into the role of CEO at Acarix, and I'm honored to be part of the team charting our course for the future. My primary goal remains unchanged: to conduct a thorough analysis of all aspects of our operations to boost efficiency and improve outcomes in 2024 and beyond. From refining production processes to fine-tuning market strategies, we're committed to optimizing performance and delivering greater value to our shareholders.

The CADScor System offers a compelling value proposition: providing rapid results to patients at point of care, aiding physicians in quick decision-making, and reducing costs for payors by eliminating unnecessary tests. The CADScor System not only alleviates patient anxiety but also streamlines the healthcare process.

Moving into 2024, our attention is squarely on the U.S. market, recognized as our most significant opportunity for growth. We're keenly focused on implementing initiatives that drive adoption and increase our market share. We've recently launched a new Risk Sharing sales model that offers several key benefits that include minimizing a customer's financial risk, which often discourages customers from adopting new technologies with uncertain financial viability. The Risk Sharing model also allows the Acarix team to engage insurance payers more effectively by increasing involvement in the denial and appeals process, ultimately leading to better collaboration to secure payer support and ultimately a CPT I code for the CADScor System. By minimizing financial risk for users, the model maximizes revenue potential over the long term by encouraging increased product utilization for each unit consigned.

With a strong focus on the market, we remain committed to fine-tuning and improving our "go to market models" for maximum impact and efficiency. We aim to simplify operations by identifying and embracing the most efficient pathways and maximizing return on investment. Through our commitment to these activities, we will navigate challenges, seize opportunities, and foster growth in the year ahead.

Thank you for your support as we continue this journey of transformation and growth.

Aamir Mahmood
President & CEO
Acarix AB (publ.)

Strategy and Business Model

Vision

Acarix envisions a future where first-line cardiac diagnostics are accessible, rapidly provide results and accuracy for all patients, regardless of geographic location or socioeconomic status.

Mission

Acarix is on a mission to transform early cardiac diagnostics by delivering accessible, easy-to-use acoustic-based solutions that provide accurate and timely results to healthcare professionals and patients at point-of-care.

Strategy

Our strategy is based on developing innovative acoustic-based technology to transform the early diagnosis of coronary artery disease. The CADScor System offers an easily accessible, fast, and reliable diagnostic aid to identify and rule-out patients who are at low risk of cardiovascular disease – thereby freeing up resources for those who need medical attention.

We have a solid foundation in our technology, including a large clinical development program as well as CE marking and 510k DeNovo clearance from the US FDA. CADScor System has 45 approved patents. To date, more than 29.000 patients have been assessed with the CADScor System. The company is continuing its development and growth, with full focus on commercialization in the United States. The commercialization in the US is well in line with the increased demand for value-based healthcare and cost-reducing solutions.

Business Model

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

Our revenue model is based on two revenue streams:

1. Purchase or pay-per-use model of the CADScorSystem device sold to medical clinics, private clinics, hospitals, and major healthcare systems, including the US Veterans Health Administration in the US.
2. Ongoing purchase of one-time patches with an RFID chip linked to the device at each patient assessment.

We have the greatest opportunity for growth when the CADScorSystem is used early in the clinical diagnostic workflow. Future revenues are expected to be generated primarily through ongoing sales of single-use patches.

An ideal customer for the CADScorSystem is a clinic where the use of the CADScorSystem is clearly defined in the diagnostic pathway and where there is a high volume of patients with chest pain and suspected coronary artery disease. This is where we can make the biggest difference for patients, healthcare professionals and healthcare systems. Being tested with the CADScorSystem is of great importance to patients. Many patients with chest pain undergo multiple, often invasive diagnostic tests only to find out that the chest pain they are experiencing is not due to their heart. An assessment with the CADScorSystem can quickly provide peace of mind.

Our commercial model is based on a combination of our own sales teams and sales agents. Our commercial partners have proven expertise in cardiology, primary care, internal medicine, emergency medicine, medical technology, point-of-care diagnostics, and experience in our most important sales channels; clinics, hospitals, IDNs and the US Veterans Health Administration in the US.

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As a Cardiologist, I support the utilization of the CADScor System for point-of-care cardiovascular management for lower to intermediate-risk patients. The CADScor System offers a non-invasive test to readily evaluate for significant obstructive coronary artery disease at the point of care. With immediate risk stratification capabilities, clinicians can and should be able to make informed decisions regarding further steps in management. The clinical value of the CADScor System lies in the ability to more readily identify and exclude low-risk patients as an accurate point of care, noninvasive diagnostic aid. This can provide peace of mind for the patient and more readily risk stratify the urgency in which a patient needs further cardiovascular imaging and follow-up. Additionally, healthcare waste can be minimized with more appropriate referrals to cardiology for those who actually need it from the emergency department, outpatient primary care offices, and urgent cares, for example.

Dr. Don Rowe,
Cardiologist, Piedmont Heart of Lawrenceville GA

Market Access

In 2023, we continued the dialogue with subsidy authorities in Europe, particularly G-BA in Germany and NICE in the UK. G-BA is waiting on the published results of the FILTER-SCAD study to base their reimbursement decision in Germany. In England, NICE is seeking clinical experience in the NHS, where we are partnering with Rapid Access Chest Pain Clinics (RACPC) to document its use. Over the last year, NHS Trusts have used and collected data on the CADScor®System. The data will be summarized in 2024, allowing us to continue the dialogue with NICE. In the US, we continue to work on the widespread use of the CADScor®System, which is one of the requirements for a CPT I code. A US payor engagement strategy was developed to bring awareness of the CADScor®System to payors. We continue to discuss the clinical use (Real World Evidence) in US clinics and integrated health systems (IDNs) to demonstrate the value of the CADScor®System in clinical practice.

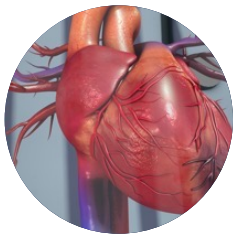
CADScorSystem

Clinical use of acoustic technology in diagnostics

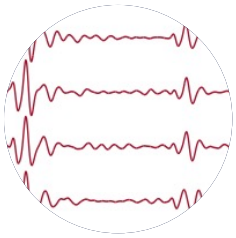
The acoustic technology used in the CADScorSystem enables listening to blood flow in the coronary arteries, sounds that cannot be heard by the human ear. When the arteries are healthy, the blood flow generates a smooth sound. When there is a blockage, stenosis or plaque buildup, the flow is interrupted,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

Rule-out of coronary artery disease

Ultra sensitive acoustics and advanced computational processing to quickly rule-out significant CAD[1]



Ultra-sensitive acoustic technology listens and records heart sounds, i.e., murmurs and vibration[1]



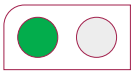
Advanced computational processing calculates individual risk of significant CAD[1]

Segments heart sound recording into heart beats

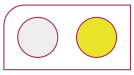
Noise reduction

Acoustic Feature extraction

Classification Acoustic Score & Patient Risk Factors



CAD-score
≤20 Low risk



CAD-score
>20 Elevated risk

1) User manual US-FDA v.12.Y. prevalence 10,7%

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“Our team at the Southeast Louisiana Veterans Health Care System has integrated the CADScor System into our clinical workflow and Electronic Healthcare Records (EHR) System. We are optimizing its use as a first-line diagnostic aid for risk stratification of all patients with stable chest pain in our facilities,” stated Dr. Anand Irimpen, Chief of Cardiology. “Incorporating the CADScor System routinely into the clinical workflow allows equitable access for all veterans who experience these symptoms. Our experience can be used as a blueprint for other VA Healthcare Systems considering the adoption of the CADScor System in the future.”

Comprehensive patent protection

The acoustic and computational-based technology in the CADScorSystem is protected by 45 patents in 12 patent families. For all patent applications, the focus has been on the most important markets, the US, and the EU.

Of the 12 patent families, five relate to the classification by phonocardiography of cardiovascular signals for the identification of coronary artery disease. Two relate to methods and procedures exclusively for US applications. Two are about product design and construction. One refers to adaptive filtering of the recorded signal, and one concerns the classification of heart failure by seismocardiography

Clinical use of the CADScorSystem

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

The CADScorSystem was developed for the following main reasons:

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

A first-line diagnostic aid

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

Patient with stable chest pain and suspected coronary artery disease (CAD)

A first-line diagnostic aid, before any other non-invasive diagnostics are performed

CADScorSystem

Actionable Results to Risk
Stratify Patients at Point of Care

CAD-score ≤20 Low risk

Investigate other causes

If symptoms persist or worsen: the patient should seek medical attention

CAD-score >20 Elevated risk

Refine referral of elevated-risk patients

CADScorSystem from the patient's perspective

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

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

The Market

Heart disease is very common, especially in the United States where someone dies of the condition every 33 seconds.[1] Coronary artery disease is the most common form of cardiovascular disease and the most common cause of death.[2]It results in over 610,000 deaths annually in the US, with adults under the age of 65 accounting for 1 in 4 deaths[3]. Reportedly, over 20 million adults over the age of 20 have coronary artery disease.[2] The severity of the disease means that most patients seeking treatment for chest pain are carefully evaluated. However, only 10% of those investigated are diagnosed with confirmed significant coronary artery disease.[4,5,6] Between 2019 and 2020, direct and indirect costs of total Cardiovascular Disease were $422.3 billion ($254.3 billion in direct costs and $168.0 billion in lost productivity/mortality).[7] Fast and accurate diagnostics and cost-effective management and treatment have never been more urgent. Given current hospital capacity constraints, staff shortages, and rising healthcare costs, we are focused on providing a new, user-friendly, and reliable method to stratify patients quickly and efficiently. The savings potential is significant if those with low risk can be identified early and ruled out. The CADScorSystem can make diagnostics more efficient, and our innovative technology opens a new market segment in early diagnosis. The ideal positioning and use of the CADScor-System is in the early stages of patient investigation. The clinical and economic value lies in identifying and excluding patients at low risk (and avoiding unnecessary investigations), allowing the focus to be on those patients who need treatment, reducing the overall costs to healthcare systems.

13.5 million US patients per year with chest pain[8,9] – that want immediate results

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

CADScorSystem with FDA De Novo clearance and CPT III usage code

Acarix offers a solution with attractive pricing and potential for ROI for healthcare providers.

Collaborated with the ACC on a CADScorSystem Proposed Clinical Workflow

The ACC recognizes the challenges of risk stratification in patients with chest pain.

European focus on increased patch usage

In 2023, Acarix's management continued to reduce investment in Euope to enable full focus on the US market. Our focus in Europe is on established customers and an increased use of patches. In Germany, the national reimbursement authority G-BA has confirmed that published data from the ongoing FILTER SCAD study will form the basis for their decision on compensation. Our focus in Germany continues to be on the private market, which makes up about 10% of the total market. A positive decision on compensation from G-BA would open the entire German market and provide significant opportunities for growth. In the Nordic region, our focus has been on Sweden and generating clinical experiences with the CADScor-System at both public and private clinics. In the UK, we are working with Rapid Access Chest Pain Clinics (RACPC) to generate clinical experiences demonstrating the value of the CADScor System. During 2023, the largest RACPC clinic in the UK, finalized their initial evaluation of the CADScor Syste, with positive outcomes.

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1) National Center for Health Statistics. Multiple Cause of Death 2018–2021 on CDC WONDER Database. Accessed February 2, 2023.

2) Tsao CW, Aday AW, Almarzooq ZI, Beaton AZ, Bittencourt MS, Boehme AK, et al. Heart Disease and Stroke Statistics—2023 Update: A Report From the American Heart Association. Circulation. 2023;147:e93–e621.

3) https://www.ncbi.nlm.nih.gov/books/NBK554410.

4) Therming C, et al. Eur Heart J Qual Care Clin Outcomes. 2018; 4:301-308.

5) Winther S, et al. Heart 2018;104:928–935 (Dan-NICAD I).

6) Douglas et al, N Engl J Med 2015;372:1291-300 (Promise).

7) https://www.heart.org/-/media/PHD-Files-2/Science-News/2/2024-Heart-and-Stroke-Stat-Update/2024-Statistics-At-A-Glance-final_2024.pdf.

8) Cairns C, Kang K. National Hospital Ambulatory Medical Care Survey: 2021 emergency department summary tables. Available from: https://ftp.cdc.gov/pub/Health_Statistics/NCHS/Dataset_Documentation/NHAMCS/doc21-ed-508.pdf.

9) Santo L, Kang K. National Ambulatory Medical Care Survey: 2019 National Summary Tables. Available from: DOI: https://dx.doi.org/10.15620/cdc:123251

Full focus on the US market

In 2023, Acarix strategically focused on the US market, marked by several key milestones. The company secured its foothold in the US healthcare landscape with a significant breakthrough, receiving its first order from the US Veterans Health Administration (VA), with CADScor Systems sold to the VA Southeast Louisiana Healthcare System in early 2023. Commercial collaborations included strategic partnerships to expand Acarix's sales network across the US, and the establishment of a clinical workflow with the American College of Cardiology (ACC) for the CADScor system's diagnostic application in patients with stable chest pain. The formation of an advisory board in 2023 bolstered Acarix's commitment to advancing early cardiac diagnostics and enhancing strategic direction with expert guidance and insight.

The CADScor System gained traction within the VA healthcare system, with the Southeast Louisiana VA Healthcare System approving its inclusion of the CADScor System in their standard operating procedure for risk stratification of symptomatic patients. Additionally, Acarix secured its first deal in osteopathic medicine in the US market with Legacy Medical LLC in Georgia. Closing the year, the company restructured its US sales operations into three regions to enhance its presence and market penetration, signaling a continued focus on expanding its footprint in the US cardiac diagnostics market. Acarix will continue to drive focus on the four most important sales channels; clinics, hospitals, IDNs and VA healthcare systems. The team targets doctors with a large volume of patients with chest pain and high payment rate potential. In these cases, the CADScor System can deliver the highest clinical and economic value. Interest in the CADScor System has been strong, with many doctors confirming that the ideal use is in the early exclusion of patients before other more advanced diagnostics are performed. The ideal use of the CADScor System is among cardiologists, primary care, internal medicine and emergency departments.

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It has been observed that almost 13% of low-risk patients who experience chest pain undergo unnecessary cardiac testing beyond the standard electrocardiogram and cardiac enzymes. This not only leads to increased healthcare costs but also results in the improper utilization of resources. However, the CADScor-System has emerged as a promising solution to this challenge. By assessing the risk of significant CAD before more invasive testing, the CADScor System aims to optimize diagnostic pathways and improve resource allocation, especially in an overburdened area of care like the Emergency Department.

Dr. Suzanne Baron, MD, MSc, Director of Interventional Cardiology Research, Massachusetts General Hospital and Faculty at The Baim Institute for Clinical Research

I think the CADScor System is very helpful to rule out the presence of sclerosis of the coronary arteries in patients who come in with atypical angina pectoris or just chest pain, where you need to rule out that something is wrong on the coronary arteries. If you have a young patient with a low-risk profile for coronary artery disease, the system is extremely helpful in ruling out, with a high percentage of certainty that there is no pathology on the coronary arteries. This is the main cohort of patients where we use the CADScor System, routinely.

Prof. Dr. Andreas Götte, Chief Physician,
St. Vincenz-Krankenhaus, Paderborn, Germany

Research and Development

Agile R&D approach, solid clinical performance and wide market approvals

The CADScor System was launched in 2017 in selected markets in Europe, developed and based on a close collaboration with experts in acoustics, algorithms and Danish audio expertise and has since remained in production in Denmark.

A comprehensive clinical study program has provided data for continued demonstration of safety in use and performance, and also provided clinical data to be part of future CADScor algorithms. The clinical study program has resulted in published results from the large Dan-NICAD I and Dan-NICAD II clinical trials, as well as a number of smaller utility and confirmatory studies.

The CADScor System was first regulatory approved for sale in Europe (2016) and then later FDA-cleared (2020) following the 510k DeNovo process, before initiating sales in the US.

Continued development of the CADScorSystem

The CADScor System is still evolving from a development perspective. From smaller improvements in software and parts, the CADScor System undergoes subtle changes improving the clinical use and durability, as well as the ongoing production.

The next generation CADScor System is also progressing. New and updated electronic internals will provide additional data parameters to include in future algorithm updates, more connectiveness to ease the workflow of data transfer across clinical journaling systems and even for remote software updating the CADScor System through the CADscor App.

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

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

We have a large clinical program with over 6,000 patients who have confirmed CADScorSystem's performance. The results have been published in several respected medical journals; Heart, American Heart Journal, PharmacoEconomics and Digital Health. The clinical program of CADScorSystem includes studies such as Adopt CAD, BIO-CAD and Dan-NICAD, which form the basis for CE marking and 510k DeNovo clearance from the FDA. The 510k De Novo clearance was based on 2,000 patient assessments. Today, more than 29,000 clinical investigations have been conducted using the CADScorSystem.

Regulatory approval

The CE marking was approved in 2016 and in 2020 the FDA evaluated the technology behind the CADScorSystem and its clinical data. The FDA cleared CADScorSystem for sale in the US with a 510k De Novo approval within 12 months of application to approval.

CADScorSystem's clinical program

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

Dan-NICAD I

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

FILTER-SCAD

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

Dan-NICAD II

The Dan-NICAD II study (involving 1,726 patients referred for cCTAwith symptoms suggestive of stable coronary artery disease), we determine the diagnostic accuracy of CADScorSystem compared to other stratification options and provide additional validated clinical data for further development of the algorithm. The first data was presented at ESC 2021 and confirmed a high negative predictive value (NPV), as well as CADScorSystem's potential for early exclusion. The results of the final analysis of the study data were published in the BMJ Journal, Heart in July of 2023. The study concluded that the additional use of an acoustic rule-out device showed a clear potential to downgrade likelihood and could supplement current strategies for likelihood assessment to avoid unnecessary testing.

SEISMO for Heart Failure

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

The recording devices used in the SEISMO study are modified CADScorSystems with added seismocardiographic data information. Patient recruitment was completed in 2022. The final analysis and writing of the study publication is expected to be submitted in 2024. In February 2022, Acarix filed with the FDA for breakthrough designation for the heart failure program. The FDA has returned with a request for additional information in the review of the application

Health economic evaluations

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

Continued development of CADScorSystem

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

Operations and IT

Our focus is on growing while maintaining the highest quality. We have implemented strict quality control measures at every stage of our manufacturing process to ensure that our products meet regulatory requirements and the highest possible quality standards. As part of our growth strategy, we have implemented a robust operations and manufacturing setup to ensure that high-quality products are delivered to our customers at an optimal cost. To expand the business, we have outsourced manufacturing to two locations – Denmark and China. The Danish plant is responsible for producing the systems, while China focuses on the manufacture of patches. This strategic approach will help us increase our production capacity, while maintaining our focus on quality. In addition to outsourcing manufacturing, we have also established a third-party logistics (3PL) in the United States. This will enable us to deliver our products quickly and efficiently to customers in the region, ensuring a reliable customer experience. At the same time, we are continuously improving processes and workflows to enhance productivity and reduce costs, as we scale up our business. We have implemented cost-saving measures in our manufacturing processes and supply chain to optimize costs without sacrificing quality. By investing in our operations and manufacturing, we are confident in our ability to scale our business and delivering exceptional experiences, through our products and services to our customers at an optimal cost. We believe that our focus on quality and cost management will enable us to deliver additional value to our customers and shareholders over time.

IT and ERP

At Acarix, we recognize the importance of information technology (IT) for business growth and operational efficiency. As part of our commitment to support our growth, we have implemented a Customer Relationship Management (CRM) system in 2022 as well as an Enterprise Resource Planning (ERP) system in 2023. Our focus on process optimization is supported by these IT systems, enabling streamlined operations and improved data visibility within the organization. The CRM system allows us to better manage our customer interactions and improve our sales and marketing efforts, while the ERP system gives us better control and visibility over our manufacturing and supply chain processes. In addition to implementing these IT systems, we also attach great importance to the robustness and security of our IT infrastructure. We have implemented an outsourced cloud appliance, which gives us the flexibility and scalability to support our growing business. We have also applied various security measures to protect our IT systems and data, including regular training. Overall, we see IT as a critical part of supporting our business growth and operational efficiency. We are committed to implementing and maintaining IT systems that are robust, secure, and scalable, while optimizing our business processes to support our scaling efforts. By investing in our IT infrastructure, we believe we can continue to deliver innovative solutions to our customers, while improving our internal efficiency and effectiveness.

Sustainability As Part Of Our Culture

As Part of Our Culture at Acarix, we recognize the importance of sustainability and work to make it an integral part of our corporate culture.

We believe that, as a responsible company, we have a duty to contribute to a sustainable future for the planet and our society. To this end, we have selected five of the UN Sustainable Development Goals (SDGs) as the basis for our sustainability work. These goals include:

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

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

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

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

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

Acarix Team

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

Category	Statistics
Full-time employees	14
Consulting employees	2
% Women on the Board of Directors	20%
% Women in management	50%
% Employees in the US	43%
Countries represented within the Organization	USA, Denmark, Sweden, Germany

The Share and the Owners

Acarix AB (publ) is the Parent Company of the Group, which comprises four wholly owned subsidiaries. The Acarix share has been traded on the First North Growth Market in the Premier segment since December 19, 2016. The share was introduced at a price of SEK 17.60 per share and the final closing price at December 29, 2023 was SEK 0.19. In 2023, the highest price paid was SEK 0,65 on March 3, 2023, and the lowest price paid was SEK 0.18 on December 21, 2023.

Outcome of the Rights Issue

In January, the company announced the outcome of the rights issue of shares and warrants, which expired on December 30, 2022. In the rights issue, the number of shares increased by 116,958,915, from 251,972,194 to 368,931,109, raising approximately SEK 32.7 million for the company before deduction of costs related to the rights issue. The share capital increased by SEK 1,169,589.15, from SEK 2,519,721.94 to SEK 3,689,311.09. The dilutive effect of the rights issue amounted to 31.7%.

Directed Issue to Guarantors

Following the announcement of the outcome of the rights issue, the set-off issue commenced. The guarantors in the rights issue had, in accordance with the underwriting agreements entered into, the option to choose to receive underwriting compensation in the form of cash compensation or newly issued shares in the Company. A number of underwriters chose to receive the underwriting compensation in the form of newly issued shares. Consequently, with authorization from the Annual General Meeting on May 11, 2022, a set-off issue was conducted, comprising a total of 4,400,000 shares. Through the set-off issue, the number of shares in Acarix increased to a total of 373,331,109 shares. The dilutive effect of the set-off issue amounted to 1%.

Directed Issue

The board of directors of Acarix decided on a directed new share issue of 21,057,443 shares partly based on the authorization granted at the Company's Annual General Meeting in 2022. The subscription price for the shares was set at 0.45 SEK, representing a discount of approximately 8 percent. The directed issue provided the company with gross proceeds of approximately 9.5 million SEK before deduction of costs related to the issue. The company's share capital increased by 210,574.43 SEK, from 3,733,311.09 SEK to 3,943,885.52 SEK. The number of shares and votes increased by 21,057,443, from 373,331,109 to 394,388,552. Dilution amounted to approximately 5 percent.

Exercise of Subscription Options and implementation of directed issue

In December 2022, the Company conducted a rights issue of shares and subscription options. A total of 102,561,210 subscription options were exercised to subscribe for 51,280,605 new shares, equivalent to an exercise rate of approximately 88 percent. To secure the entire proceeds of the issue up to 100%, a directed issue of approximately 2.7 million SEK was also decided. The Company received a total of approximately 21.6 million SEK before deduction of transaction costs. Through the exercise of subscription options, the number of shares increased by 51,280,605 shares, from 394,388,552 to 445,669,157 shares. The share capital increased by 512,806.05 SEK, from 3,943,885.52 SEK to 4,456,691.57 SEK. Dilution amounted to approximately 12 percent. The directed issue resulted in an additional increase in the number of shares by 7,198,853 shares to 452,868,010 shares, and the share capital increased by 71,988.53 SEK to 4,528,680.10 SEK. Dilution amounted to approximately 2 percent.

Rights Issue

On October 20th, the company announced the final outcome of the rights issue of units, consisting of shares and subscription options of series 2024:U1 (TO2) and series 2024:U2 (TO3), which concluded on October 18th, 2023. The guarantors who provided top guarantees covered approximately 25.9 percent of the rights issue. Acarix received approximately 54.3 million SEK before deduction of costs related to the rights issue. Through the rights issue, the share capital increased by 2,717,208.06 SEK, from 4,528,680.10 SEK to 7,245,888.16 SEK, by issuing 271,720,806 shares. The number of shares increased from 452,868,010 to 724,588,816 shares. Dilution amounted to 37.5 percent.

Directed Share Issue to Guarantors

On November 16th, the board decided on a directed new share issue of 12,600,000 shares as compensation to the guarantors who chose share compensation for their entered bottom and top guarantee commitments. The shares were issued at a price of 0.20 SEK per share, and payment was made through offsetting the guarantors' claims on the Company amounting to approximately 2.5 million SEK. The number of shares after the registration of the compensation issue amounted to 737,188,816, and the share capital to 7,371,888.16 SEK. Dilution in the compensation issue amounted to approximately 1.71 percent.

Miscellaneous

The stock is traded under the name ACARIX and ISIN code SE0009268717 and is listed on Nasdaq First North Healthcare GI, which decreased by 55.7 percent in 2022 and decreased by 7.0 percent in 2023.

The number of shares in the company at the end of the year amounted to 737,188,816 (251,972,194), with a total market value of 140.1 million SEK (70.6 million SEK) as of December 29, 2023. Acarix shares are regularly followed by analysts at Redeye.

Shareholder register December 31, 2023	Number of shares	Votes and capital
Avanza Pension	62,098,853	8.4%
Carl Johan Mikael Thorén	30,952,005	4.2%
Life Science Invest Fund 1 Aps	29,341,123	4.0%
Futur Pension	27,371,837	3.7%
Nordnet Pensionsforsakring AB	26,790,529	3.6%
Microtech Software AS	20,325,564	2.8%
Ubp Clients Assets - Sweden	11,710,002	1.6%
Filip Fröjdén	11,605,743	1.6%
Handelsbanken Liv Forsakringsaktiebo	11,534,954	1.6%
The Bank Of New York Mellon Sa/nv	10,490,725	1.4%
10 largest owners	**242,221,335**	**32.9%**
Other owners	**494,967,481**	**67.1%**
Total as of December 31, 2023	**737,188,816**	**100.0%**

Voting rights and right to dividends

Each share entitles the holder to one (1) vote at shareholders' meetings. If the company issues new shares, warrants, or convertibles in a cash or set-off issue, shareholders have preferential rights to subscribe to such securities in proportion to the number of shares held before the issuance. All shares in the company carry equal rights to dividends as well as to the company's assets and any surplus in the event of liquidation.

Option programs

At the annual general meeting on May 11, 2021, a decision was made regarding an option program granting participants the right to subscribe for shares. The 2021/2025 incentive program for board members consists of the issuance of up to 2,000,000 warrants, with each warrant entitling the holder to purchase one share during the exercise period from June 1, 2025, to August 31, 2025. The subscription price for the shares related to the option program is 2.25 SEK. A market-based pricing model was used in connection with the option offer. The term of the incentive program is 4 years.

Employee Stock Option Program 2021/2024

At an extraordinary general meeting on August 5, 2021, a decision was made regarding an employee stock option program granting participants the right to subscribe for shares. The 2021/2024 incentive program for executives, employees, and certain key personnel consists of the issuance of up to 2,000,000 employee stock options. Each employee stock option entitles the holder to acquire a new share in the Company at an exercise price equal to 130 percent of the volume-weighted average price on the Nasdaq First North Premier Growth Market during the period from October 21, 2021, to November 22, 2021.

The vested options are earned over three years as follows:

a) 40 percent of the allocated employee stock options vest on November 1, 2022, and

b) 60 percent of the allocated employee stock options vest linearly quarterly from November 1, 2022, to November 1, 2024.

The employee stock options shall be allocated free of charge.

Employee stock option program 2022/2026

At the shareholders' meeting on May 11, 2022, a decision was made regarding an employee stock option program granting participants the right to subscribe for shares. The 2022/2026 incentive program for executives, employees, and certain key personnel consists of the issuance of up to 3,500,000 employee stock options. Each employee stock option entitles the holder to acquire a new share in the Company at an exercise price of 0.3588 SEK, which corresponds to 130 percent of the volume-weighted average price on the Nasdaq First North Premier Growth Market during the period from December 30, 2022, to January 13, 2023.

The vested options are earned over three years as follows:

a) 40 percent of the allocated employee stock options vest on January 31, 2023, and
b) 60 percent of the allocated employee stock options vest linearly quarterly from February 1, 2023, to March 1, 2026.

The employee stock options shall be allocated free of charge.

Annual General Meeting

The Annual General Meeting of Acarix AB (publ) will take place on May 14, 2024, at the offices of Baker & McKenzie Law Firm, Vasagatan 7, 101 23 Stockholm. Registration for participation in the Annual General Meeting will be published on Acarix's website www.acarix.com.

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

The right to receive dividends belongs to the individual who, on the record date determined by the shareholders' meeting, is registered as a shareholder in the share register maintained by Euroclear Sweden. Dividends are usually paid to shareholders as a cash amount per share through Euroclear Sweden, but payment can also be made in forms other than cash (non-cash dividends).

There are no restrictions regarding the entitlement to dividends for shareholders residing outside of Sweden. Shareholders who are not tax residents in Sweden are typically subject to Swedish withholding tax.

Corporate Governance Report

Introduction

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

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

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

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

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

General meeting

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

Annual General Meeting 2023

Acarix's Annual General Meeting for the year 2023 was held on May 11th in Stockholm. The following decisions were made at the meeting:

- Approval of the annual report for 2022.
- In accordance with the proposal in the notice, it was decided that no dividend would be distributed for 2022.
- Granting discharge from liability to the members of the Board of Directors and the CEO for the financial year 2022.
- According to the proposal from the nomination committee, the Board of Directors shall consist of five members and no deputies.
- The number of auditors shall be one registered audit firm.
- In accordance with the proposal from the nomination committee, the remuneration for the Chairman of the Board shall be SEK 400,000 and SEK 200,000 for each of the other members. No fees shall be paid to the Chairman of the Audit or Remuneration Committees.
- Re-election of Marlou Janssen Counotte, Ulf Rosén, Fredrik Buch, Philip Siberg, and election of Mikael Thorén as a new member of the Board of Directors. Philip Siberg was re-elected as Chairman of the Board.
- Approval of the re-election proposal of the registered audit firm Öhrlings PricewaterhousCoopers AB, with authorized auditor Cecilia Andrén Dorselius as the responsible auditor.
- Adoption of the nomination committee principles as proposed, unchanged from the previous year.
- Approval of the proposed guidelines for compensation to senior executives.
- Authorization of the Board to decide on the issuance of shares and/or convertibles and/or warrants according to the Board's proposal.
- Introduction of a stock option program for senior executives, employees, key personnel within the company, and certain consultants through the issuance and transfer of warrants as proposed by the Board.
- Approval of the Board's decision on a new share issue with deviations from shareholders' pre-emption rights.

The minutes from the Annual General Meeting 2023, instructions for the nomination committee's work, and other information are available at www.acarix.com.

Annual General Meeting 2024

The Annual General Meeting will be held on Tuesday, May 14th, 2024, at the offices of Baker & McKenzie Law Firm, Vasagatan 7, 101 23 Stockholm. The notice will be published through advertisements in the Post and Inrikes Tidningar and will also be made available on the company's website. For matters to be addressed to the nomination committee and the Annual General Meeting, please refer to Acarix's website or contact valberedningen@acarix.com or agm@acarix.com.

Extraordinary General Meeting

Acarix held an extraordinary general meeting on June 9th and September 28th, 2023. The following decisions were made at the extraordinary general meetings:

- Approval of the board's decision on a new share issuance with deviation from the shareholders' pre-emptive rights, as proposed by the board (June 9th).
- Approval of the board's decision on a rights issue of units (September 28th).

The Nomination Committee

The work of the Nomination Committee is regulated by the instruction adopted at the Annual General Meeting. The Nomination Committee's task is to prepare and submit proposals for the election of board members, the chairman of the board, the chairman of the meeting, and auditors. The Nomination Committee shall also propose remuneration for board members and auditors. The members of the Nomination Committee shall be disclosed no later than six months before the Annual General Meeting on the Company's website.

The Nomination Committee, to be appointed until a new Nomination Committee has been appointed, shall consist of three members, two of whom shall be appointed by the Company's two largest shareholders by voting power, and the third shall be the chairman of the board. As soon as reasonably possible after the end of the third quarter, the chairman of the board shall contact the three largest shareholders registered in the shareholder register kept by Euroclear Sweden AB at that time and urge them, within a reasonable time not exceeding 30 days under the circumstances, to nominate in writing to the Nomination Committee the person the shareholder wishes to appoint as a member of the Nomination Committee. If one of the three largest shareholders chooses not to exercise its right to appoint a member of the Nomination Committee, the next shareholder in order shall be offered the right to appoint a member of the Nomination Committee. In the event that several shareholders refrain from their right to appoint members of the Nomination Committee, the chairman of the board shall not need to contact more than eight shareholders, unless necessary to form a Nomination Committee consisting of at least three members.

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

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

When preparing its proposal for the board, the Nomination Committee shall review the board's evaluation of its work and consider the requirements for the composition of the board as stipulated by the Companies Act, the Swedish Code of Corporate Governance, and Nasdaq Stockholm's rules for issuers. The Nomination Committee shall, in preparing its proposals, consider that the board should have a composition appropriate to the Company's operations, stage of development, and other circumstances, characterized by diversity and breadth in terms of the competence, experience, and background of the members. Gender balance shall be sought. The Nomination Committee for the 2024 Annual General Meeting has been selected in accordance with these principles and consists of Anton Rhenström, Philip Siberg (Chairman), and Jan Poulsen. The Company complies with the Code's rules.

Board of Directors

According to the company's articles of association, Acarix's board of directors shall consist of at least 3 and at most 10 members elected by the general meeting of shareholders until the end of the next annual general meeting. Board members are elected annually at the annual general meeting until the end of the next annual general meeting. At the annual general meeting on May 11, 2023, 4 board members were re-elected, and one new board member was elected. The company's legal counsel served as the board's secretary. Other officers of Acarix participate in the board meetings as presenters on specific matters. According to the Code, a majority of the board members elected by the general meeting of shareholders must be independent in relation to Acarix and the executive management. Furthermore, according to the Code, at least two of the board members who are independent in relation to Acarix and the executive management must also be independent in relation to the company's major shareholders. The composition of the board of directors at Acarix meets the requirements for independence in the Code. Individual board members' shareholdings, their independence in relation to the company, executive management, and the company's major shareholders, as well as other positions in other companies, are detailed in the table below and in the presentation of the board members on pages 37-38.

The board of directors shall manage the company's affairs on behalf of the shareholders in such a way that the shareholders' interests in capital return are best served. The board is responsible for the organization of the company and the management of its affairs. However, in its management, the board is obliged to comply with specific regulations that may have been issued by the general meeting of shareholders, provided that the regulation in question does not contravene the law or the articles of association.

The board is responsible for the company's organization. In this regard, the board shall, among other things:

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

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

Work and evaluation of the Board of Directors

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

Chairman of the Board's responsibilities

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

Work of the Board of Directors 2023

During the fiscal year, a total of 17 minutes of board meetings were held: six regular, one constituent, and ten per capsulam meetings related to preferential/quittance issues, as well as options programs. The board meetings follow a recurring structure with specific agenda items. Information materials and decision documents for the board meetings are typically distributed approximately one week before each meeting.

Evaluation of Board work

According to the Code, the Board should annually, through a systematic and structured process, evaluate the Board's work with the aim of developing the Board's working methods and effectiveness. The Board's work during 2023 has been evaluated together with FNCA Sweden AB during the first quarter of 2024. The evaluation has been conducted by all Board members answering a questionnaire regarding the Board's activities. The results of the evaluation are compiled into a report and presented to the Board and the members of the nominating committee.

Board of Directors' committees

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

Board members' attendance and independence, 2023	Elected	Attendance at Board meetings	Attendance at Remuneration Committee meetings	Attendance at Audit Committee meetings	Independent in relation to the company and Group management	Independent in relation to the company's major shareholder
Philip Siberg, Chairman of the Board	2021	7(7)		2(2)	Yes	Yes
Ulf Rosén	2016	7(7)	2(2)		Yes	Yes
Marlou Janssen	2020	7(7)	2(2)		Yes	Yes
Fredrik Buch	2021	7(7)		2(2)	Yes	Yes
Mikael Thorén	2023	5(7)			Yes	Yes

A total of seven board meetings were held during the year, including one inaugural board meeting. Additionally, ten ad hoc meetings were held in connection with preferential and offset issues.

Remuneration of board of directors and management, 2023, kSEK	Director's fee/ Base salary	Director's additional services	Bonus	Pension costs	Other social security costs	Total
Philip Siberg	400	-	-	-	126	526
Fredrik Buch	200	-	-	-	63	263
U Rosén	200	-	-	-	20	220
Marlou Janssen	200	-	-	-	63	263
Mikael Thorén	117	-	-	-	37	153
Total Board of Directors	**1,117**	**-**	**-**	**-**	**309**	**1,426**
Helen Round Ljundahl, VD	2,570	-	-	240	247	3,057
Other Executive Management (6)	10,532	-	620	894	1,313	13,360
Total Executive Management	13,103	-	620	1,134	1,560	16,417
Total	**14,219**	**-**	**620**	**1,134**	**1,869**	**17,842**

CEO Helen Ljungdahl was on sick leave from October 1, 2023, for cancer treatment for an expected period of about six months.

The board appointed Fred Colen as acting CEO during Helen's sick leave. Compensation for Fred Colen amounted to 1,550 kSEK (USD 145,000) by the end of the year, included under the category of Other Executive Management.

On February 1, 2024, Aamir Mahmood was appointed as the new permanent CEO, assuming the position on the same day. Aamir succeeded acting CEO Fred Colen, and Helen Ljungdahl Round, who decided not to return to her position later in 2024.

Group management

CEO and group management

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

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

The CEO is obligated to attend all general meetings in the company, whether they be the AGM or an extraordinary general meeting. In a serious crisis, it is also the CEO's duty to immediately inform the Board of Directors and, if necessary, to establish and instruct a crisis committee and formulate a contingency plan for the business. As soon as the CEO suspects that an event or a practice could have a significantly adverse impact on the business or the company's position, for example a liquidity crisis, he must report this to the Chairman of the Board. The CEO has not been physically present at extraordinary general meetings during the year.

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

The CEO is also responsible for leading the work of the company management. In 2023, the company management, in addition to the CEO, consisted of the Chief Financial Officer (CFO), Chief Research Officer (CRO), Chief Marketing & Communication Officer (CMO), and Chief Operating Officer (COO). As of December 31, 2023, the company management consists of 5 individuals. For more information about the new executives at Acarix, please refer to page 39-40 in the annual report.

CEO Helen Ljungdahl Round was on sick leave from October 1, 2023, for cancer treatment, expected to last approximately six months. The Board appointed Fred Colen as acting CEO during the CEO's sick leave.

Internal control and risk management of financial reporting

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

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

Control environment

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

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

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

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

Risk assessment

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

Informatoin and communication

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

Follow-up, evaluation and reporting

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

Internal audit

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

External audit

The company's auditor is normally elected by the AGM for the period until the end of the next AGM. The auditor examines the annual accounts and accounting records as well as the administration of the business by the Board of Directors and the CEO. Following each fiscal year, the auditor is to submit an audit report to the AGM. Each year, the company's auditor also reports his/her audit observations and assessment of the company's internal control to the Board.

The 2023 AGM re-elected the accounting firm Öhrlings PricewaterhouseCoopers AB (PwC), with Authorized Public Accountant Cecilia Andrén Dorselius as auditor in charge at Acarix up to the end of the 2024 AGM.

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

Auditor's report on the Corporate Governance Statement

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

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2023 on pages 28-33 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

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

Opinions

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

Malmö 2024-04-22
Öhrlings PricewaterhouseCoopers AB

Cecilia Andrén Dorselius
Authorized Public Accountant
Auditor in charge

Alexander Ståhl
Authorized Public Accountant

Risks and uncertainties

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

Market growth and general economic conditions

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

Products and market acceptance

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

Risks related to future commercialization

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

Competition

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

Licenses and approval

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

Research and development

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

Development costs

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

Key person dependency

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

Product liability

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

Intellectual property rights

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

Financing

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

Tax

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

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

Legislation and regulations

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

Disputes

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

Pandemics

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

See also Note 5, Financial risks.

Board of Directors

Philip Siberg

Chairman since 2021

Year of birth: 1973
Location: Sweden

Education: Master of Science in Mechanical Engineering with specialization in Industrial Economics from KTH, Royal Institute of Technology in Stockholm.

Previous assignments/experience: Philip Siberg has more than 20 years of experience as an international CEO and board member in both listed and unlisted companies within the medical technology and life science sectors. Philip has previously served as Chairman of the Board at Senzime AB (publ.), CEO and co-founder of Coala Life AB (publ.), CEO of Stille AB (publ.), and CEO of Acacia Designs BV.

Other important ongoing assignments: CEO of Senzime AB (publ.), Partner at Southbloom SBCF, board member of Paindrainer AB, and CEO of Longmeadow Farm AB.

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

Ulf Rosén

Board member since 2014

Year of birth: 1960
Location: Sweden

Education: Ulf Rosén is a registered nurse and has a degree in business administration from IHM Business School and have studied financial management at INSEAD.

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

Other important ongoing assignments: Chairman of the board at Intrance Holding AB, Intrance Medical Systems Inc, LobSor Holding AB, Ponscasa Holding AB, Artemo Holding AB, Tridentify AB, Multi4 Medical AB, and pro bono as vice chairman of Almtuna IS/Almtuna IS Ishockey AB.

Holdings in Acarix: 9,952,704 shares and 500,000 warrants.

Fredrik Buch, MD

Board member since 2021

Year of birth: 1954
Location: Sweden

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

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

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

Holdings in Acarix: 1,162,527 shares and 500,000 warrants.

Mikael Thorén

Board member since 2023

Year of birth: 1964
Location: Sweden

Education: Bachelor of Applied Science (B.A.Sc.)

Previous assignments/experience: Mikael Thorén has over twenty years of leadership experience ranging from Swedish small companies to large multi-international companies, in strategy, business development, sales, process and organizational development and marketing, primarily in telecommunications. Previously employed at Ericsson AB, where he worked with international strategic partners, primarily American as well as global international and US-based sales for Allgon Mobile Communications AB. Mikael has worked for more than ten years as a consultant and private investor with a focus on smaller companies in the health sector (Life Science).

Other important ongoing assignments: None

Holdings in Acarix: 31,492,919 shares.

Marlou Janssen-Counotte

Board member since 2020

Year of birth: 1965
Location: Netherlands

Education: Hotel management at TIO.

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

Other important ongoing assignments: Member of the Board of Directors at the following companies; Sonion, EBAMed SA, Inspiration Healthcare Group PLC, Field Medical Inc and Senior Advisor at Vektor Medical Inc.

Holdings in Acarix: 0 shares and 500,000 warrants.

Management Team

Aamir Mahmood

President and CEO since 2024

Born: 1976
Location: USA

Education: BS in Marketing and Management from Oklahoma State University, an MBA from Oklahoma City University, and Executive Education from Harvard Business School.

Previous engagements/experience: Aamir has more than twenty years of executive experience in the medical device industry, demonstrating a proven track record in commercial roles within Global cardiovascular device markets. His expertise spans sales, marketing, and strategy functions at organizations such as LivaNova, Boston Scientific, and Merck. Most recently, Aamir served as the General Manager/Vice President, Americas, at MicroPort CRM (MicroPort acquired the organization from LivaNova in 2017), a cardiovascular medical device company with primary focus on cardiac rhythm management, electrophysiology, arrhythmia assessment, and other cardiac devices used for diagnosing, treating, and managing heart rhythm disorders and heart failure. Prior to overseeing the Americas for MicroPort, Aamir rotated through two EXPAT assignments in Europe running Global Sales, followed by Global Marketing and Strategy, including M&A.

Other significant ongoing assignments: Aceco Valves Member, Board of Directors, Leman Micro Devices Member, Board of Directors, YPO Member

Acarix holding: 3,142,814 shares, 0 employee options.

Christian Lindholm

Chief Financial Officer (CFO) since 2016

Born: 1964
Location: Sweden

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

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

Other significant ongoing assignments: Board Member of Lindholm Finance AB.

Acarix holdings: 80 137 shares, 0 employee options.

Claus Christensen

Head of R&D (interim) since 2023

Born: 1964
Location: Denmark

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

Previous engagements/experience: Claus has work and leadership experience from international biotech and medical device industry focused on product innovation, product development, people and advisory board management, clinical studies, regulatory strategy, and fundraising. He is a serial entrepreneur, co-founder of Acarix in 2009 and other bio- and medtech companies.

Other significant ongoing assignments: CEO CPHbiomedix Aps (DK) and Ausculto Aps (DK), Advisor to Danish start-up companies.

Acarix holdings: 200,000 shares, 191,136 employee options.

Thomas Borch

Chief Operating Officer (interim COO) since 2024

Born: 1974
Location: Denmark

Education: Electronics Mechanic, Ringsted Tech. School, Denmark.

Previous engagements/experience: Thomas has more than 25 years of experience in various technology industries. Ranging from cellular devices, industry laser systems, life science, to medical devices. Previously, Thomas has had managing roles in Alcatel Lucent, Thermo Fisher Scientific, K-Systems and Pulse Science with a focus on manufacturing, distribution, business development and service. Thomas also has extensive work experience with different cultures and has been stationed in Asia.

Other important ongoing assignments: -

Acarix holdings: 44,000 shares, 100,000 employee options.

Carma Connely

Head of Market Access & Customer Excellence

Year of entry: 2022

Born: 1975

Location: USA

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

Previous engagements/experience: Carma has over 20 years of experience in the medical device field with a focus on neurosurgery and cardiology. She has experience in sales, product management, quality, regulatory, operations, clinical education, and finance. Carma previously held roles as Vice President of Operations at Coala Life, Product Management at Raumedic and launched multiple European companies into the US market.

Other important ongoing assignments: -

Acarix holdings: 408,520 employee options.

Jennifer Matson

Head of Medical Affairs

Year of entry: 2022

Born: 1977

Location: USA

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

Previous engagements/experience: Jennifer has more than 20 years of experience in research and development, clinical, and product innovation in the medical device industry (FDA class II and III, including HDE) internationally for Biotronik, Bayer and start-ups. Her career also includes experience leading program evaluation for healthcare reform initiatives as part of a Medicare and Medicaid Innovation grant.

Other important ongoing assignments: -

Acarix holdings: 408,520 employee options.

Jennifer Anderson

Head of Marketing and Communication

Year of entry: 2022

Born: 1979

Location: USA

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

Previous engagements/experience: Jennifer has more than 20 years of global marketing experience leading teams, launching products, and growing product portfolios in the medical device space. Her previous roles include Senior Director of Marketing at Keystone Heart, Senior Marketing Manager at LivaNova, where she led the Heart Valve Marketing Team and launched the Perceval Sutureless Valve in the US market. Jennifer has also held various marketing roles within Medtronic's surgical and patient monitoring portfolios including team leadership, product management, marketing management, new product development, and strategic marketing roles.

Other important ongoing assignments: -

Acarix holdings: 205,680 employee options.

Acarix As Investment

In 2023, Acarix continues transforming from an R&D-focused organization to a commercially strong one to deliver revenue growth, profitability, and shareholder value.

A groundbreaking innovation utilizing ultra-sensitive acoustics to benefit patients, doctors, and healthcare systems.

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

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

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

A clearly defined strategy and business model to establish ourselves as a market leader in the realm of acoustic- and algorithm-powered rapid cardiac diagnostics.

We are excited about the opportunities ahead of us in 2024

2023 was a successful year for Acarix, as several important milestones were achieved.

With the expansion into the VA Healthcare System and a first edition proposed clinical framework in place for the CADScor System, our focus in 2024 is primarily on the US market. There, we are well-positioned to drive sales across our key sales channels for clinics, hospitals, IDNs, and the US Veterans Health Administration. We will increase our footprint through the expansion of our sales team and partnerships with commission-based sales agents. Payment rates from insurers to our users will continue to be an important focus to support our US business model. As the CADScorSystem has the potential to transform the early assessment of patients with chest pain and suspected coronary artery disease, we will continue to build our collaborations with scientific leaders while expanding the clinical experience across sales channels.

In the evolving landscape of healthcare transformation in the US, the synergy of health equity and innovative point of care solutions like the Acarix CADScor System signals a new trend in patient care. By empowering healthcare professionals with precise risk stratification at the point of care, we pave the way for sustainable and equitable cardiovascular care, with significant potential for cost savings within the healthcare system

Aamir Mahmood,
Acarix President & CEO

Administration Report

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

The Board of Directors and the CEO hereby present the annual accounts for the Parent Company and the Group for the 2023 fiscal year. The consolidated balance sheet and income statement and the balance sheet and income statement for the Parent Company will be presented for adoption to the AGM on May 14, 2024.

Group

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

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

The Parent Company

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

Line of business

Acarix is a Swedish medical technology company that develops solutions for rapid acoustic- and alogorithm- based assessment of coronary artery disease (CAD) assessment. The Acarix CADScorSystem is CE-marked and FDA De Novo cleared for patients experiencing chest pains with suspected CAD. It is designed to reduce millions of unnecessary, invasive, costly diagnostic procedures. The CADScor System calculates a patient-specific CAD score non-invasively with 96% accuracy. Acarix is listed on the Nasdaq First North Premier Growth Market (ticker: ACARIX).

Financial Development

Revenue and Gross Margin

During the year, total revenues amounted to 6,241 kSEK (5,822), with 2,218 kSEK (2,704) generated from the sales of CADScor System and 4,023 kSEK (3,118) from patches. A significant portion of the revenues, 57 percent, originated from sales in the US market, while 37 percent were generated within the DACH region. The remaining revenues came from Mauritius and the Nordic region.

The gross profit for the year amounted to 5,298 kSEK, resulting in a gross margin of 85 percent, an increase from 4,643 kSEK and 79 percent in 2022. The increase in gross margin by 6 percentage points compared to the previous year can primarily be attributed to the initiated sales in the American market.

During the year, a total of 41 CADScor Systems and 9,259 patches were sold, a decrease of 20 CADScor Systems and an increase of 609 patches compared to the previous year. A total of 33 CADScor Systems (20) and 2,620 patches (880) were sold in the US market.

The continued strategic focus on the US market has continued to negatively impact sales in the European market. Sales in the USA were negatively affected during the fourth quarter due to delays in the federal budget, leading to delayed decision-making processes among key customers. Additionally, sales have been negatively impacted by ongoing processes to establish and obtain approved reimbursement levels for CADScor examinations from insurance companies.

Expenses

The total operating expenses (R&D and sales/administration) for the period amounted to 82,851 kSEK compared to 81,095 kSEK in the previous year. Sales and administration expenses were at 54,334 (53,338) kSEK, of which 28,293 (37,125) kSEK pertained to sales and marketing expenses. R&D expenses amounted to 28,516 (27,758) kSEK during the period. The 2 percent increase in costs was attributed to the establishment of the US operations.

Financial performance

During the year, the group reported an operating loss of -77,553 kSEK compared to -76,475 kSEK in the same period the previous year. Depreciation during the year amounted to 3,088 kSEK and was allocated between capitalized development costs of 2,503 kSEK, patents of 289 kSEK, lease assets of 199 kSEK, and depreciation of tangible assets of 97 kSEK. The net loss for the period was -77,839 kSEK compared to -76,985 kSEK in the corresponding period the previous year. The earnings per share amounted to -0.16 SEK compared to -0.31 SEK the previous year, which includes an ongoing new and offsetting issue. There was no dilution effect.

Intangible assets

As of December 31, 2023, the intangible assets totaled 12,083 kSEK compared to 14,863 kSEK in the previous year. Capitalized development costs amounted to 8,317 kSEK (10,798), while acquired rights amounted to 3,766 kSEK (4,065). No investments have been made during the period.

Cashflow and financial position

After receiving the net proceeds from the rights issue and exercising the subscription options, totaling 106,443 kSEK, the total cash flow was 24,865 kSEK, compared to a cash flow of -5,989 kSEK in the previous year. The effect from working capital was -5,672 kSEK, compared to -110 kSEK in the previous year. As of December 31, 2023, Acarix had 35,149 kSEK in cash and cash equivalents, compared to 11,161 kSEK as of December 31, 2022. The general pledge of cash and cash equivalents amounted to 4,470 kSEK, compared to 4,540 kSEK at the same time the previous year.

At the turn of the year, a rights issue was ongoing, which together with subsequent compensation issues to guarantors, provided the company with a total of 32.7 MSEK before transaction costs of 8.2 MSEK, of which 7.2 MSEK were liquidity-impacting. The company received the proceeds from the rights issue in January 2023, totaling a net of 25.6 MSEK. As part of the rights issue, warrants were issued, which, upon full exercise, are estimated to provide the company with an additional approximately 5.8 – 26.3 MSEK before costs during the second quarter of 2023.

Capitalization

At the turn of the year 2022/2023, a rights issue was underway which, together with the subsequent compensation issue to guarantors, provided the company with a total of SEK 25.8 million during the month of January. In addition, a directed share issue was carried out in April, which provided the company with an additional SEK 9.3 million in cash. Within the framework of the rights issue, warrants were issued, providing the company with an additional SEK 21.1 million during the second quarter of 2023. A total of SEK 56.3 million was raised during the period up to 30 June.

During the fourth quarter 2023, a fully guaranteed new share issue of SEK 54.3 million, consisting of shares and 2 series of subscription options, was completed. The new share issue provided the company with a net amount of SEK 45,7 million. Subscribers of the preferential rights issue receive, for each Unit, 1 free-of-charge subscription option in each series (TO2 and TO3), which entitles the subscription of 1 share each. The subscription price for both option series is a minimum of SEK 0.25 and a maximum of SEK 0.5. Proceeds from TO2 and TO3 has potential to totally contribute with funds between gross SEK 45,2 to 90,6 million, based on rate of subscription and pricing per option.

During the beginning of the first quarter 2024, the board decided to carry out a directed new share issue equivalent to an expected issuance amount of SEK 33.7 million before deduction of transaction costs. The issuance is subject to a resolution by an extraordinary general meeting on February 21, 2024. The proceeds from the issuance are expected to finance the company from April 2024 through August 2024. Cash and cash equivalents as of December 31, 2023, amounted to SEK 35.1 million.

The Board of Directors works continuously to secure the company's long-term financing to ensure the operation of the business. The company's growth plan is continuously balanced against the financial resources available at any given time. The established growth plan, which is driven by market demand, will require additional financing during 2024, which can be obtained through, for example, loans or issuances of shares.

The company's capitalization and ongoing operations for at least 12 months are expected to be secured through the exercise of option series TO2 and TO3, as well as the implementation of the targeted issuance announced during the first quarter of 2024, as planned. The Board of Directors has a positive view of being able to carry out additional capital raises on favorable terms if required. The company's financial statements have therefore been prepared on a going concern basis. If the planned capital raise cannot be carried out as planned, there is significant uncertainty that means that there are significant doubts regarding the company's ability to continue as a going concern.

Equity

As of December 31, 2023, the consolidated equity amounted to 51,885 kSEK, compared to 51,826 kSEK on December 31, 2022. During the first quarter, a rights issue and a set-off issue were conducted, increasing the share capital by 1,213 kSEK to 3,733 kSEK. In the second quarter, a directed share issue and two subscription option programs were executed, resulting in a combined increase in share capital of 795 kSEK. In the fourth quarter, a rights issue and a set-off issue were registered, further increasing the share capital by 2,843 kSEK. In total, the share capital as of December 31, 2023, amounted to 7,372 kSEK, and the total number of shares was 737,188,816.

Significant risks and uncertainties

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

Acarix is exposed to certain specific risk categories:

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

Further information on risks can be found on page 35 in the Annual Report.

Events after the balance sheet date

- On February 1, the company announced that the board had appointed Aamir Mahmood as the new CEO. Aamir Mahmood succeeds acting CEO Fred Colen and Helen Ljungdahl Round, who has decided not to return to her position later in 2024.
- On February 1, the company announced that the board had decided to carry out a directed new share issue of 181,005,581 shares, corresponding to a subscription amount of approximately 33.7 million SEK before deduction of transaction-related costs. The decision was approved at an extraordinary general meeting on February 21, 2024.
- On February 1, the company announced that the CADScor System has been added to the federal procurement contract in the USA, enabling Veterans Affairs Healthcare (VA) and other federal agencies to more efficiently procure Acarix's CADScor System.
- On February 15, the company announced that Acarix is expanding its USA-based Advisory Board with three new advisors. Ken Nelson is a well-known commercial profile in the heart diagnostics market; Dr. Saumil R. Oza is an experienced cardiologist working within Ascension Medical Group; and Dave Braun is a strategic and customer-focused leader with over 40 years of experience in startup and large corporate environments.
- On March 20, 2024, the board of directors of Acarix AB announced the outcome of warrants issued in connection with Acarix rights issue announced on September 11, 2023. A total of 54,975,781 shares were subscribed and Acarix received approximately SEK 13.7 before issue costs.
- On April 5, 2024, Acarix, announced the submission of an application for cross-trading of the Acarix share on the OTCQB trading platform. Upon approval, Acarix shares will in parallel to its current First North Growth Market listing, be traded with a US ticker symbol and a share price in USD.
- On April 8 Acarix announced the results from a 2024 American College of Cardiology (ACC) poster presentation. Scientists from Massachusetts General Hospital assessed the cost-utility of the CADScor System and the key findings from the study revealed that the "CADScor-First" strategy was economically dominant, leading to substantial cost savings compared to alternative non-invasive cardiac testing methods in low-risk patients presenting to the ED with chest pain.
- On April 11 Acarix announced the adoption of a new innovative usage-based business model in the US market. The strategic decision aims to accelerate growth and establish more predictable reimbursement structures for US customers. Simultaneously, the company revised its financial targets presented in 2021.
- On April 11 Acarix announced the initiation of the first US-based clinical study to collect real-world data to compare workflows between traditional stress tests and the CADScor System. The focus is on identifying non-obstructive Coronary Artery Disease (CAD) in chest pain patients, with the ultimate goal of improving discharge from Emergency Departments and Clinics in the United States.

Information about the share

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

For more information about the stock and its owners, please refer to the section "Stock and Shareholders" on page 25.

Certified advisor

Carnegie Investment Bank AB (publ) serves as the Certified Advisor to Acarix.

Proposed appropriation of the company's profits:

Unrestricted shareholder´s equity in the parent company	SEK
Share premium reserve	376,048,184
Result brought froward	-237,629,775
Result of the year	-76,243,481
Total	**62,174,928**

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

Carry forward	**62,174,928**

Financial information

Group – Consolidated statement of income

kSEK	Note	Year 2023	Year 2022
Revenue	14	6,241	5,822
Cost of goods sold		-944	-1,201
Gross profit		**5,298**	**4,621**
Research and development costs		-28,516	-27,758
Sales, general and administrative costs		-54,334	-53,338
Operating profit	6,7,8	**-77,553**	**-76,475**
Financial income	9	143	14
Financial costs	9	-429	-525
Profit before tax		**-77,839**	**-76,985**
Tax	10	-	-
Net loss for the period		**-77,839**	**-76,985**
Net income attributable to parent company´s shareholders		**-77,839**	**-76,985**
Basic earnings per share (SEK)[1]	11	-0,16	-0,31
Diluted earnings per share (SEK)	11	-0,16	-0,29
Average number of shares, before dilution (thousands)		475,130	251,972
Average number of shares, after dilution (thousands)		475,130	262,085

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

Group – Consolidated statement of comprehensive income

kSEK	Note	Year 2023	Year 2022
Net loss for the period after tax		-77,839	-76,985
Items that may be reclassified to profit or loss			
Foreign currency translation adjustment		-462	2,957
Other comprehensive income for the period, net of tax		-462	2,957
Total comprehensive income for the period, net of tax		**-78,300**	**-74,028**
Total comprehensive income attributable to:			
Oweners of Acarix		-78,300	-74,028

Group – Consolidated statement of financial position

kSEK	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Tangible assets			
Leased assets	7	-	264
Tangible assets		74	159
Total tangible assets		**74**	**423**
Intangible assets			
Acquired rights		3,766	4,065
Development projects, capitalized		8,317	10,798
Total intangible assets	12	**12,083**	**14,863**
Financial assets			
Long term financial receivable	13	431	521
Total financial assets		**431**	**521**
Total fixed assets		**12,588**	**15,807**
Current assets			
Inventory		6,839	5,248
Accounts receivables		1,225	892
Other receivables	15	7,083	36,373
Cash and cash equivalents	16	35,149	11,161
Total current assets		**50,296**	**53,674**
Total assets		**62,884**	**69,481**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
Share capital	17	7,372	2,520
Other contributed capital		592,153	519,559
Reserves		4,110	4,571
Retained earnings		-473,911	-397,840
Result for the period		-77,839	-76,985
Total equity		**51,885**	**51,826**
Current liabilities			
Lease debt	7,20	-	251
Accounts payable	18	4,586	5,751
Other liabilities	19	6,412	11,653
Total current liabilities		**10,998**	**17,655**
Total equity and liabilities		**62,884**	**69,481**

Group - Consolidated statement of changes in quity

kSEK	Share capital	Share premium	Other reserves	Retained earnings	Total shareholders equity
As at January 1, 2023	**2,520**	**519,559**	**4,571**	**-474,825**	**51,826**
Profit/loss for the period	-	-	-	-77,839	-77,839
Other comprehensive income:					
Foreign exchange rate adjustment	-	-	-462	-	-462
Total	**2,520**	**519,559**	**4,110**	**-552,664**	**-26,474**
Transactions with owners:					
Issue of warrants	-	-	-	914	914
Ongoing new share issue	4,852	84,357	-	-	89,209
Costs connected to increase in capital	-	-11,763	-	-	-11,763
At December 31, 2023	**7,372**	**592,153**	**4,110**	**-551,750**	**51,885**
As at January 1, 2022	**2,520**	**494,962**	**1,614**	**-398,552**	**100,545**
Profit/loss for the period	-	-	-	-76,985	-76,985
Other comprehensive income:					
Foreign exchange rate adjustment	-	-	2,957	-	2,957
Total	**2,520**	**494,962**	**4,571**	**-475,537**	**26,517**
Transactions with owners:					
Ongoing new share issue	-	32,748	-	-	32,748
Costs connected to increase in capital	-	-,8,152	-	-	-8,152
Issue of warrants	-	-	-	712	712
At December 31, 2022	**2,520**	**519,559**	**4,571**	**-474,825**	**51,826**

Group – Consolidated statement of cash-flow

kSEK	Note	Year 2023	Year 2022
Operating activities			
Operating result		-77,553	-76,475
Adjustment for depreciation		3,088	3,037
Other non-cash items		-948	1,067
Financial items		-282	-255
Cash-flow before change of working capital		**-75,695**	**-74,760**
Working capital adjustments:			
Change in inventory		-1,824	-1,519
Change in receivables and prepayments		3,455	-322
Change in trade and other payables		-7,303	1,731
Total change in working capital		**-5,672**	**-110**
Cash-flow from operating activities		**-81,366**	**-74,869**
Investing activities			
Investment in fixed assets		-	-151
Cash-flow from investing activities		**-**	**-151**
Financing activities			
Amortization of lease debt	21	-214	-305
Rights issue after deduction of transaction costs		106,443	69,335
Cash flow from financing activities		**106,229**	**69,030**
Cash flow for the period		**24,865**	**-5,989**
Currency translation differences		-876	1,291
Cash and cash equivalents, beginning of period		11,161	15,860
Cash and cash equivalents, end of period		**35,149**	**11,161**

Parent Company – Income statement

kSEK	Note	Year 2023	Year 2022
Other revenues		**3,634**	**7,674**
Sales, general and administrative costs	6,7,8	-14,498	-23,073
Operating result		**-10,865**	**-15,400**
Profit / Loss from shares in group companies		-65,317	-62,118
Financial income	9	50	1
Financial expense	9	-113	-88
Profit before tax		**-76,244**	**-77,605**
Tax		-	-
Net loss for the period		**-76,244**	**-77,605**
Net income attributable to Parent Company's Shareholder		**-76,244**	**-77,605**

Parent Company – Statement of comprehensive income

kSEK	Note	Year 2023	Year 2022
Net loss for the period after tax		-76,244	-77,605
Total comprehensive income for the period, net of tax		**-76,244**	**-77,605**
Total comprehensive income attributable to:			
Owners of Acarix		-76,244	-77,605

Parent Company – Balance sheet

kSEK	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Fixed assets		19	26
Total fixed assets		**19**	**26**
Financial assets			
Paticipations in subsidiaries	22	44,868	44,868
Total financial assets		**44,868**	**44,868**
Current assets			
Other receivables	15	793	33,563
Cash and cash equivalents	16	25,911	731
Total current assets		**26,936**	**34,295**
Total assets		**71,823**	**79,189**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
Share capital	17	7,372	2,520
Other capital contribution		376,048	303,455
Retained earnings		-313,874	-237,630
Total equity		**69,546**	**68,345**
Current liabilities			
Accounts payable	18	612	1,271
Other liabilities	19	1,664	9,573
Total current liabilities		**2,277**	**10,844**
Total equity and liabilities		**71,823**	**79,189**

Parent Company - Statement of changes in equity

kSEK	Share capital	Share premium	Retained earnings	Total shareholders equity
As at January 1, 2023	**2,520**	**303,454**	**-237,630**	**68,344**
Net loss for the period	-	-	-76,244	-76,244
Total comprehensive income	**2,520**	**303,454**	**-313,874**	**-7,900**
Transactions with the owners				
Rights issue	4,852	84,357	-	89,209
Cost related to ongoing rights issue	-	-11,763	-	-11,763
Total transactions with owners	**4,852**	**72,594**	**-**	**77,446**
At December 31, 2023	**7,372**	**376,048**	**-313,874**	**69,546**
As at January 1, 2022	**2,520**	**278,858**	**-160,025**	**121,353**
Net loss for the period	-	-	-77,605	-77,605
Total comprehensive income	2,520	278,858	-237,630	43,748
Transactions with the owners				
Rights issue	-	32,748	-	32,748
Cost related to ongoing rights issue	-	-8,152	-	-8,152
Total transactions with owners	**-**	**24,597**	**-**	**24,597**
At December 31, 2022	**2,520**	**303,455**	**-237,630**	**68,345**

Parent Company - Statement of cash-flow

kSEK	Note	Year 2023	Year 2022
Operating activities			
Operating result		-10,864	-15,400
Adjustment for depreciation		7	6
Other non-cash items		-3,634	-
Financial items		-63	-88
Cash-flow before change of working capital		**-14,554**	**-15,481**
Working capital adjustments:			
Change in receivables and prepayments		680	-89
Change in trade and other payables		-5,707	-2,204
Total change in working capital		**-5,027**	**-2,293**
Cash-flow from operating activities			**-17,774**
Investing activities			
Shareholder contribution		-61,682	-62,118
Cash-flow from investing activities		**-61,682**	**-62,118**
Financing activities			
Rights issue after deduction of transaction costs		106,443	69,335
Cash flow from financing activities		**106,443**	**69,335**
Cash flow for the period		**25,180**	**-10,557**
Cash and cash equivalents, beginning of period		731	11,288
Cash and cash equivalents, end of period		**25,911**	**731**

Notes

Notes

Note 1 Information about the company

Corporate information

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

Acarix-koncernen består av:

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

Note 2 Basis for preparation

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

Note 3 Significant accounting policies

Consolidation

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

Currency

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

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

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

INCOME STATEMENT

Revenue recognition

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

Leasing – the Group as lessor

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

Sales of goods

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

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

Costs

Research and development costs

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

Selling, general and administrative expenses

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

Financial income and expenses

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

Amortization of intangible fixed assets

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

Tax

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

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

Deferred tax is measured according to the statement of financial position liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. The deferred tax is stated based on the planned utilization of the individual asset and the settlement of the individual liability, respectively. Deferred tax assets, including the tax value of loss carry-forwards, are recognized in the statement of financial 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. As of the balance sheet date, there are no deferred tax assets linked to loss carryforwards.

Operating segments

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

STATEMENT OF FINANCIAL POSITION

Development

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

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

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

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

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

Impairment test

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

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

Inventories

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

Receivables

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

Trade receivables

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

Other receivables

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

Cash and cash equivalents

Cash and cash equivalents consist of cash and bank.

Financial liabilities

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

Equity

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

Accounts payable

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

Cash-flow statement

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

EARNINGS PER SHARE

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

SHARES IN SUBSIDIARIES

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

New and amended standards applied by the Group

No standards, amendments and interpretations that have become effective for the financial year beginning January 1, 2023 have had a material impact on Acarix's financial statements.

Leasing

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

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

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

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

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

PARENT COMPANY'S ACCOUNTING POLICIES

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

Note 4 Significant accounting policies, judgements and assumptions

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

Deferred tax assets

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

Development costs

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

At the end of 2023, the carrying amount of capitalized development costs amounted to kSEK 8,317 (10,798).

Impairment of development projects

For ongoing development projects, impairment testing is per-formed at least annually. Impairment tests are based on a DCF model, where cash flows are derived from the budget. The 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 market risk and credit risk. Market risk is the risk that the fair value of future cash flows for a financial instrument will fluctuate due to changes in market prices. The primary type of market risk to which the Group is exposed is exchange rate risk, which is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in exchange rates between DKK, USD and EUR in relation to SEK. This exposure arises primarily from the consolidation of foreign subsidiaries and is not considered material as the majority of transactions take place in the functional currency of each subsidiary. The company does not hedge foreign currency. The Group is minimally exposed to interest rate risks. Since these market risks are minimal, management makes the assessment that a sensitivity analysis is not required.

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

Management of capital and liquidity risk

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

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

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

During the fourth quarter of 2023, a fully guaranteed rights issue of 54.3 million SEK consisting of shares and two series of warrants was completed. The rights issue provided the company with net proceeds of 45.7 million SEK. Subscribers to the rights issue received, for each Unit, one free-of-charge warrant in each series (TO2 and TO3), entitling the holder to subscribe for 1 share each. The subscription price for both warrant series ranges from a minimum of 0.25 SEK to a maximum of 0.5 SEK. Together, warrant series TO2 and TO3 have the potential to provide the company with gross proceeds of between 45.2 – 90.6 million SEK, depending on the subscription rate and pricing per warrant.

During the beginning of the first quarter of 2024, the board of directors decided to carry out a directed new share issue corresponding to an expected proceeds of 33.7 million SEK before deduction of transaction costs. The issuance was resolved at an extraordinary general meeting on February 21, 2024. The proceeds from the issuance are expected to finance the company from April 2024 until August 2024. As of December 31, 2023, the company's liquid assets amount to 35.1 million SEK.

The company's capitalization and continued operations for at least 12 months are expected to be secured through the redemption of option series TO2 and TO3, as well as the implementation of the directed issuance announced during the first quarter of 2024 according to plan.

The Board has a positive outlook on being able to carry out additional capital raisings on favorable terms if needed. The company's financial reports have therefore been prepared on the assumption of a going concern. If the planned capital raising cannot be executed as planned, there is a significant uncertainty that casts doubt on the company's ability to continue its operations.

Note 6 Auditor's fees

Auditor's fees

Group, KSEK	2023	2022
Auditing assignments PwC	994	593
Auditing activities in addition to the auditing assignment PwC	211	45
Tax advise PwC	102	102
Other services PwC	271	186
Total	**1,578**	**925**

Parent Company, kSEK	2023	2022
Auditing assignments PwC 345 316	699	404
Auditing activities in addition to the auditing assignment PwC	211	45
Tax advise PwC	102	102
Other services PwC	271	135
Total	**1,283**	**686**

Note 7 Leasing

Operational leasing

Parent Company, kSEK	2023	2022
Lease cost for renting offices	191	297
Leasing costs for cars	55	163
Future lease payments pertaining to non-cancelable leases were as follows:		
Within 6 months	67	128
Between 6-12 months	25	57
Later than 1 year and within 2 years	-	0

Group, kSEK	2023	2022
Assets and rights of use		
Office rental	-	-
Leasing of cars	-	278
Total	**-**	**278**
Leasing debt		
Short term	-	251
Long term	-	-
Total	**-**	**251**
Depreciation of rights of use		
Office rental 4	-	-
Leasing of cars	199	296
Total	**199**	**296**
Interest expense related to leasing agreements	**4**	**14**
Costs related to short Short term lease	**191**	**297**

Note 8 Personnel costs for the employees

Personnel costs for employees

Group, kSEK	2023	2022
Wages and salaries	26,881	25,381
Bonus	1,699	646
Pension	1,270	1,648
Social security	2,882	3,521
Total	**32,732**	**31,196**
Total remuneration and benefit for Group Management		
Wages and salaries	13,103	8,529
Bonus	620	247
Pension	1,134	616
Social security	1,560	1,197
Total	**16,417**	**10,590**
Parent Company, kSEK		
Average number of employees (FTE)	17	18
Men	10	11
Women	6	7
Other executive management	7	4
Number of employees at year-end (FTE)	**14**	**20[1],**

1) The number of employees in Sweden amounted to 2, Denmark 4, USA 6, and Germany 2 at the end of the year.
The executive management includes one consultant.

Pension

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

Parent Company, kSEK	2023	2022
Wages and salaries	2,975	6,173
Bonus	-	-
Pension	249	1,025
Social security	1,019	2,209
Total	**4,243**	**9,408**
Total remuneration and benefit for Group Management		
Wages and salaries	1,823	2,793
Bonus	-	-
Pension	275	436
Social security	650	988
Total	**2,748**	**4,218**
Parent Company, kSEK		
Average number of employees (FTE)	2	4
Men	2	4
Women	0	0
Other executive management	1	1
Number of employees at year-end (FTE)	**2**	**2**

Warrant Program 2021/2025

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

The incentive program 2021/2025 for board members consists of the issuance of up to 2,000,000 subscription warrants, with each warrant entitling the holder to purchase one share during the exercise period from June 1, 2025, to August 31, 2025. The subscription price for the shares, before any share issue, related to the warrant program is 2.25 SEK.

A market-based pricing model was used in connection with the warrant offering. The term of the incentive program is 4 years.

Employee stock option program 2021/2024

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

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

Granted employee stock options vest over three years as follows:

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

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

The employee stock options shall be granted free of charge. The salary costs for the options are estimated to approximately SEK 1,700,000, including social costs during the period 2021–2024. In 2023, SEK 534 thousand has been charged to earnings.

Employee stock option program 2022/2026

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

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

Granted employee stock options vest over three years as follows:

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

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

The employee stock options shall be granted free of charge. The accounting salary costs for the options are estimated to amount to a total of approximately SEK 1,605,000 including social security costs during the period 2021–2024. In 2023, SEK 380 thousand has been charged to earnings.

Remuneration of board of directors and management, 2023, kSEK	Director's fee/ Base salary	Director's additional services	Bonus	Pension costs	Other social security costs	Total
Philip Siberg	400	-	-	-	126	526
Fredrik Buch	200	-	-	-	63	263
Ulf Rosén	200	-	-	-	20	220
Marlou Janssen	200	-	-	-	63	263
Mikael Thorén	117	-	-	-	37	153
Total Board of Directors	**1,117**	**-**	**-**	**-**	**309**	**1,426**
Helen Round Ljungdahl, CEO	2,570	-	-	240	247	3,057
Other Executive Management (6)	*10,532*	-	*620*	*894*	*1,313*	*13,360*
Total Executive Management	**13,103**	**-**	**620**	**1,134**	**1,560**	**16,417**
Total	**14,219**	**-**	**620**	**1,134**	**1,869**	**17,842**

CEO Helen Ljungdahl was on sick leave from October 1, 2023, for cancer treatment for an expected period of about six months.

The board appointed Fred Colen as acting CEO during Helen's sick leave. Compensation for Fred Colen amounted to 1,550 kSEK (USD 145,000) by the end of the year, included under the category of Other Executive Management.

On February 1, 2024, Aamir Mahmood was appointed as the new permanent CEO, assuming the position on the same day. Aamir succeeded acting CEO Fred Colen, and Helen Ljungdahl Round, who decided not to return to her position later in 2024.

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

Terms of termination

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

Variable remuneration for the CEO and other management team

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

Note 9 Financial income and expenses

Financial items

Group, kSEK	2023	2022
Interest income	31	14
Exchange rate income	112	260
Interest expenses	-132	-163
Exchange rate losses	-297	-622
Total	**-286**	**-511**

Financial items

Parent Company, kSEK	2023	2022
Interest income	12	1
Interest expenses	-10	-5
Exchange rate losses	-65	-83
Total	**-63**	**-87**

Note 10 Tax on profit for the year

Group, kSEK	2023	2022
Current income tax	-	-
Deferred tax	-	-
Total reported tax expense in the Group	**-**	**-**

Reconciliation of tax

Group, kSEK	2023	2022
Reported result before tax	-77,839	-76,985
Statutory income tax rate 20,6%	16,035	15,859
Adjustments for effects of:		
Tax effect of non-deductible expenses	-124	-22
Tax effect of unrecorded deductible expenses	2,423	1,679
Temporary differences, not capitalised	-633	-618
Effect of foreign tax rates	424	417
Uncapitalised losses	-18,126	-17,316
Other	-	-
Reported effective tax	**0**	**0**
Effective tax rate	**0.0%**	**0.0%**

Parent Company, kSEK	2023	2022
Current tax	-	-
Deferred tax	-	-
Tax on profit for the year	**-**	**-**

Reconciliation of effective tax

Parent Company, kSEK	2023	2022
Reported result before tax	-76,244	-77,605
Statutory income tax rate 20.6%	15,706	15,987
Adjustments for effects of:		
Tax effect of non-deductible expenses	-13,459	-12,818
Tax effect of unrecorded deductible expenses	2,423	1,679
Uncapitalised losses	-4,670	-4,848
Reported effective tax	**0**	**0**
Effective tax rate	**0.0%**	**0.0%**

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

Group, kSEK	2023	2022
Loss carry-forwards	105,399	88,353
Intangible assets	-2,570	-3,200
Leasing IFRS 16	-	-
Total unrecognised deferred tax assets (net)	**102,829**	**85,153**

Parent Company, kSEK	2023	2022
Loss carry-forwards	26,373	21,713
Intangible assets	-	-
Total unrecognised deferred tax assets (net)	**26,373**	**21,713**

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

Note 11 Result per share

Earnings per share	2023	2022
Earnings per share before dilution		
Net loss for the year	-77,839	-76,985
Weighted average number of ordinary shares for measuring fundamental EPS	475,131	251,972
Earnings per share before dilution	**-0.16**	**-0.31**
Earnings per share after dilution		
Net loss for the year	-77,839	-76,985
Weighted average number of ordinary shares for measuring fundamental EPS	475,131	262,085
Earnings per share before dilution	**-0.16**	**-0.29**

Note 12 Intangible assets

Group, 2023, kSEK	Acquired rights	Development costs	Total
Cost at January 1, 2023	**6,434**	**24,448**	**30,882**
Foreign currency translation adjustment	-25	-107	**-132**
Cost at December 31, 2023	**6,409**	**24,341**	**30,750**
Amortization and impairment at January 1, 2023	**-2,369**	**-13,651**	**-16,020**
Amortization	-289	-2,503	-2,792
Foreign currency translation adjustment	15	129	144
Amortization and impairment losses at December 31, 2023	**-2,643**	**-16,025**	**-18,668**
Carrying amount at December 31, 20233	**3,766**	**8,317**	**12,083**

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

Development projects are related to the development of CADScorSystem (acoustic cardiovascular diagnostic method) that documents heart sounds and noise for calculating a patient's specific score in order to determine the patient's risk of suffering from coronary artery disease. During the second quarter of 2017, CADScorSystem was introduced to the market and the first sales orders were received. The capitalization of development costs ceased when the product was ready to market in the second quarter of 2017 and the amortization of capitalized development costs began. Management estimates that the useful life of development projects is ten years. These assets are tested for impairment when events or changes in circumstances indicate that the carrying amount exceeds the recoverable amount. Development projects have been tested for impairment in December 2023. The impairment tests are based on management's budget and estimates of expected sales and expected costs in accordance with established forecasts for the next 10 years. These forecasts are based on expected future developments as well as management's assessment of market developments. The impairment test includes a discounting factor for WACC (Weighted Average Cost of Capital) of 20 percent (20) and a perpetual growth rate of 3 percent (3). Under the assumptions presented above, value in use exceeds the carrying amount of the cash-generating unit. An increase in WACC by 2 percentage points would not generate any impairment need.

Note 13 Leases receivables

kSEK	2023	2022
Long-term receivables		
Financial leasing - gross	437	531
Unearned financial income	-6	-10
Total long term receivables	**431**	**521**
Current receivables		
Financial leasing - gross	834	512
Unearned financial income	-46	-34
Total short term receivables	**789**	**478**
Gross receivables finansial leasing		
Within 1 year	789	478
Between 1 and 5 years	431	521
More than 5 years	-	-
Unearned financial income from financial leasing		
Net investments in financial leasing	-52	-43
The net investments in financial leasing is distributed as follows		
Within 1 year	-46	-34
Between 1 and 5 years	-6	-10
More than 5 years	-	-

Note 14 Segment reporting

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

	Net sales		Intangible assest	
kSEK	2023	2022	2023	2022
Germany	2,230	3,328	-	-
USA	3,643	1,819	-	-
Sweden	185	394	-	-
Denmark	-	-	12,083	14,863
Austria	32	154	-	-
UK		118	-	-
Other	151	9	-	-
Total	**6,241**	**5,822**	**12,083**	**14,863**

Note 15 Other receivables

Other receivables

Group, kSEK	2023	2022
VAT	4,915	457
Deposit	147	148
Prepaid expenses	1,183	2,542
Financial receivable	838	478
Receivables from ongoing new share issue	-	32,748
	7,083	**36,373**

Parent Company, kSEK	2023	2022
VAT	658	457
Prepaid expenses	135	358
Receivables from ongoing new share issue	-	32,748
	793	**33 563**

Note 16 Cash and bank equivalents

Group, kSEK	2023	2022
Bank balances	30,617	6,614
General pledging of bank deposits	4,520	4,540
Cash	12	7
On December 31	**35,149**	**11,161**

Parent Company, kSEK	2023	2022
Bank balances	25,861	681
General pledging of bank deposits	50	50
On December 31	**25,911**	**731**

Note 17 Share capital

Share capital		Shares	Share capital
Total December, 2015		**19,403,820**	**23,989**
Konvertering av lån, A1 aktier	July 2016	3,362,847	4,342
Förvärv av moderbolag Acarix AB	September 2016	500,000	500
Apportemission, Y1 aktier	September 2016	162,162	209
Nyemission, A1 aktier	October 2016	2,000,000	2,656
Konvertering av lån, A1 aktier	November 2016	902,586	1,185
Nyemission, Y1 aktier	November 2016	4,000	5
Tidigare ägares apportegendom i Acarix A/S	December 2016	-25,835,415	-32,386
Apportemission	December 2016	15,067,376	15,067
Reduktion av aktiekapital i Acarix AB	December 2016	-500,000	-500
Nyemission i samband med IPO	December 2016	7,960,000	7,960
Nyemission	November 2019	28,666,667	28,667
Nedsättning av aktiekapita	August 2020	-	-51,177
Nyemission	September 2020	89,351,394	894
Nyemission	January 2022	105,784,077	1,058
Kvittningsemission	January 2022	5,142,680	51
Nyemission	January 2023	116,958,915	1,170
Kvittningsemission	January 2023	4,400,000	44
Nyemission	April 2023	18,757,443	188
Nyemission	April 2023	2,300,000	23
Nyemission	May 2023	7,198,853	72
Teckningsoption	Juni 2023	51,280,605	512
Nyemission	September 2023	150,000,000	1,500
Nyemission	November 2023	121,720,806	1,217
Nyemission	November 2023	12,600,000	126
Totalt December, 2023		**737,188,816**	**7,372**

The quota value amounted to SEK 0.01 on 31 December 2023.

On February 1, 2024, the board of directors decided to carry out a directed share issue of 181,005,581 shares at a subscription price of 0.186 per share, as determined by the board based on negotiations with investors at arm's length and to be paid in cash. Subscribers in the directed share issue consist of a group of reputable new US shareholders, all of whom have expressed a long-term commitment to the Company.

Note 18 Account payable

Group, kSEK	2023	2022
Accounts payable	4,586	5,751
	4,586	**5,751**

Parent Company, kSEK	2023	2022
Accounts payable	612	1,271
	612	**1,271**

Note 19 Other liabilities

Group, kSEK	2023	2022
Accrued personnel-related expenses	1,359	1,861
Other accrued costs	5,053	9,792
On December 31	**6,412**	**11,653**

Parent Company, kSEK	2023	1022
Accrued personnel-related expenses	1,008	859
Other accrued costs	656	8,714
On December 31	**1,664**	**9,573**

Note 20 Maturity statement for derivate financial liabilities

2023

Time interval; months	0-3	3-6	6-9	9-12	>12	Total
Accounts payable	4,586	-	-	-	-	**4,586**
Leasing debt	-	-	-	-	-	-
	4,586	**-**	**-**	**-**	**-**	**4,586**

2022

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

Note 21 Leasing debt

Lease liability 2023-12-31	2021-12-31	Additional lease contracts	Amortization (financing activities)	Paid interests (operating activities)	Currency translation	Discount	Other	Lease liability 2022-12-31
Leasing debt	252	-	-214	-4	-62	28	-	0

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

Note 22 Shares in subsidiaries

Parent Company, kSEK	2023	2022
Acquisition value	260,426	198,308
Shareholder contribution	65,317	62,118
Closing acquisition value at December 31	**325,743**	**260,426**
Impairment loss for the year	-215,558	-153,440
Impairment for the year	-65,317	-62,118
Carrying amount at December 31	**44,868**	**44,868**

The company's holdings of participations in Group companies

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

Name of company	Reg Nr	Domicile	Result (kSEK)	Equity (kSEK)
Acarix A/S	32648223	Hellerup, Denmark	-34,452	-5,539
Acarix GmbH	HRB88101	Cologne, Germany	94	30,612
Acarix Incentive AB	559102-0044	Malmö, Sweden	0	50
Acarix USA Inc.	37-2013718	New York, USA	-31,633	1,834
Acarix GmbH	ATU73943307	Vienna, Austria	0	226

Note 23 Related parties

Related parties consist of board members and other senior executives.

The board appointed Fred Colen as acting CEO during Helen's sick leave. Compensation for Fred Colen during the period from October to December 2023 amounted to 1,550 kSEK (USD 145,000) and is included under the item "Other executive management" in note 8.

For further information, please refer to note 8.

Note 24 Significant events after the year-end

On February 1, the company announced that the board had appointed Aamir Mahmood as the new CEO. Aamir Mahmood succeeds acting CEO Fred Colen and Helen Ljungdahl Round, who has decided not to return to her position later in 2024.

On February 1, the company announced that the board had decided to carry out a directed new share issue of 181,005,581 shares, corresponding to a subscription amount of approximately 33.7 million SEK before deduction of transaction-related costs. The decision was approved at an extraordinary general meeting on February 21, 2024.

On February 1, the company announced that the CADScor System has been added to the federal procurement contract in the USA, enabling Veterans Affairs Healthcare (VA) and other federal agencies to more efficiently procure Acarix's CADScor System.

On February 15, the company announced that Acarix is expanding its USA-based Advisory Board with three new advisors. Ken Nelson is a well-known commercial profile in the heart diagnostics market; Dr. Saumil R. Oza is an experienced cardiologist working within Ascension Medical Group; and Dave Braun is a strategic and customer-focused leader with over 40 years of experience in startup and large corporate environments.

On March 20, 2024, the board of directors of Acarix AB announced the outcome of warrants issued in connection with Acarix rights issue announced on September 11, 2023. A total of 54,975,781 shares were subscribed and Acarix received approximately SEK 13.7 before issue costs.

On April 5, 2024, Acarix, announced the submission of an application for cross-trading of the Acarix share on the OTCQB trading platform. Upon approval, Acarix shares will in parallel to its current First North Growth Market listing, be traded with a US ticker symbol and a share price in USD.

On April 8 Acarix announced the results from a 2024 American College of Cardiology (ACC) poster presentation. Scientists from Massachusetts General Hospital assessed the cost-utility of the CADScor System and the key findings from the study revealed that the "CADScor-First" strategy was economically dominant, leading to substantial cost savings compared to alternative non-invasive cardiac testing methods in low-risk patients presenting to the ED with chest pain.

On April 11 Acarix announced the adoption of a new innovative usage-based business model in the US market. The strategic decision aims to accelerate growth and establish more predictable reimbursement structures for US customers. Simultaneously, the company revised its financial targets presented in 2021.

On April 11 Acarix announced the initiation of the first US-based clinical study to collect real-world data to compare workflows between traditional stress tests and the CADScor System. The focus is on identifying non-obstructive Coronary Artery Disease (CAD) in chest pain patients, with the ultimate goal of improving discharge from Emergency Departments and Clinics in the United States.

Note 25 Pledged securities and guarantees

The Group and the Parent Company

Acarix A/S has issued a bank guarantee of kSEK 4,470 (kDKK 3,000) to subcontractor Paul E. Danchell A/S as security for orders of components for CADScorSystem.

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

Note 26 Proposed appropriation of profits

Unrestricted shareholder's equity in the parent company	SEK
Share premium reserve	376,048,184
Result brought forward	-237,629,775
Result for the year	-76,243,481
Total	**62,174,928**

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

Carry forward	**62,174,928**

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 22, 2024

Executive management

Aamir Mahmood
CEO

Board of directors

Philip Siberg
Chairman of the Board

Fredrik Buch
Board Member

Mikael Thorén
Board Member

Marlou Janssen-Counotte
Board Member

Ulf Rosén
Board Member

Our audit opinion was issued on April 22, 2024
Öhrlings PricewaterhouseCoopers AB

Cecilia Andrén Dorselius
Authorized Public Accountant
Auditor in Charge

Alexander Ståhl
Authorized Public Accountant

Auditor's report

Unofficial translation

To the general meeting of the shareholders of Acarix AB (publ), corporate identity number 5559009-0667

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 2023. The annual accounts and consolidated accounts of the company are included on pages 43-70 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2023 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 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act.. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Basis for Opinions

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

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

Material uncertainty related to going concern

Without qualifying our opinion, we would like to draw attention to section "Cash flow and Financial position" in the administration report and Note 5 "Financial risks", where it is described that the Group has not sufficient financing for the business for the following 12 months from 31 December 2023. At the time of issuing our audit report, financing has not been secured. These conditions indicate that there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-27, 34-42 and 73. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

Responsibilities of the Board of Director's and the Managing Director

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

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director 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 Director's and the Managing Director of Acarix AB (publ) for the year 2023 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 Director's 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 Director's 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' equity, consolidation requirements, liquidity and position in general.

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

Auditor's responsibility

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

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

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

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

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

Malmö 22 April 2024

Öhrlings PricewaterhouseCoopers AB

Cecilia Andrén Dorselius
Authorized Public Accountant
Auditor in Charge

Alexander Ståhl
Authorized Public Accountant

Glossary

Arteries

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

Auscultation

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

Pharmacological provocation

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

Free radicals

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

Smooth muscles

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

Invasive

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

Isotope

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

Cardiology

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

Catheter

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

Collagen

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

Coronary arteries

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

Lipids

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

Macrophages

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

Myocardium

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

Oxidation

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

Transducer

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

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