

Annual Report 2023

Content

3	Summary of the Annual Report
5	AcouSort at a glance
6	CEO comments
8	Shareholder interview
11	Strategy
12	Diagnostics
13	Cell therapy
14	Innovation
15	AcouSort's research collaborations
16	AcouSort's products
17	Share capital and ownership
18	Board and CEO
19	Directors' Report
21	Financial Statements – Group
25	Financial Statements – Parent Company
29	Notes to the Financial Statements
35	Declaration by the Board of Directors and the CEO
36	Auditor's Report
38	Other information



Targeted Cell Therapy – Conceptual Illustration

Summary of the Annual Report



SIGNIFICANT EVENTS DURING THE FIRST QUARTER

- On January 19, AcouSort announces that the Company has delivered a prototype system for stem cell separations to its Blue4Therapy project partner BlueCell Therapeutics.
- On January 20, AcouSort announces that the first part of the cell therapy project announced in November is now successfully finalized. The two companies have jointly decided to extend the collaboration with a second phase generating revenues of EUR 130,000 to AcouSort in 2023.
- On February 8, AcouSort announces that the collaboration agreement together with an international Japanese Life Science company has been extended to allow final evaluation of the developed assay using clinical samples.
- On March 3, AcouSort announces that the Company has updated its strategy to meet a rising demand for automated cell processing solutions from the cell therapy market.



SIGNIFICANT EVENTS DURING THE SECOND QUARTER

- On April 3, AcouSort announces that the stem cell therapy project Blue4Therapy has been brought to a highly successful close.
- On April 14, AcouSort announces that the Company has leased an AcouWash system to a Czech research group investigating fish sperm refinement.
- On April 21, AcouSort announces that the Company for the third time has been selected by the EIC for participation in a leading medical exhibition.
- On April 26, AcouSort announces that the prestigious US National Institute of Health (NIH) has ordered an AcouWash 2 system, thereby becoming a returning customer. In 2017, the NIH purchased the first AcouWash prototype for the cell wash process in a new monitoring method for cancer treatments.
- On May 15, AcouSort announces that the Company expands its reach through a new collaboration with a leading Life Science company developing flow cytometers.
- On May 22, AcouSort announces the launch of the next generation AcouTrap at CYTO 2023. The new AcouTrap 3 system comes with improved design and an updated and intuitive software graphical user interface. AcouSort also presents two new trapping units with improved performance.
- On June 7, AcouSort announces that the Company has delivered a modified AcouWash 2 system to Lund University, where it will be used to separate circulating tumor cells from white blood cells.



SIGNIFICANT EVENTS DURING THE THIRD QUARTER

- On July 5, AcouSort announces that the cell therapy collaboration with a leading global Life Science company continues to expand. The partnering company has ordered an evaluation setup with the aim to in more detail explore the robustness and adaptability of AcouSort's AcouWash technology.
- On August 7, AcouSort announces that the Company has been invited to give a lecture at the Acoustofluidics conference, an international event gathering researchers working with all different aspects of acoustofluidics and its applications within Life Sciences.
- On September 1, AcouSort announces that the Company has delivered an AcouTrap system to Karolinska Institutet to be used for automated isolation and wash of stem cells as part of the successful IndiCell project.
- On September 14, AcouSort announces that the Company has been selected to participate in the yearly NIH Research Festival arranged by the prestigious American National Institute of Health (NIH).
- On September 29, AcouSort announces that the Company will exhibit and present its technology in two poster presentations at the international conference μ TAS 2023.



SIGNIFICANT EVENTS DURING THE FOURTH QUARTER

- On October 16, AcouSort announces that the Company has delivered a test system for automated cell handling within cell therapy as part of the Company's collaboration with a global Life Science partner. The partner will now evaluate the system and investigate a potential integration into their new cell therapy production system.
- On October 25, AcouSort announces that the Company has published proof-of-concept data demonstrating that the newly developed high-throughput test system meets important requirements for cell therapy applications.
- On November 7, AcouSort announces that the Board of Directors has resolved on a rights issue of units of approximately SEK 24.8 million.
- On November 30, AcouSort announces that the Company changes its Certified Adviser to Carnegie Investment Bank AB (publ).
- On December 4, AcouSort announces that the rights issue has been fully subscribed. Through the Rights Issue, AcouSort is thus receiving approximately SEK 24.8 million before transaction costs. In the event of full exercise of all series TO 2 warrants within the issued units, the Company may receive an additional approximately SEK 11.6 million.
- On December 11, AcouSort announces that the Company and its partner within critical care diagnostics have updated their collaboration agreement. The updated agreement follows the FDA approval in the fall of 2023 for the partnering company's next generation point-of-care diagnostic system containing AcouSort's acoustofluidics technology. Minimum revenues from the partnership in 2024 are expected to reach approximately SEK 3.5 million.
- On December 19, Acousort announces that the Board of Directors resolves to repurchase Warrants of series 2020/2023.



SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- On January 16, AcouSort announces that the Company will attend the Phacilitate Advanced Therapies Week to extend its cell therapy network.
- On January 18, AcouSort announces that the Company extends its collaboration with a leading cell therapy company into a third project phase. The new assignment will generate revenues of at least SEK 485,000 in 2024.
- On January 31, AcouSort announces that significant technical progress in the AcouSome project has been achieved with two novel patent applications filed.



FINANCIAL SUMMARY

The "Company" or "AcouSort" refers to AcouSort AB (publ) with corporate registration number 556824-1037.

2023 for the Group

- Net sales amounted to TSEK 5,534 (4,963)
- Result before tax amounted to TSEK -17,089 (-13,780)
- Result per share* was SEK -1.29 (-1.04)
- Equity ratio** amounted to 70% (46%) on December 31, 2023

2023 for the Parent company

- Net sales amounted to TSEK 5,496 (4,963)
- Result before tax amounted to TSEK -13,952 (-12,908)
- Result per share* was SEK -1.05 (-0.98)
- Equity ratio** amounted to 73% (47%) on December 31, 2023

* Earnings/loss per share: Profit/loss for the period divided by 13,294,246 shares, which is the average number of shares in 2023. In the previous year, the number was 13,202,285 shares.

** Equity ratio: Equity divided by total capital.

NOTE TO THE READER

Amounts in parentheses refer to corresponding period of the previous year.

AcouSort at a glance

AcouSort is an innovative medical technology company developing critical components for instrumentation used in the diagnostics, analytics, and cell therapy processing markets. AcouSort's components allow for automated refinement of biological samples such as blood or cell preparations, providing instrumentation manufacturers with a state-of-the-art ability to integrate sample processing steps that traditionally have to be performed manually.

OUR VISION & MISSION

Our vision is to improve healthcare impact and save lives across the globe by enabling more and better healthcare, faster! Our mission is to lead and drive the development and implementation of a new gold standard for automated sample preparation in clinical research, diagnostics and therapeutics. By providing solutions that radically change the way healthcare is provided today, we remove the bottlenecks for tomorrow's standard of care.

To realize our vision, AcouSort's main goals are:

- Support biomarker discovery and diagnostic assay development for critically ill patients with high sense of urgency
- Enable significant growth of the point-of-care market across healthcare sectors
- Streamline and automate cell processing to allow cell therapeutics to become broadly accessible
- Stay in the forefront of the acoustofluidics technology by continuously engaging in R&D activities

By pursuing these goals, AcouSort aims to become the leading supplier of acoustofluidic sample preparation solutions for the healthcare market.

OUR STRATEGY & BUSINESS CONCEPT

AcouSort's strategy is to use our innovative technology to revolutionize today's healthcare by providing a solution to automate and integrate sample processing steps, allowing for a new generation of medical devices to be developed. Through collaborations with leading Life Science companies our integrated technology will eliminate manual handling steps while saving time, money, and ultimately – lives.

Our commercialization strategy builds on our validated OEM business model offering sample preparation modules and solutions to providers of Life Science research instrumentation, diagnostic equipment, and therapeutic systems. Through close collaborations we develop customized solutions tailored to our partner's needs. AcouSort holds an ISO13485 certificate for the design, development, and manufacturing of components for the Medical Device industry.

To simplify evaluation of the technology, we have integrated our OEM components into user-friendly benchtop systems serving as innovation platforms for our partners. The systems are also used for sample preparation within research and assay development.

OUR TECHNOLOGY

AcouSort's core technology is acoustofluidics – a combination of sound waves (acousto) and microfluidics. Microfluidics allow for precise control of liquids while acoustics gives us the ability to move particles of different biophysical properties. By combining the two technologies, we have the unique ability to move target cell types from one liquid to another. This allows us to fractionate the different components in a blood sample, isolate extracellular vesicles or wash cells to remove contaminants, without having any physical contact with the sample. As the technology is gentle and rapid, it provides a competitive alternative to conventional processing techniques such as centrifugation or filtration. By using acoustofluidics, AcouSort can streamline sample processing for a wide range of applications – from biomarker discovery in basic research, to preparation of clinical blood samples prior to analysis, or sample purification in cell therapy manufacturing.

AcouSort's core technology builds on more than 20 years of acoustofluidic research and development headed by Thomas Laurell, professor at Lund University at the Department of Biomedical Engineering and co-founder and board member of AcouSort.

AcouSort through the years

2010	2016	2017	2018	2019	2020	2021	2022	2023
<ul style="list-style-type: none"> • AcouSort is founded 	<ul style="list-style-type: none"> • Transformed from a project-based company to a fully functional organization 	<ul style="list-style-type: none"> • Listed at Aktietorget (now Spotlight) 	<ul style="list-style-type: none"> • Distribution and license agreement with IL/Werfen • AcouSort Inc. founded • AcouWash launched • AcouTrap 2 launched 	<ul style="list-style-type: none"> • First systems placed in Japan and Korea 	<ul style="list-style-type: none"> • Changed trading venue to Nasdaq First North Growth Market • Received ISO13485 certification 	<ul style="list-style-type: none"> • AcouWash 2 launched • First OEM product AcouPlasmaOptical launched 	<ul style="list-style-type: none"> • Increased commercial focus targeting the cell therapy market 	<ul style="list-style-type: none"> • EUR 12.5M in EU funding for the AcouSome project • AcouTrap 3 launched • First regulatory approved commercial OEM module

CEO COMMENTS

Strategic advancements verify our research-to-OEM strategy

2023 was a successful year in many respects. AcouSort's first partner within diagnostics achieved regulatory approval in both the US and Europe for a point-of-care system containing AcouSort technology, an important validation of our technology as well as our business model. We also experienced a very positive development in our collaboration with a leading company within cell therapy production, and the AcouSome project made significant headway during the year. However, sales of benchtop systems were below expectations. This will be met with more focused customer relations. In November, AcouSort carried out a fully subscribed rights issue and received SEK 24.8 million before transaction costs. For the full year, total income amounted to SEK 10.6 (8.6) million, corresponding to a growth of 23% compared to 2022.

DIAGNOSTICS – A HISTORICAL MILESTONE

One of the absolute highlights of 2023 was that our partner within critical care diagnostics received market approval in the US and in EU for their next generation diagnostics system containing AcouSort technology. With this milestone, our first partnership has now entered into its commercial phase validating our OEM business model. The strength in our unique technology and our commercial progress fills us with confidence and energy as we continue to seek further OEM deals through our from-research-to-OEM approach.

During fall of 2023 AcouSort and the diagnostic partner updated the collaboration agreement following the regulatory approvals and forthcoming launch of the partnering company's novel diagnostic system containing AcouSort technology. Minimum royalties from the partnership will be SEK 3.55 million in 2024. Since our technology in the system is semi-disposable, we expect to see growth in revenue as the installed base of our partner's system grows. Both minimum and per product royalties are index-adjusted going forward.

The FDA and IVDR approvals validate our technology and greatly strengthens our market position across all discussions with potential partners.

Strategic collaboration with academia. During 2023 we continued to pursue important collaborations with our partners in academia. We delivered one AcouWash system to the Faculty of Medicine at the University of Porto, Portugal, where it will be used in a research project which aims to develop new methods to isolate, detect and characterize cancer cells in urine samples. A second AcouWash system was delivered to NIH to enable the researchers to continue the development of automated radio-labelling methods for monitoring cancer treatments. During the year we also continued our successful collaboration with Lund University in a project concerning isolation of circulating tumor cells. Applied research projects as the ones described above are important steps towards developing novel diagnostic tools. Partnering with academia continues to be important to AcouSort as collaborations with leading scientists pushes us to continuously expand the boundaries of what our technology can achieve.

CELL THERAPY – CONTINUES TO GROW IN IMPORTANCE

In 2023, cell therapy emerged as a very important market for AcouSort. During the year, our collaboration with a global Life Science company developed very favorably, reaching an important milestone in October with the delivery of a test system for automated high throughput cell handling. The test system



is designed to meet the partnering company's specifications enabling the partner to pursue important verification tests concerning the robustness and integrability of the technology. The collaboration has continued in 2024 with an ambition to widen the applicability of AcouSort technology to cover all cell washing and up-concentration steps required. If successful, this represents a very important step towards implementing AcouSort OEM components into the partnering company's future cell therapy system.

The high throughput cell wash OEM modules resolve an important bottleneck for designing closed cell therapy systems, but we also see opportunities to transfer the technological advancement of significantly increased throughput to other separation-based OEM applications.

Strategic collaboration with academia. In 2023, we installed an AcouTrap system at Karolinska Institutet as part of the Vinnova-funded IndiCell project. The system will be used throughout the remainder of the IndiCell project to automate the isolation and wash of stem cells used in the research efforts to develop new stem cell-based therapies.

INNOVATION – SIGNIFICANT TECHNICAL PROGRESS IN THE ACOUSOME PROJECT

In August 2022, the European Innovation Council (EIC) awarded the AcouSome project SEK 26 million to develop groundbreaking technology enabling exosome-based diagnostics. The aim of the

project is to develop a low cost acoustofluidic thin film actuated chip for separation of extracellular vesicles from blood. Initiated in the beginning of 2023, the innovation project has already made significant technical progress resulting in the development of two novel patent applications.

Of the SEK 26 million granted by the EIC, SEK 12.2 million go directly to AcouSort, and the remainder of the funding is distributed to AcouSort's partners Lund University, DTU, and DayOne. The project will run for 36 months and is fully funded by the EIC.

SUCCESSFUL RIGHTS ISSUE

In December 2023, AcouSort completed a fully subscribed rights issue providing AcouSort with approximately SEK 24.8 million before transaction costs. In the event of full exercise of all series TO 2 warrants within the issued units, AcouSort may receive an additional SEK 11.6 million in March 2025.

I would like to thank all our loyal shareholders as well as all new shareholders who took part in the rights issue for your confidence and invaluable support.

OUTLOOK

In 2024, we will build on our strategic advances within diagnostics and cell therapy. Our research-to-OEM strategy has proved to be successful, and we will increase our efforts to become a preferred supplier to partners within the diagnostic and cell therapy markets. Developing OEM-partnerships is a process which requires

a number of years before a steady stream of revenue can be achieved. To strengthen our current cashflow, we will intensify our efforts to increase sales of our benchtop systems by establishing strategic collaborations with Key Opinion Leaders (KOL) to generate further external verifications of the AcouTrap system for exosome and extracellular vesicle processing. We are currently in discussions with two potential collaboration partners in North America and one in Europe. If everything goes according to plan, we will place AcouTrap systems at all three locations during H1, 2024.

Torsten Freltoft – CEO
ACOUSORT AB

Shareholder interview with AcouSort's Commercial Director Agnes Michanek and CEO Torsten Freltoft

One characteristic of AcouSort is our knowledgeable and active shareholders. Before we dive into the questions that we have received from our shareholder community, we would like to take this opportunity to let all of you know how much we appreciate your continued support. Together we have the opportunity to develop AcouSort into an important player in the Life Science industry. The questions in the interview center around important areas such as cell therapy opportunities, the potential of AcouPlasmaOptical, in-roads to the flow cytometry market, and developing sales of our benchtop research systems. We hope you will enjoy it!

*Wishing you all the best,
Agnes Michanek, Commercial Director and Torsten Freltoft, CEO*

Agnes Michanek, Commercial Director

It seems like the area of advanced cell therapies is one of the most dynamic and promising market areas that AcouSort is addressing. From your communication, we understand that you are already quite far in collaborating with one of the global Life Science companies in this field. Would you be able to elaborate a little on your expectations or strategy for this evolving business area in terms of expected timelines, potential exclusivity, and business potential?

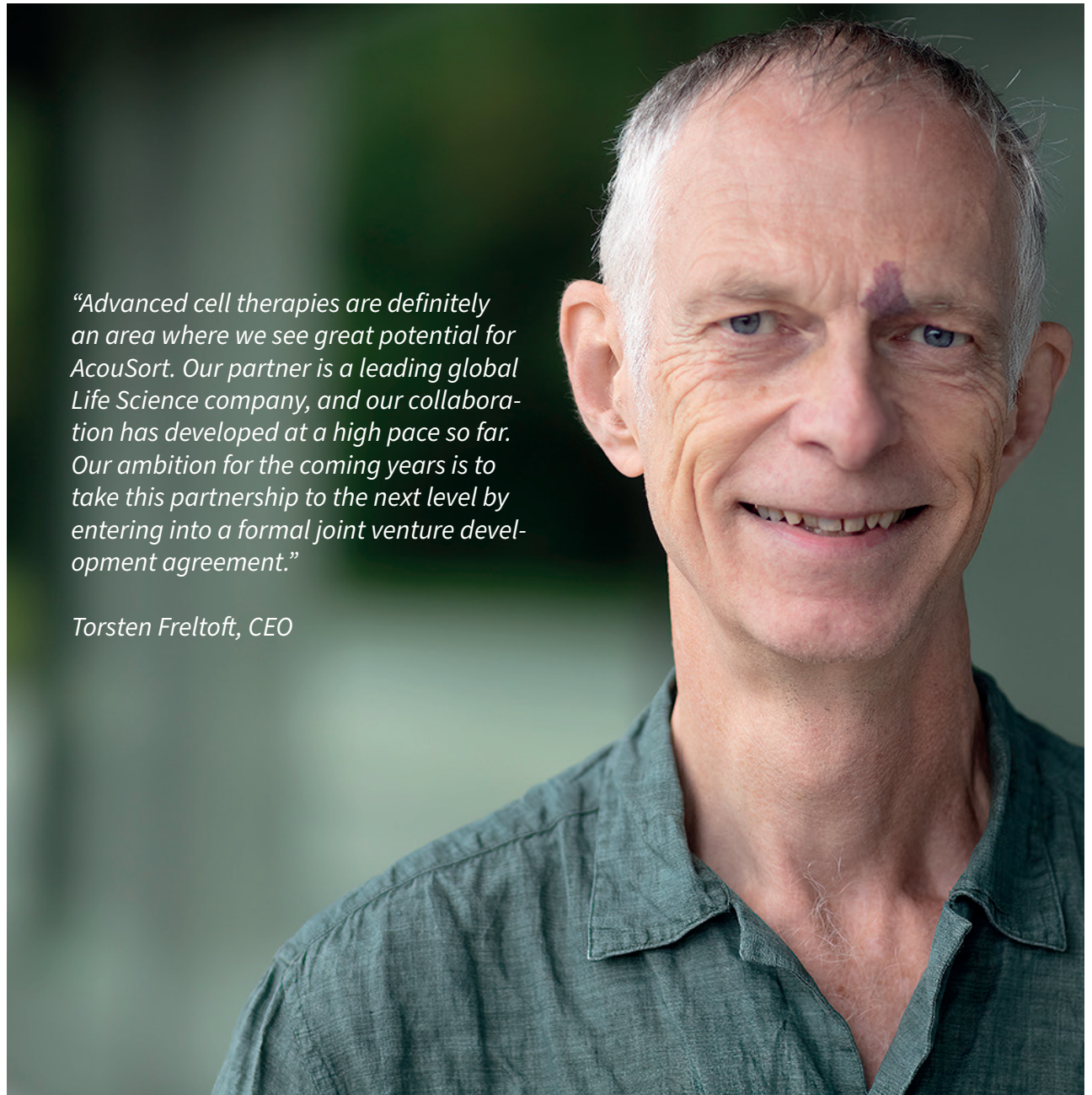
Advanced cell therapies are definitely an area where we see a great potential for AcouSort, and we would love to talk a lot more about our current collaboration in this field, but unfortunately, we are limited by stringent confidentiality agreements. What we can say is that our partner is a leading global Life Science company, and that our collaboration so far has developed rapidly. Our ambition for the coming few years is to take this partnership to the next level by entering a formalized joint venture development agreement.”

“The goal of the collaboration is to develop a first generation closed and automated system for the manufacturing of cell therapies. We estimate that such a development project will take a couple of years, once initiated. When the development phase is completed, the new system will initially be used in clinical trials, tailored for specific new cell therapies. We expect such formalized joint product development to be mostly funded by our partner as is also the case with our current development and feasibility projects.”

“When it comes to the question of exclusivity, we currently maintain all rights to the development results we generate, but the question about exclusivity is a discussion subject in most partnership negotiations.”

“The autologous cell therapy market is one of the fastest growing markets within Life Science. In 2023, the market value was estimated to about USD 16 billions¹, and is expected to reach USD 60 billion in 2030 in line with the approval and global implementation of new cell therapy variations. If we are successful in our efforts to integrate automated cell processing modules in a significant part of the future cell therapy productions systems, the cell therapy market represents a very attractive business opportunity. What

¹ <https://www.expertmarketresearch.com/reports/cell-therapy-market>



“Advanced cell therapies are definitely an area where we see great potential for AcouSort. Our partner is a leading global Life Science company, and our collaboration has developed at a high pace so far. Our ambition for the coming years is to take this partnership to the next level by entering into a formal joint venture development agreement.”

Torsten Freltoft, CEO



makes this business particularly interesting is that our processing modules are likely to be for single patient use in order to avoid any risk of cross contamination between patients. From a financial perspective, this is very interesting as it has the potential to create a substantial stream of recurring revenues. It is too early to say how much this could mean in yearly turnover, but with more than 20 million new cases of cancer diagnosed each year globally, it is fair to say that this market segment represents a significant potential even if only a fraction of these patients is treated with cell therapy.”

We shareholders all hope that your first partner within point of care diagnostics will soon formally launch their new generation system containing AcouSort technology. We understand it has already been approved for clinical use both in the US and in Europe. Could you please elaborate on what other applications and business opportunities this AcouSort device represents.

“We are of course very proud of the clinical approval milestones reached by our partner for their diagnostic instrument containing our technology, and we share your excitement for the impacts of a formal launch of this system.”

“AcouPlasmaOptical was developed together with our partner to provide optical access to blood plasma. Outside the field of our partner, we continue commercializing this originally intended application of the device enabling Point-of-Care blood testing.”

“However, the AcouPlasmaOptical device can also be used to provide optical access in other settings. One area in great need

of optical access is cell therapy production, which currently lacks ways to integrate quality assessment methods in their closed cell therapy processing systems. By combining the AcouPlasma-Optical technology with an imaging system, we could potentially create an efficient and integrated quality monitoring solution. It is still too early to assess the feasibility of such an application, but it is an avenue we that we now are exploring.”

AcouSort communicated in 2023 a new collaboration with a large Life Science company within the flow cytometry area. How is the AcouSort cell processing technology intended to be used in this field and is this primarily for research applications or could it also be used for clinical tests?

“The project we conducted with this new Life Science partner targeted automation of a specific workflow in the sample preparation process which currently is performed manually. Our contribution to an automated solution focuses on the cell wash and cell up-concentration processes, and we are currently discussing building a prototype setup in collaboration with our partner. If we are successful, this new product could fulfill a need in research applications as well as in clinical diagnostic and patient monitoring applications.”

Although AcouSort’s main commercial strategy is to provide automated sample preparation and processing solution as OEM components for integration into larger Life Science companies’ turn-key systems, you still also have two bench-top research systems, the AcouWash and the AcouTrap containing your technology that you provide for research applications and for support of your OEM partnerships.

As mentioned in your recent Q4 report, the placement of bench top systems did not quite live up to your expectations in 2023, so are you taking any steps to improve the sale of these systems in 2024 and on?

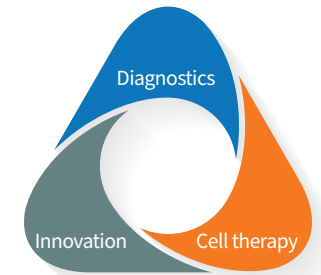
“Sales of bench-top systems in 2023 was definitely below our expectations. During the fall, we made a thorough analysis of the situation to identify the specific applications where our systems make the biggest impact for research users and to understand why our current sales efforts have not resulted in more placements.”

“The conclusion was that we have been spreading our sales and marketing focus too thin. Our bench-top systems have a plurality of different applications, but our analysis showed that the application area where we can make a distinct difference is in the collection and clean-up of extracellular vesicles.”

“Consequently, it is our ambition to establish and consolidate strategic collaborations with Key Opinion Leaders (KOL) to generate further external verifications of the AcouTrap system for exosome and extracellular vesicle processing. We are currently in discussions with two potential collaboration partners in North America and one in Europe. If everything goes according to plan, we will place AcouTrap systems at all three locations during the spring of 2024. We will also attend relevant international congresses to present our technology to potential customers using reference data created at these KOL labs.”

STRATEGY

Growth through research and innovation collaborations



AcouSort's technology is perfectly placed to play a critical role in the healthcare of tomorrow. Cardiovascular diseases, infections, and cancer are the three deadliest diseases in the world. There is a great need for new and effective diagnostic and cell therapeutic solutions, but current sample processing and manufacturing workflows are facing significant challenges as they rely on a number of manual sample handling processes. Manual handling often entails a high risk of errors as well as bacterial contamination during the production process of cell therapeutics. This puts a high price tag on the therapy, thereby limiting the number of patients who can be offered a potentially life-saving treatment. It is clear that the industry is in great need of inventions in order to really take off.

POTENTIAL FOR SIGNIFICANT IMPROVEMENTS IN CELL THERAPY AND DIAGNOSTICS

AcouSort's ambition is to address the challenges in cell therapy by introducing solutions that enable automated sample processing and integration to limit the need for manual handling in the manufacturing workflow. Our technology fits well in several steps in the process and has a fantastic potential to lower manufacturing cost.

Within diagnostics, our unique ability to automate and integrate sample processing steps will also allow for a new generation of medical devices. Patient samples can be analyzed directly at the point-of-care instead of at central laboratories, meaning that doctors and patients get the results immediately.

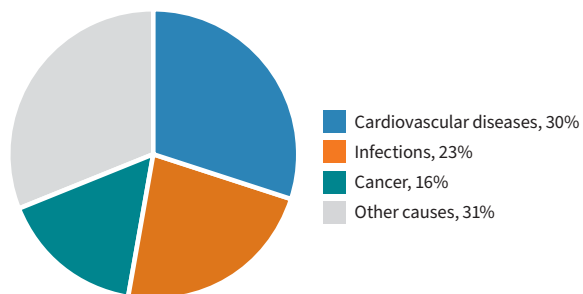
GROWTH THROUGH OUR RESEARCH-TO-OEM MODEL

AcouSort's strategy focuses on our research-to-OEM model, which has the ambition to establish continuous revenues from sales of OEM modules to large Life Science companies. By establishing multiple partnerships in the cell and gene therapy and diagnostic markets, we aim to build a network of researchers and partners for joint developments to take us to a commercially matured technology. Recently, we substantially strengthened our commercial capacity, and we are currently targeting the North American market, the European market, and selected markets in Asia. Through collaborations with leading Life Science companies our technology will eliminate manual handling steps while saving time, money, and ultimately – lives.

INNOVATION WITH GREAT POTENTIAL

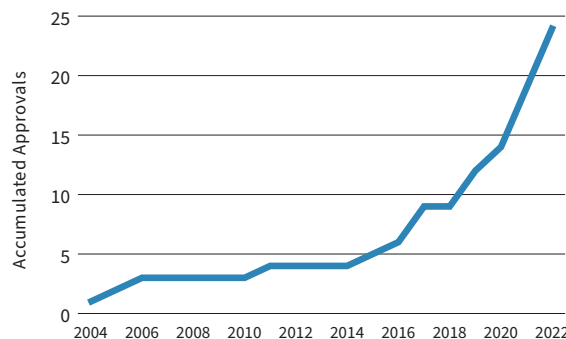
In 2022, AcouSort and a group of partners received a grant of SEK 26 million by the EIC to develop an acoustofluidic thin film actuated chip for exosome separation from blood. Exosomes are nanoparticles that enable human cells to communicate vital information with each other. Thereby, exosome separation has the potential to open a completely new field within diagnostics and therapies. Of the SEK 26 million, SEK 12.2 million go directly to AcouSort, and the remainder of the funding is distributed to AcouSort's partners Lund University, DTU, and DayOne. The project will run for 36 months and is fully funded by the EU.

Top three causes of deaths globally



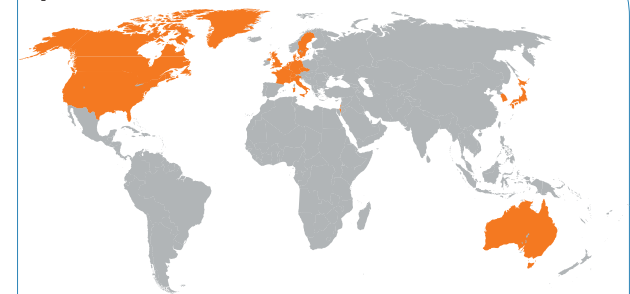
Source: WHO

Cell & Gene Therapies Approved – World

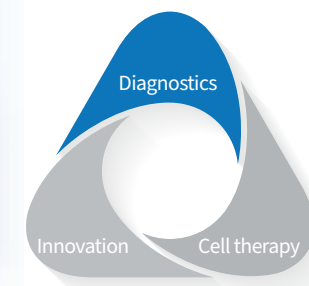


Source: ASGCT_Citeline Q4 2022 Report

Accumulated AcouSort OEM projects and system placements



Advancement within point-of-care testing requires automation of sample preparation



To fight the deadliest diseases in the world – cardiovascular, infectious, and cancer diseases – while the world’s population in many countries is either growing or aging, faster and more efficient diagnostics are needed. One of the most important steps towards achieving this is to move diagnostic testing closer to the patient, thus being able to act immediately on the result. For most diagnostics tests, this will require integrated and automated sample processing, and AcouSort’s advanced sample preparation modules provide an optimal solution to achieve this.

Today, almost all blood tests taken in the health care system are shipped to a central hospital or other laboratory facility. There, the samples are processed, and diagnostic assays are performed. For about 75% of the blood samples processed, the sample must be centrifuged to separate the blood cells from the blood plasma that is required to perform the requested tests. To implement most of today’s blood-based diagnostic tests as point-of-care tests, the required blood-plasma separation must be seamlessly integrated into the point-of-care device. Depending on the specific diagnostic assay in question, AcouSort’s OEM separation modules – AcouWash, AcouPlasmaOptical and AcouTrap – are optimal solutions to this challenge.

MARKET

The current trend in diagnostic testing aims to decentralize testing enabling faster and more accurate diagnostics. To provide the use of more advanced diagnostics outside of clinical laboratories, the interest in solutions for automated sample preparation is increasing. The global point-of-care testing (POCT) market size was accounted at USD 40.6 billion in 2021 and it is expected to reach around USD 103.2 billion by 2030¹ corresponding to an average annual growth of about 11%.

OFFERING

AcouSort works with providers of point-of-care diagnostic systems to customize our OEM modules to their future or next generation systems. AcouSort’s modules are designed for integration into consumable or semi-consumable cartridges that our partners design to be used in their instruments. In this way, each separation module is used only for one patient or for a limited number of patients with a thorough decontamination step in between, ensuring sample integrity. When more and more system providers integrate our separation modules into their clinical diagnostic systems, AcouSort business model is highly scalable and with a significant revenue potential.

FOCUS 2024

In 2024, AcouSort will maintain its focus at reaching additional diagnostic customers by providing both the AcouPlasmaOptical and the AcouTrap units as evaluation test kits. The evaluation kits expand the possibilities for more potential collaboration partners to evaluate the products and to speed up the initial evaluation phases. In addition to this, the 2024 plans involve creating additional marketing materials showing the value provided by AcouPlasmaOptical when it comes to speeding up measurements of cells or plasma analytes directly in whole blood or other biofluids.

Activities 2023

Quarter 1

- Started development of OEM evaluation test kit for AcouTrap
- Participated at the TriCon Molecular Medicine conference in San Diego to meet potential customers within the diagnostic and liquid biopsy segment

Quarter 2

- Participated at the BIO convention 2023 in Boston to meet strategic partners interested in automated sample preparation
- Business discussions with potential OEM partners following BIO and CYTO participation
- Continued activities to finalize the AcouTrap OEM evaluation kit

Quarter 3

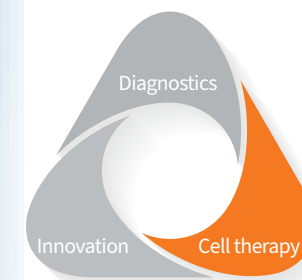
- First diagnostic device developed by partnering company including AcouSort’s acoustofluidic technology receives FDA approval
- Several OEM evaluation kits placed at potential OEM customers

Quarter 4

- Participated in MicroTAS to meet potential OEM partners interested in microfluidic sample preparation technology
- Business discussion with potential Partners following MicroTAS participation
- Development of OEM evaluation kit for AcouTrap finalized

¹ <https://www.precedenceresearch.com/point-of-care-testing-market>

Automated cell processing facilitates the cell therapy revolution



The world is facing a revolutionary increase in clinically approved cell therapies during the coming years. Unfortunately, the complex and expensive manufacturing process significantly limits the access to these treatments. All major Life Science instrumentation companies have active programs targeting automation of the cell therapy processing to manage cost and quality. AcouSort's automated cell separation and processing technology is well suited for providing the solution for this democratization of novel cell therapies.

The number of clinically approved cell and gene therapies is rapidly increasing, with even more in the pipeline. Cell therapies can have price tags of up to USD 500,000 per treatment, a price level that is prohibitive for most health insurances or public health care plans. The reason for this currently very high cost is a combination of the need for sterile labs and the extensive manual handling required to produce the therapeutic cells.

MARKET

The global cell therapy market size was valued at USD 21.6 billion in 2022 and is expected to expand at a compound annual growth rate (CAGR) of 14.15% from 2023 to 2030¹, thus exceeding USD 60 billion in 2030. The market is constantly growing to include new cell types, which presents a significant opportunity for companies to strengthen their market positions. As a result, during the past few years, there has been a dramatic increase in the number of companies engaged in the development of cell therapies.

OFFERING

AcouSort has been approached by a handful of multinational Life Science companies seeking solutions to enclose and automate the cell therapeutics processing and eliminate the current manual processing. Our separation modules are well suited for this as they can automatically perform the cell wash, cell up-concentrations and separation of target cell types needed.

AcouSort's strategy is to develop and supply the automated cell processing modules as single use OEM components to our Life Science instrumentation partners. In this way, the AcouSort business model is both scalable and represents a significant revenue potential.

FOCUS 2024

In 2024, AcouSort will continue the development and marketing activities related to our cell wash, cell separation and cell up-concentration applications for automation of cell therapy sample preparation. An important element is the technical development of higher throughput units followed by the development of new marketing materials highlighting the benefits of these units. With more data and ready solutions, we are aiming to continue intensifying our market outreach during the year to interact with more potential partners active in the field of cell therapy development.

Another business opportunity opening up is the need for in-line monitoring of quality parameters in automated cell processing systems. Currently, lack of such methods is a significant bottleneck for the system developers. Consequently, an additional 2024 focus is to promote the AcouPlasmaOptical module for providing optical access to either cells or cell-free medium for this purpose.

Activities 2023

Quarter 1

- Continued optimization of volume throughput of the acoustic separation modules together with one of the major players in the cell therapy field
- Finalized the development of the stem cell isolation system prototype adapted to fit into the workflow for stem cell isolation
- Continued the development of applications for cell wash of frozen stem cells

Quarter 2

- Finalized throughput optimization project together with major player in the cell therapy field
- Continued development of high throughput cell separation cartridge
- Finalized application development of cell wash for frozen stem cells
- Participated in the event on Acoustic Technology Applications in Cell Processing in Paris

Quarter 3

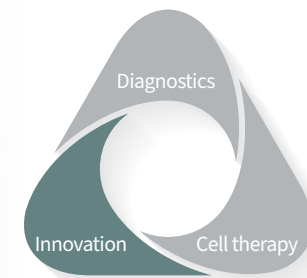
- Two cell therapy-related applications using AcouSort's technology selected for poster presentations at the μTAS conference
- Test system for automated cell processing within cell therapy delivered to partner company for continued internal product development
- High-throughput cell wash application developed to support cell therapy workflows

Quarter 4

- Participated in MicroTAS and Cell Bio conference in Boston to meet potential partners interested in automated sample preparation
- Installation and staff training on test system delivered in Q3, system is now under evaluation by cell therapy partner

¹ From <https://www.grandviewresearch.com/industry-analysis/cell-therapy-market>

Driving the development and exploitation of automated sample processing



Through partnerships with leading universities and through our Research and Innovation platforms – AcouWash and AcouTrap – AcouSort strives to continue driving the innovation of acoustofluidics for automated sample preparation and processing. Our innovation projects are to a large extent funded through public contributions from EIC/EU and from Vinnova.

AcouSort is constantly interacting with current and potential partners and customers through meetings and active participation in scientific conferences and tradeshows. The feedback from these interactions is used to direct our Research and Innovation activities.

COMMERCIAL RESEARCH AND INNOVATION PLATFORMS

To enable the development of new or improved applications of our automated sample processing technology, we have developed two benchtop Research and Innovation platforms, the AcouWash and the AcouTrap. We provide these systems to researchers and key opinion leaders at universities and to our OEM collaboration partners in the Life Science industry. Through our academic research partners and their publications and presentations, we distribute information about our technology and its applications. And through the collaboration with the OEM partners, the systems enable access to the automated sample processing modules at a very early stage in their technical assay or system development process. The use of our Research and Innovation platforms by key opinion leaders contributes to broaden the application fields of the technology while promoting the use of our technology in general through their scientific publications.

THE ACOUSOME PROJECT

The AcouSome project is a fully funded EU transition project with two main commercial innovation goals. The most fundamental goal is to replace the currently glass-based and bulk piezo activated separation modules with modules made in plastic. If

successful, this innovation will significantly reduce the production price of our separation modules, paving the way for single use applications of these in point-of-care diagnostics. However, the project also has the goal of developing a robust and simple-to-use device for isolating extracellular vesicles from whole blood samples.

The AcouSome project is funded 100% by the European Innovation Council (EIC) with EUR 2.5 million over 36 months (2023-2025). Our partners in this project are the Technical University of Denmark, Lund University and DayOne.

FOCUS 2024

The AcouSome project officially started January 1, 2023. During the first year the initial focus was to identify and start mitigating the largest challenges in the project. The focus within AcouSome in 2024 is to increase robustness and reproducibility of trapping of extracellular vesicles and exosomes as well as continue developing thin film-based actuation of the ultrasound and exploring the novel polymer-based components.

Focus for the AcouTrap Research and Innovation platform in 2024 will include internal and external performance evaluations and in-depth characterizations of the extracellular vesicles isolated in the AcouTrap. Commercial activities will be intensified to reach the research field working with extracellular vesicles, where the research community is still lacking reliable methods for isolating and processing nanoparticles.

Activities 2023

Quarter 1

- Finalized the AcouPlast project showing the first proof of principle for acoustic separation of blood samples in polymer chips
- Initiated the AcouSome project
- Developed a medium-sized trapping unit with increased capacity to target more cell trapping applications
- Continued the development of new chip designs to enable high throughput separations

Quarter 2

- AcouWash system sold to prominent research group at NIH working with cancer diagnostics
- AcouWash system sold to Lund University for circulating tumor cell project
- Initiated collaboration project with flow cytometry company to evaluate AcouWash technology for sample purification
- Completed the first milestone in the AcouSome project – benchmark testing of our current separation and trapping platforms
- Launch of new AcouTrap 3 system and medium-sized trapping unit with increased capacity for cell applications

Quarter 3

- Delivery of an AcouTrap system to Karolinska Institutet to be used for washing of frozen stem cells within the IndiCell project
- Significant progress within the AcouSome project related to the usability of thin films
- Conference participations in Europe and USA combined with several demonstrations with the new and improved AcouTrap 3 system
- Invited lecture at the Acoustofluidics conference

Quarter 4

- Significant progress within AcouSome project related to production of platelet poor blood plasma with the AcouWash technology.
- Several demonstrations performed with the bench top research systems, both in Europe and in North America
- Participation in the Danish Society for Flow Cytometry and the Danish Society for Extracellular Vesicles conferences

AcouSort's research collaborations

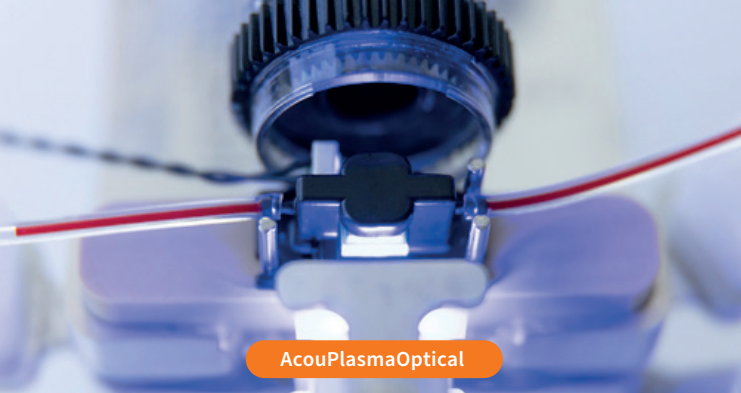
Sound is created when a vibration generates pressure waves that propagate through a medium. When the wave encounters a particle, the particle is moved by the acoustic forces generated by the wave. In acoustofluidics, the technology used by AcouSort, ultrasound is used to create standing acoustic waves in microfluidic channels. The standing wave typically focuses the particles

toward the pressure node, where the pressure variation is the lowest. The sound frequency is similar to diagnostic ultrasound and has been shown to be very gentle to biological samples, with no activation or decrease in viability. Acoustofluidics can be implemented in two different ways, acoustic separation, and acoustic trapping.

To stay at the forefront, AcouSort is continuously developing the acoustofluidic technology further together with universities and commercial partners.

Project	Sponsor	Goal	Partners	Duration	Status	AcouSort grant	Total project grant
AcouSome	European Innovation Council	Development of a miniaturized microfluidic module for exosome isolation directly from blood using ultrasound generated by thin films, to be used in research and diagnostics.	Lund University, DTU, DayOne	2023-2025	Ongoing	EUR 1,100,000	EUR 2,500,000
IndiCell	Vinnova	Development of a world leading innovation milieu for individualized induced pluripotent stem cell derived therapies, to lower the risks and overcome hurdles for the translation from basic science to innovations and further to clinical applications.	Lund University, Karolinska Institute, KTH, Lab-On-A-Bead AB, Skåne University Hospital, BioLamina AB, Karolinska University Hospital	2021-2026	Ongoing	EUR 110,000	EUR 3,520,000*
Blue4Therapy	Eureka, Vinnova, Innovation Fund Denmark	Development of a platform for specific stem cell isolation from autologous adipose tissue for effective regenerative therapy, together with universities and commercial partners.	Blue Cell Therapeutics, University of Southern Denmark, Novozymes A/S	2020-2023	Completed April 2023	EUR 300,000	EUR 800,000
AcouPlast	Eureka, Vinnova, Innovation Fund Denmark	Development of polymer chips to make acoustic separation even more cost efficient and easy to integrate into diagnostic and analytical systems.	DTU, Ortofon A/S, Lund University	2019-2023	Completed Mar 2023	EUR 400,000	EUR 1,000,000
BioWings	EU Horizon 2020	Development of thin films generating the ultrasound used for cell processing to make acoustofluidic chips more efficient and easier to manufacture.	Weizmann Institute of Science, EPFL, PIEMACS, DTU, Lund University	2018-2022	Completed Nov 2022	EUR 180,000	EUR 3,000,000

*Currency conversion from SEK, i.e. the total project grant in EUR is approximate.



AcouPlasmaOptical



AcouTrap



AcouWash

AcouSort's products

OEM COMPONENTS

AcouSort's main strategy is to develop and commercialize Original Equipment Manufacturer (OEM) components for sample preparation and processing. The OEM solutions enable integration of our technology into analytical, diagnostic, and therapeutic systems, providing automated sample preparation. The customer base for the OEM components are instrument manufacturers within the Life Science industry.

AcouSort intends to expand the portfolio of OEM components to cover a wide range of applications for clinical analysis and handling of biological samples. The Company expects the acoustic separation components to be critical components, essential for development of novel point-of-care testing devices where access to blood plasma or other fractions of blood is required. This also applies for biological sample processing systems in therapeutic settings for e.g., personalized medicine.

AcouPlasmaOptical

Integrated blood plasma separation. AcouPlasmaOptical is an OEM component designed for integration into diagnostic instruments as a semi-consumable. It enables automated and rapid access to plasma for optical measurements of blood analytes in point-of-care diagnostic devices. The technology uses gentle acoustic forces in combination with microfluidics to create a plasma window for optical access in whole blood samples without the need for prior centrifugation. Centrifugation often requires manual intervention that may have negative effects on sample quality, making AcouPlasmaOptical a competitive alternative.

Custom made solutions for interfacing of sample flow and electronic connection are available. Production of AcouPlasma-Optical is ISO13485 certified.

AcouSort offers evaluation kits to partners interested in exploring integration of the component into their systems.

RESEARCH AND INNOVATION SYSTEMS

AcouSort has developed two benchtop systems, the AcouTrap and the AcouWash, to offer the Company's core acoustofluidic techniques, i.e., trapping and separation techniques, in an easy-to-use format. The instruments serve as Research and Innovation platforms, providing easy access to the technology for instrument manufacturers interested in integrating acoustofluidic OEM components into their systems. With user-friendly hardware and software, the instruments enable automated handling of biological samples, supporting academic researchers and product development teams working with new biomarker identification and diagnostic assay development.

AcouTrap

Handling of cells and extracellular vesicles. AcouTrap is a benchtop research instrument for automated enrichment, washing and staining of biological samples. AcouTrap provides a solution for gentle and rapid sample preparation of biological particles of various sizes. The AcouTrap system is excellent for sample preparation of precious cell samples, where traditional methods are ill-suited as they can dramatically decrease recovery and viability. The AcouTrap efficiently automate common sample

preparation steps such as up-concentration, high recovery washing and labelling of low cell number samples. The system also facilitates handling of nanoparticles, including bacteria, viruses, and extracellular vesicles. These particles are very small, often less than one micrometer in size, and are found in complex biological liquids such as blood plasma. The small size and the complexity of the liquid makes isolation through conventional techniques challenging. With AcouTrap, isolation is automated and manages samples with smaller volumes than the competing technologies. This enables research studies with biobank samples that often contain minute fluid volumes.

AcouWash

Automated cell separation. AcouWash is a benchtop research instrument for label-free separation of target cells from a variety of sample types. The system provides automated processing and is designed to perform sensitive separations and handle fragile cells without any impact on viability. The acoustic forces used in the AcouWash provides samples with very high quality and with minimal sample to sample variation.

With the AcouWash system, a variety of applications aimed at separation of blood cells can be automated. Common applications comprise gentle and highly efficient cell wash, label-free separation of mononuclear cells from whole blood, isolation of platelets, rare cell isolation (e.g., circulating tumor cell, CTC) as well as blood-plasma separation for diagnostic applications.

Share capital and ownership

THE SHARE

AcouSort's share was listed on Spotlight Stock Market January 9th, 2017. In December 2020 the share changed list to Nasdaq First North Growth Market, with December 14th as the first trading day. The ticker symbol of the share is "ACOU", and the ISIN-code is SE0009189608. First North Growth Market is an alternative marketplace run by NASDAQ OMX GROUP. Companies traded on First North Growth Market do not have to be compliant to the same rules as companies traded on a regulated market. Instead, the companies follow under less strict rules applied for growth companies. The risk of investing in a company traded on First North Growth Market may thus be greater than investing in a company traded on a regulated market. All companies with shares traded on First North Growth Market have a Certified Adviser that supervises the compliance of the rules. The stock exchange examines applications to be listed on the exchange. AcouSort's Certified Adviser on Nasdaq First North Growth Market is Carnegie Investment Bank AB (publ), +46 (0)73 856 42 65. As of December 31, 2023, the number of shares in AcouSort AB was 14,903,958 (13,202,285). The Company has one class of shares. Each share carries one (1) vote per share and carries equal rights to share in the Company's assets and earnings.

Information on the share that is valid as of December 31, 2023:

- Short name: ACOU
- ISIN code: SE0009189608
- Number of shares outstanding: 14,903,958
- Quota value: 0.10 SEK
- Trading record: 1 share
- Share capital: 1,490,395.80 SEK

SHARE CAPITAL DEVELOPMENT						
Year	Event	Increase of share capital (SEK)	Total share capital (SEK)	Change of number of shares	Total number of shares	Quota value (SEK)
2010	Funding of the company	50,000.00	50,000.00	5,000	5,000	10
2016	Rights Issue	11,250.00	61,250.00	1,125	6,125	10
2016	Rights Issue	490,000.00	551,250.00	49,000	55,125	10
2016	Share split	-	551,250.00	5,457,375	5,512,500	0.1
2017	Rights Issue	200,000.00	751,000.00	2,000,000	7,512,500	0.1
2018	Rights Issue	250,416.00	1,001,666.60	2,504,160	10,016,666	0.1
2020	Rights Issue	129,957.90	1,131,624.50	1,299,579	11,316,245	0.1
2021	Rights Issue	188,604.00	1,320,228.50	1,886,040	13,202,285	0.1
2023	Redemption Warrants 2020_2023	4,567.90	1,324,796.40	45,679	13,247,964	0.1
2023	Rights Issue	165,599.40	1,490,395.80	1,655,994	14,903,958	0.1

OWNER LIST AS OF DECEMBER 31, 2023		
Name	Number of shares	Share (%)
Försäkringsbolaget, Avanza Pension	1,570,428	10.54
Thomas Laurell ¹⁾	1,096,990	7.36
Stefan Scheduling ¹⁾	903,396	6.06
Freltec ApS ²⁾	869,762	5.84
Lars Svensson	490,000	3.29
Nordnet Pensionsförsäkringar AB	488,585	3.28
SHB Luxembourg CL ACCT Sweden	440,126	2.95
Johan Nilsson	316,833	2.13
Pareto Securities AS	280,356	1.88
Other Shareholders (1 062)	8,447,482	56.67
Total	14,903,958	100.00

1) Boardmember in AcouSort AB

2) Owned by 100% of CEO Torsten Freltoft

Board and CEO



Martin Olin
CHAIRMAN OF THE BOARD

Martin Olin (born 1969), is Chairman of the Board since April 2021. He holds a M.Sc. in Business and Auditing, MBA, Executive Board Program (CBS) and Executive Breakthrough Program (Egon Zehnder). Olin has held executive positions as CEO, CFO or Director in international Life Science companies including Novo Nordisk and Symphogen A/S and has over the years held numerous board assignments in the Nordics as well as international enterprises. He currently holds assignments as CEO of BerGenBio ASA, chairman of the board at DanGroup Alarm, board member of Cessatech A/S (publ.). Prior assignments the last five years is CEO of Nordic Eye Venture Capital, CEO and board member of Symphogen A/S.

Shareholding in AcouSort:
11,905 (31-12-2023).

Martin Olin is independent in relation to the Company, executive officers and major shareholders.



Thomas Laurell
BOARD MEMBER

Thomas Laurell (born 1961), PhD, is Professor of Medical and Chemical Microsensors at Lund University and is a Fellow at the School of Engineering, Tokyo University. Laurell has been elected to the Royal Swedish Academy of Sciences since 2010, the Royal Swedish Academy of Engineering Sciences since 2007 and the Royal Physiographical Society in Lund since 2007. Professor Laurell is a world-leading researcher in acoustophoresis based on microtechnology and has contributed to the authoring of over 250 scientific articles and 33 patent applications. Professor Laurell also has a solid commercial background and has started several companies including AcouSort and has experience of board work in these. In addition to his academic and commercial experience, Professor Laurell has received a number of awards in science, innovation and entrepreneurship. The research conducted by the group led by Professor Laurell forms the basis of AcouSort's operations.

Shareholding in AcouSort:
1,096,990 shares (31-12-2023).

Thomas Laurell is independent in relation to the Company, executive officers and major shareholders.



Stefan Scheduling
BOARD MEMBER

Stefan Scheduling (born 1962), Dr. med., is Professor and Research Group Leader at the Department of Molecular Hematology and Lund's Stem Cell Center at Lund University. Dr Scheduling is also a consultant at the Department of Hematology at the Skåne University Hospital in Lund. A main focus of Dr. Scheduling's research is the development of new therapies in hematological cancers and stem cell transplants. Dr. Scheduling is a member of several national and international hematology and cell therapy research councils and has contributed to over 90 scientific articles in his research areas.

Shareholding in AcouSort:
903,396 shares (31-12-2023).

Stefan Scheduling is independent in relation to the Company, executive officers and major shareholders.



Katherine Flagg
BOARD MEMBER

Katherine Flagg (born 1962) has a BSc. from Douglas College/Rutgers University. Flagg provides successful experience driving new businesses, growing market share, and expanding customer base within the pharmaceutical, diagnostic and research markets. Katherine is an exceptional communicator who effectively interacts across all organizational levels, consistently delivering sales results and maximizing account loyalty while driving new technologies into the Life Science market. Katherine Flagg is Business Unit Director at Standard Bio Tools (formerly Fluidigm Corporation) and has prior assignments the last five years as SVP Americas, Gyros Protein Technology.

Shareholding in AcouSort:
0 shares (31-12-2023).

Katherine Flagg is independent in relation to the Company, executive officers and major shareholders.



Torsten Freltoft
CEO

Torsten Freltoft (born 1958), PhD, has a doctorate in solid state physics from the University of Copenhagen. Freltoft has broad and solid experience regarding management of companies in the biotech industry. Among other assignments, Freltoft led Sophion Bioscience A/S for 13 years, from its inception in 2000 to a turnover of approximately USD 20 million in 2013 and was also responsible for the exit that Sophion Bioscience A/S carried out together with a US investment bank in 2011. Freltoft has in addition served as CEO of PlastiSens ApS and Chemometec A/S, among others. Freltoft has also held a number of board assignments, and held scientific assignments for the EU and the Danish government. Freltoft is currently serving as a board member in the following companies: XNovo Technology ApS and PlastiSens ApS both located in Denmark.

Shareholding in AcouSort:
869,762 shares (31-12-2023).

Torsten Freltoft is not independent in relation to the Company and its executive officers, but independent to major shareholders.

Directors' Report

AcouSort AB (corporate identity number 556824–1037) is a technology company focused on medtech/biotech, based in Lund, Sweden. The Company has developed a technology for integrated sample preparation, where ultrasound is used to separate, enrich or clean cells in e.g. blood samples before they are analyzed. The Company's strategy is to supply such sample preparation modules to instrument manufacturers within the Life Science industry, where the modules' unique ability to automate and integrate sample processing steps will allow for a new generation of analytical and diagnostic devices. AcouSort has also developed research instruments to offer its core technology in an easy-to-use benchtop format to customers within research and development or as technology evaluation platforms. The Company's long-term vision is to become the leading supplier of acoustofluidic sample preparation solutions for the healthcare market.

By "Company" or "AcouSort" is meant AcouSort AB (publ) with organization number 556824–1037. The auditor has reviewed the Annual Report presented on pages 19-35 of this document.

SIGNIFICANT EVENTS IN 2023

First quarter

- On January 19, AcouSort announces that the Company has delivered a prototype system for stem cell separations to its Blue4Therapy project partner BlueCell Therapeutics. The companies have now proceeded to the commercial planning phase.
- On January 20, AcouSort announces that the first part of the cell therapy project announced in November is now successfully finalized. The two companies have jointly decided to extend the collaboration with a second phase generating revenues of EUR 130,000 to AcouSort in 2023.
- On February 8, AcouSort announces that the collaboration agreement together with an international Japanese Life Science company has been extended to allow final evaluation of the developed assay using clinical samples.
- On March 3, AcouSort announces that the Company has updated its strategy to meet a rising demand for automated cell processing solutions from the cell therapy market.

Second quarter

- On April 3, AcouSort announces that the stem cell therapy project Blue4Therapy has been brought to a highly successful close.
- On April 14, AcouSort announces that the Company has leased an AcouWash system to a Czech research group investigating fish sperm refinement.
- On April 21, AcouSort announces that the Company for the third time has been selected by the EIC for participation in a leading medical exhibition.
- On April 26, AcouSort announces that the prestigious US National Institute of Health (NIH) has ordered an AcouWash 2 system, thereby becoming a returning customer. In 2017, the NIH purchased the first AcouWash prototype for the cell wash process in a new monitoring method for cancer treatments.
- On May 15, AcouSort announces that the Company expands its reach through a new collaboration with a leading Life Science company developing flow cytometers.
- On May 22, AcouSort announces the launch of the next generation AcouTrap at CYTO 2023. The new AcouTrap 3 system comes with improved design and an updated and intuitive software graphical user interface. AcouSort also presents two new trapping units with improved performance.
- On June 7, AcouSort announces that the Company has delivered a modified AcouWash 2 system to Lund University, where it will be used to separate circulating tumor cells from white blood cells.
- On June 16, AcouSort announces the recruitment of Henrik Johansson as Director of Research and Technology.

Third quarter

- On July 5, AcouSort announces that the cell therapy collaboration with a leading global Life Science company continues to expand. The partnering company has ordered an evaluation setup with the aim to in more detail explore the robustness and adaptability of AcouSort's AcouWash technology.
- On August 7, AcouSort announces that the Company has been invited to give a lecture at the Acoustofluidics conference,

an international event gathering researchers working with all different aspects of acoustofluidics and its applications within Life Sciences.

- On September 1, AcouSort announces that the Company has delivered an AcouTrap system to Karolinska Institutet to be used for automated isolation and wash of stem cells as part of the successful IndiCell project.
- On September 14, AcouSort announces that the Company has been selected to participate in the yearly NIH Research Festival arranged by the prestigious American National Institute of Health (NIH).
- On September 29, AcouSort announces that the Company will exhibit and present its technology in two poster presentations at the international conference μ TAS 2023.

Fourth quarter

- On October 16, AcouSort announces that the Company has delivered a test system for automated cell handling within cell therapy as part of the Company's collaboration with a global Life Science partner. The partner will now evaluate the system and investigate a potential integration into their new cell therapy production system.
- On October 25, AcouSort announces that the Company has published proof-of-concept data demonstrating that the newly developed high-throughput test system meets important requirements for cell therapy applications.
- On November 7, AcouSort announces that the Board of Directors has resolved on a rights issue of units of approximately SEK 24.8 million.
- On November 30, AcouSort announces that the Company changes its Certified Adviser to Carnegie Investment Bank AB (publ).
- On December 4, AcouSort announces that the rights issue has been fully subscribed. Through the Rights Issue, AcouSort is thus receiving approximately SEK 24.8 million before transaction costs. In the event of full exercise of all series TO 2 warrants within the issued units, the Company may receive an additional approximately SEK 11.6 million.
- On December 11, AcouSort announces that the Company and

its partner within critical care diagnostics have updated their collaboration agreement. The updated agreement follows the FDA approval in the fall of 2023 for the partnering company's next generation point-of-care diagnostic system containing AcouSort's acoustofluidics technology. Minimum revenues from the partnership in 2024 are expected to reach approximately SEK 3.5 million.

- On December 19, Acousort announces that the Board of Directors resolves to repurchase Warrants of series 2020/2023.

Significant events after the end of the period

- On January 18, AcouSort announces that the Company extends its collaboration with a leading cell therapy company into a third project phase. The new assignment will generate revenues of at least SEK 485,000 in 2024.
- On January 31, AcouSort announces that significant technical progress in the AcouSome project has been achieved with two novel patent applications filed.

Risks and uncertainties

A number of risk factors can have a negative impact on AcouSort's operations. It is therefore of great importance to take into account relevant risks in addition to the Company's growth opportunities. Other risks are associated with the Company's share. A number of risk factors are described below without mutual arrangement and without claim to be comprehensive. Naturally, all risk factors cannot be assessed without a comprehensive evaluation of other information in the annual report together with a general external assessment.

Limited resources

AcouSort is a small company with limited resources in terms of management, administration and capital. For the implementation of the strategy, it is important that the resources are allocated in an optimal manner for the Company. There is a risk that the Company's resources are insufficient and thus suffer from financial and operational problems.

Dependent on key persons and employees

AcouSort AB bases its success on the knowledge, experience and creativity of a few people. The Company is dependent on being able to find qualified employees in the future. The Company works hard to reduce its dependence through good documentation of routines and working methods.

Earning capacity and capital requirements

Development in Life-science is a time-consuming and costly business. It cannot be ruled out that it will take longer than expected before the Company reaches a positive cash flow. The Group makes continuous simulations regarding expected liquidity development for the coming twelve-month period. These simulations are based on the current order backlog, ongoing EU-funded R&D projects, planned investments as well as operational costs. The Group's simulations show that the Group has sufficient liquidity for the coming twelve-month period without having to carry out a new capital acquisition.

In a scenario where the Group would not succeed in achieving the budgeted sales revenues, there is a potential risk the Group may experience liquidity problems. This means that liquidity development constitutes an uncertainty factor regarding the Group's continued operations. It is the Group's current assessment that such a situation can be handled without a new issue being carried out.

Sales risk

It is not possible to state with certainty that the products that the Company develops will receive positive reception from the market, which was reflected in previous memorandums. The quantity of products sold can be lower and the time it takes to reach market establishment can be longer than the Company at this stage has reason to believe.

Product development

In view of what has been described above, there is a risk that the development of the Company's products will not be completed and that the products may never reach the market.

FINANCIAL DISPUTES

AcouSort is not involved in any dispute.

THE BOARD'S PROPOSAL FOR THE ALLOCATION OF PROFITS

The Board of Directors proposes that available funds of SEK 23,231 thousand be balanced in a new account. Thus, no dividend is proposed.

The Board's proposal for the allocations of profits, SEK thousand

Free reserves	37,183
Loss for the year	-13,952
Total	23,231

Income Statement – Group

(SEK thousand)	Not	2023	2022
Operating income	6		
Net sales		5,534	4,963
Other income		5,017	3,622
Total income		10,551	8,585
Operating expenses			
Raw materials		-2,162	-2,052
Other external expenses	11, 12	-7,238	-6,512
Personnel costs	10	-17,854	-13,449
Depreciations		-783	-921
Other operation expenses		0	0
Total expenses		-28,038	-22,934
OPERATING RESULT		-17,487	-14,349
Result from financial items			
Financial income		398	584
Financial expenses		0	-15
Result before taxes		-17,089	-13,780
Tax on this year's result	13	0	0
Result for the period		-17,089	-13,780
Result per share, SEK		-1.29	-1.04

Balance Sheet – Group

ASSETS (SEK thousand)	Not	12/31/2023	12/31/2022
Fixed assets			
Intangible assets	7	3,520	2,723
Tangible assets	8	218	668
Financial assets		24	0
Total fixed assets		3,762	3,391
Current assets			
Inventories		2,080	1,609
Account receivable		3,374	1,017
Other receivables		496	518
Prepaid expenses and accrued income		815	531
Cash and cash equivalents		23,986	34,426
Total current assets		30,751	38,100
TOTAL ASSETS		34,513	41,491
EQUITY AND LIABILITIES (SEK thousand)		12/31/2023	12/31/2022
Equity			
Share capital		1,490	1,320
Other contributed capital		99,278	77,370
Reserves		170	-65
Retained earnings		-59,714	-45,895
Profit/loss for the period		-17,089	-13,780
Total equity		24,135	18,949
Current liabilities			
Account payables		753	1,046
Tax liabilities		107	42
Other liabilities		493	431
Accrued expenses and deferred income		9,025	21,022
Total current liabilities		10,378	22,542
TOTAL EQUITY AND LIABILITIES		34,513	41,491

Statement of Changes in Equity – Group

(SEK thousand)	Share capital	Other contributed capital	Reserves	Loss for the period	Total
Opening balance January 1, 2022	1,320	77,370	-3	-45,896	32,791
Conversion difference and other adjustments	0	0	-62	0	-62
Loss for the period	0	0	0	-13,780	-13,780
Equity December 31, 2022	1,320	77,370	-65	-59,676	18,949
Opening balance January 1, 2023	1,320	77,370	-65	-59,676	18,949
Conversion difference	0	0	235	-38	197
Warrants, Serie 2023/2026	0	211	0	0	211
Redemption Warrants 2020/2023	5	661	0	0	666
Rights issue	166	24,674	0	0	24,840
Costs, rights issue	0	-3,638	0	0	-3,638
Loss for the period	0	0	0	-17,089	-17,089
Equity December 31, 2023	1,490	99,278	170	-76,803	24,135

Cash Flow Statement – Group

(SEK thousand)	2023	2022
Operating activities		
Operating result	-17,487	-14,349
Depreciations	783	921
Financial income	398	584
Financial expenses	0	-15
Cash flow from operating activities before changes in working capital	-16,306	-12,859
Change in working capital		
Increase/decrease inventories	-471	-987
Increase/decrease in receivables	-2,619	-1,192
Increase/decrease in current liabilities	-12,163	19,003
Changes in working capital	-15,253	16,824
Cash flow from operating activities	-31,559	3,965
Investing activities		
Increase/decrease of tangible assets	-213	-382
Increase/decrease of intangible assets	-917	-629
Increase/decrease of financial assets	-24	0
Cash flow from investing activities	-1,155	-1,011
Financing activities		
Rights issue	21,868	0
Warrants	211	0
Increase/decrease of long-term liabilities	0	0
Cash flow from financing activities	22,079	0
Change in cash and cash equivalents	-10,635	2,954
Cash and cash equivalents at the beginning of the period	34,426	31,533
Conversion difference and other adjustments	195	-61
Cash and cash equivalents at the end of the period	23,986	34,426

Income Statement – Parent Company

(SEK thousand)	Not	2023	2022
Operating income	6		
Net sales		5,496	4,963
Other income		5,017	3,622
Total income		10,513	8,585
Operating expenses			
Raw materials		-2,133	-2,052
Other external expenses	11, 12	-6,426	-6,345
Personnel costs	10	-15,687	-12,744
Depreciations		-783	-921
Other operation expenses		0	0
Total expenses		-25,029	-22,062
OPERATING RESULT		-14,517	-13,477
Result from financial items			
Financial income		565	584
Financial expenses		0	-15
Result before taxes		-13,952	-12,908
Tax on this year's result	13		0
Result for the period		-13,952	-12,908
Result per share, SEK	5	-1.05	-0.98

Balance Sheet – Parent Company

ASSETS (SEK thousand)	Not	12/31/2023	12/31/2022
Fixed assets			
Intangible assets	7	3,520	2,723
Tangible assets	8	218	668
Financial assets		33	9
Total fixed assets		3,771	3,400
Current assets			
Inventories		2,080	1,609
Account receivables		3,374	1,017
Receivables from subsidiaries		4,393	1,646
Other receivables		496	480
Prepaid expenses and accrued income		815	531
Cash and cash equivalents		23,690	33,974
Total current assets		34,848	39,256
TOTAL ASSETS		38,619	42,656
EQUITY AND LIABILITIES (SEK thousand)		12/31/2023	12/31/2022
Equity			
Share capital		1,490	1,320
Development expense fund	9	3,520	2,723
Share premium		99,278	77,370
Retained earnings		-62,095	-48,391
Profit/loss for the period	5	-13,952	-12,908
Total equity		28,241	20,114
Current liabilities			
Account payables		753	1,046
Tax liabilities		107	42
Other liabilities		493	431
Accrued expenses and deferred income		9,025	21,022
Total current liabilities		10,378	22,542
TOTAL EQUITY AND LIABILITIES		38,619	42,656

Statement of Changes in Equity – Parent Company

(SEK thousand)	Share capital	Development expenses	Share premium	Retained earnings	Loss for the period	Total
Opening balance January 1, 2022	1,320	2,125	77,370	-35,593	-12,200	33,022
Prior year´s result	0	0	0	-12,200	12,200	0
Development expenses fund	0	598	0	-598	0	0
Loss for the period	0	0	0	0	-12,908	-12,908
Equity December 31, 2022	1,320	2,723	77,370	-48,391	-12,908	20,114
Opening balance January 1, 2023	1,320	2,723	77,370	-48,391	-12,908	20,114
Prior year´s result	0	0	0	-12,908	12,908	0
Development expenses fund	0	797	0	-797	0	0
Warrants, Serie 2023/2026	0	0	211	0	0	211
Redemption Warrants 2020/2023	5	0	661	0	0	666
Rights issue	166	0	24,674	0	0	24,840
Costs, rights issue	0	0	-3,638	0	0	-3,638
Loss for the period	0	0	0	0	-13,952	-13,952
Equity December 31, 2023	1,490	3,520	99,278	-62,095	-13,952	28,241

Cash Flow Statement – Parent Company

(SEK thousand)	2023	2022
Operating activities		
Operating result	-14,517	-13,477
Depreciations	783	921
Financial income	565	584
Financial expenses	0	-15
Cash flow from operating activities before changes in working capital	-13,169	-11,987
Change in working capital		
Increase/decrease inventories	-472	-987
Increase/decrease in receivables	-5,405	-2,568
Increase/decrease in current liabilities	-12,163	19,005
Changes in working capital	-18,040	15,451
Cash flow from operating activities	-31,209	3,464
Cash flow from investing activities		
Increase/decrease of tangible assets	-213	-382
Increase/decrease of intangible assets	-917	-629
Increase/decrease of financial assets	-24	0
Cash flow from investing activities	-1,154	-1,011
Financing activities		
Rights issue	21,868	0
Warrants	211	0
Increase/decrease of long-term liabilities	0	0
Cash flow from financing activities	22,079	0
Change in cash and cash equivalents	-10,284	2,452
Cash and cash equivalents at the beginning of the period	33,974	31,521
Cash and cash equivalents at the end of the period	23,690	33,974

NOTE 1 – General Information

AcouSort AB, org. No. 556824–1037 is based in Lund, Sweden. AcouSort AB's Annual Report 2023 has been approved in accordance with the Board's decision on March 28, 2024. All amounts are reported in thousands of SEK (SEK thousand) unless otherwise stated. The information in parentheses refers to the previous period.

NOTE 2 – Summary of Important Accounting Principles

The most important accounting principles applied when this Annual Report is prepared are set out below. Unless otherwise specified, these principles have been applied consistently for all years presented.

Basis for the preparation of the reports

The Annual Report has been prepared in accordance with the Swedish Annual Accounts Act and BFNAR 2012: 1 Annual Report and Consolidated Accounts (K3).

Accounting principles and disclosures***Revenue recognition***

The Company applies the main rule for revenue recognition of service and contract agreements on a current account. This means that revenue is recognized as work is performed and materials are delivered or consumed.

For fixed-price service assignments, the Company recognizes the income and expenses attributable to a completed service assignment as revenue and expense, respectively, in relation to the commission's completion rate on the balance sheet date (successive profit settlement). An assignment's degree of completion is determined by comparing expenses incurred on the balance sheet date with calculated total expenses. In cases where the outcome of an assignment cannot be reliably calculated, revenues are reported only to the extent that is corresponding to the incurred assignment expenses that are likely to be reimbursed by the client. An expected loss on an assignment is immediately reported as an expense.

The Company's sale of goods is recognized as revenue when the significant risks and rewards associated with the goods' ownership have passed to the buyer and when the income and expenses related to the goods can be reliably calculated.

Public funding

Public grants from, for example the EU, the Swedish state, municipalities and formally independent bodies (e.g., regional development funds) and which transfer resources to the Company in exchange for the Company fulfilling or will fulfil certain conditions concerning its business. Public grants are reported as follows:

- A grant that is not linked to requirements for future performance is recognized as income when the conditions for receiving the grant are fulfilled.
- A grant that is linked to requirements for future performance is recognized as revenue as the performance is performed. If the grant is received before the conditions for revenue recognition (K3 2.18) are met, the grant is reported as a liability. Such debt is classified as prepaid income.
- A contribution related to the acquisition of a fixed asset reduces the asset's acquisition value or is recognized as a prepaid income that is recognized in the income statement distributed in a systematic way over the asset's useful life.
- A contribution is valued at the fair value of the asset that the Company has received or will receive.

Conversion of foreign currency***Functional currency and reporting currency***

The Company uses the local currency as the functional currency since the local currency has been defined as the currency used in the primary economic environment in which the Company operates. The report uses Swedish kronor (SEK), which is the Company's functional currency and presentation currency.

Transactions and balance sheet items

Foreign currency transactions are converted into the functional currency at the exchange rates prevailing on the transaction date. Exchange rate gains and losses arising from the payment of such transactions and when converting monetary assets and liabilities

in foreign currency, at the closing day rate, are recognized in the operating income in the income statement.

Intangible assets

Principle choices shall be established for internally prepared intangible fixed assets. For this, the accounting model or activation model is applied. The selected model shall be applied consistently to all internally prepared fixed assets. AcouSort AB has changed its choice of principles regarding intangible assets and follows the activation model as of the 2017 financial year. According to the transition rules in K3, no retroactive application or recalculation of previous periods related to the transition to activation of self-accumulated intangible assets takes place. This year's capitalized intangible fixed assets refers to fees on patent applications.

Tangible fixed assets

Tangible fixed assets are reported at purchase value with deduction of depreciation. The acquisition value includes expenses that can be directly attributed to the acquisition of the asset.

Notes to the financial statement

Additional expenses are added to the asset's reported amount or are reported as a separate asset, whichever is appropriate, only when it is probable that future financial benefits associated with the asset will benefit the Company and the asset's acquisition value can be reliably measured.

Depreciation is made on a linear basis as follows: Machines and Inventories: 5 to 10 years.

Assets residual values and useful lives are assessed at the end of each reporting period and adjusted if necessary. An asset's carrying amount is immediately written down to its recoverable amount if the asset's carrying value exceeds its estimated recoverable amount.

Gains and losses on the sale of a tangible fixed asset are determined through a comparison between sales revenue and the carrying amount and are recognized under other operating income respective in other operating expenses in the income statement.

Impairment of non-financial fixed assets

Intangible assets with an indefinite useful life, or intangible assets that are not ready for use, are not amortized but tested annually for any impairment. Assets that are amortized are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is made by the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less selling costs and its value in use. When assessing impairment, assets are grouped at the lowest levels where there are separate identifiable cash flows (cash-generating units). For assets that have previously been written down, an examination is made at each balance sheet date to assess whether reversal should be made.

Financial Instruments – general classification

The Company classifies its financial assets and liabilities in the following categories: loans and receivables, and other financial liabilities. The classification depends on the purpose for which the financial asset or liability was acquired.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for items with maturities of more than 12 months after the balance sheet date, which are classified as fixed assets. The Company's "loans and receivables" mainly consist of accounts receivable, and cash and cash equivalents.

Other financial liabilities

Accounts payable and the portion of other current liabilities that relates to financial instruments are classified as part of other current financial liabilities.

Recognition and measurement

The Company's financial instruments are initially recognized at fair value plus transaction costs. Financial assets are derecognized when the rights to receive cash flows from the instrument have expired or been transferred, and the Company has transfer-

red substantially all of the risks and rewards of ownership. Financial liabilities are derecognized when contractual obligations are either discharged or extinguished. The Company has no instruments measured at fair value. The fair value of current receivables and liabilities corresponds to their carrying amount, since the discount effect is not material.

Accounts receivable

Accounts receivable are financial instruments comprising amounts to be paid by customers for goods and services sold in operating activities. If payment is expected within one year or earlier, they are classified as current assets. Otherwise, they are recognized as fixed assets. Accounts receivables are initially measured at fair value and subsequently at accrued cost using the effective interest method, less provision for impairment.

Cash and cash equivalents

Cash and cash equivalents are financial instruments. In the balance sheet, the item includes cash and bank balances. Cash flow includes the item cash and bank balances.

Equity

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new ordinary shares or options are recognized in equity as a deduction from the proceeds.

Accounts payable

Accounts payable are financial instruments and relate to obligations to pay for goods and services acquired in operating activities from suppliers. Accounts payable are classified as current liabilities if they mature within one year. Otherwise, they are recognized as long term liabilities. Accounts payable are initially measured at fair value and subsequently at accrued cost using the effective interest method.

Current and deferred tax

Deferred tax is recognized, using the balance sheet method, on all temporary differences arising between the taxable value of assets and liabilities and their carrying amount in the accounts. Deferred income tax is calculated using tax rates determined or announced

at the balance sheet date and that are expected to apply when the actual deferred tax asset is realized, or the deferred tax liability is adjusted.

Employee benefits**Pension obligations**

The Company has defined-contribution plans only. A defined-contribution plan is a retirement plan for which the Company contributes a fixed amount to a separate legal entity. The Company has no legal or informal obligations to pay additional contributions unless this legal entity has sufficient assets to pay all employee benefits related to services rendered by employees during current or previous periods.

For defined contribution plans, the Company pays contributions to publicly or privately managed pension schemes on a mandatory, contractual or voluntary basis. Other than these contributions, the Company has no payment obligations. The contributions are recognized as employee benefit expenses when they fall due for payment. Prepaid contributions are recognized as an asset to the extent that the prepayment will lead to a cash refund or reduction in future payments.

Leases

The Company has operating lease arrangements for its laboratory and office premises. Leases in which a significant portion of the risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made during the lease term are expensed in the statement of income on a straight-line basis over the lease term.

Cash flow statement

The cash flow statement is prepared using the indirect method. This means that operating profit/loss is adjusted for transactions not included or paid during the period, and for any income and expenses attributable to cash flows stemming from investing or financing activities.

Principles for the Annual Report establishment

The Annual Report has been prepared in accordance with the Swedish Accounting Standards Board's General Council 2012: 1 Annual Report and Consolidated Accounts (K3) and the Annual Accounts Act.

The group's accounting principles

AcouSort AB prepares consolidated accounts. Companies where AcouSort holds the majority of votes at the general meeting and companies where AcouSort has a controlling influence by agreement are classified as subsidiaries and consolidated in the consolidated accounts. Information on group companies can be found in the note on financial fixed assets. The subsidiaries are included in the consolidated accounts from and including the day when the controlling influence is transferred to the group. They are excluded from the consolidated accounts from and including the day when the controlling influence ceases.

The group's financial statements are prepared according to the acquisition method. The time of acquisition is the time when the controlling influence is obtained. Identifiable assets and liabilities are initially valued at fair value at the time of acquisition. The minority's share of the acquired net assets is valued at fair value. Goodwill consists of the difference between the acquired identifiable net assets at the time of acquisition and the acquisition value including the value of the minority interest and is initially valued at the acquisition value.

Associated companies are all companies in which the group has a significant but not controlling influence, which generally applies to shareholdings comprising between 20% and 50% of the votes. Holdings in associated companies are reported according to the equity method. When applying the equity method, the investment is initially valued at acquisition value and the reported value is subsequently increased or decreased to consider the group's share of the associated company's profit or loss after the acquisition date. The group's reported value of holdings in associated companies includes goodwill identified at the time of acquisition.

Intermediate operations between group companies are eliminated in their entirety.

Subsidiaries in other countries prepare their annual report in foreign currency. During the consolidation, the items in these companies' balance sheets and income statements are recalculated to the balance sheet exchange rate and the spot exchange rate for the day and business event took place, respectively. The exchange rate differences that arise are reported in accumulated exchange rate differences in the group's equity.

All other accounting principles are consistent between the parent company and those of the consolidated accounts.

NOTE 3 – Key Judgements and Estimates

Judgements and estimates are continuously reviewed and based on historical experience and other factors, including expectations of future events considered reasonable under prevailing conditions.

Significant accounting judgements and estimates

The Company makes estimates and assumptions about the future. The subsequent accounting estimates, by definition, may not always correspond to the actual outcome. The estimates and assumptions with a significant risk of material adjustment to the carrying amounts of assets and liabilities in the next financial year are outlined below.

Accrual of income

The Company reports the fair value of its revenues in the period the work has been performed or during the period in which the product has been delivered, including in both cases consideration of compliance with contract law performance commitments. Income from grants received is recognized as income in the rate at which costs for the projects arise.

Accounting for intangible assets

Accounting for intangible assets is subject to estimates and assessments. The Company has a strategy with a clear focus on

products and solutions for automated preparation of biological samples.

Depreciation on patents is 5 years and begins after the patent has been approved. Regarding the Company's ongoing development work for development of automated preparation of biological samples and its expenses, these are expensed on an ongoing basis, as all the criteria for activation according to K3 is not considered to be fulfilled.

NOTE 4 – Financial Risk Management

A research company such as AcouSort is characterized by a high operational and financial risk, as projects that the Company runs are in different phases of development where a number of parameters affect the probability of commercial success. In summary, the business is associated with risks related to, among other things, competition, technology development, patents, regulatory requirements, capital requirements, currencies and interest rates. No significant changes in risk or uncertainty factors occurred during the current period.

From an accounting perspective, there are mainly three risk areas – market risk, credit risk and liquidity risk. AcouSort AB is not yet exposed to market risk or credit risk, but liquidity can be a risk to the Company. The Group makes continuous simulations regarding expected liquidity development for the coming twelve-month period. These simulations are based on the current order backlog, ongoing EU-funded R&D projects, planned investments as well as operational costs. The Group's simulations show that the Group has sufficient liquidity for the coming twelve-month period without having to carry out a new capital acquisition.

In a scenario where the Group would not succeed in achieving the budgeted sales revenues, there is a potential risk the Group may experience liquidity problems. This means that liquidity development constitutes an uncertainty factor regarding the Group's continued operations. It is the Group's current assessment that such a situation can be handled without a new issue being carried out.

NOTE 5 – Result per share

The Company has 14,903,958 shares registered as of 12/31/2023. 13,202,285 shares were registered on 12/31/2022. Earnings per share amounted to SEK -1.05 (-0.98) at 12/31/2023.

NOTE 6 – Operation income

	Parent Company		Group	
	2023	2022	2023	2022
Research Systems	1,727	861	1,764	861
Customer Projects	2,049	2,763	2,049	2,763
License Fees	1,719	1,339	1,719	1,339
Grants	5,017	3,622	5,017	3,622
Total income	10,512	8,585	10,549	8,585

NOTE 7 – Intangible assets

	Parent Company		Group	
	2023	2022	2023	2022
Opening balance at Jan 1	2,835	2,206	2,835	2,206
Additions in financial year	917	629	917	629
Ending balance at Dec 31	3,752	2,835	3,752	2,835
Opening depreciations at Jan 1	-112	-82	-112	-82
Depreciation in financial year	-121	-30	-121	-30
Ending depreciations at Dec 31	-233	-112	-233	-112
Total intangible assets	3,519	2,723	3,519	2,723

NOTE 8 – Tangible assets

	Parent Company		Group	
	2023	2022	2023	2022
Opening balance at Jan 1	2,323	1,941	2,323	1,941
Additions in financial year	213	382	213	382
Ending balance at Dec 31	2,536	2,323	2,536	2,323
Opening depreciation at Jan 1	-1,655	-764	-1,655	-764
Depreciation in financial year	-663	-891	-663	-891
Ending depreciation at Dec 31	-2,318	-1,655	-2,318	-1,655
Total tangible assets	218	668	218	668

NOTE 9 – Development Expenses Fund

	Parent Company		Group	
	2023	2022	2023	2022
Opening balance at Jan 1	2,723	2,125	-	-
Allocation to the fund during the financial year	797	598	-	-
Ending balance at Dec 31	3,520	2,723	-	-

NOTE 10 – Personnel

	Parent Company		Group	
	2023	2022	2023	2022
Salaries and other remuneration				
Board of directors and CEO	1,816	1,489	1,816	1,489
Other personnel	8,625	6,985	10,549	7,639
Total salaries and other remuneration	10,441	8,474	12,365	9,128
Social and pension costs				
Social costs	2,477	2,323	2,608	2,374
Pension costs	728	434	728	434
Total social and pension costs	3,205	2,756	3,336	2,808
Total salaries and other remuneration	13,646	11,230	15,701	11,936
The average number of employees	16.2	13.6	17.2	13.9
Of which women	5.0	5.3	6.0	5.6
Board members	4.0	4.0	4.0	4.0
Of which women	1.0	1.0	1.0	1.0
Other employees in the company's management incl. CEO	1.0	1.0	1.0	1.0
Of which women	0.0	0.0	0.0	0.0

NOTE 11 – Transactions with related parties

	2023	2022
Freltec ApS (Owned by Torsten Freltoft, CEO)	206	229

Transactions with related parties have taken place in accordance with market conditions and affected the profit for the period.

NOTE 12 – Fees to the auditors

	Parent Company		Group	
	2023	2022	2023	2022
PricewaterhouseCoopers AB				
Auditing	391	177	391	177
Tax advice	-	-	-	-
Other services	-	-	-	-
Total	391	177	391	177

NOTE 13 – Taxes

As of December 31, 2023, the Company's total deficit preliminary amounts to SEK 82,520 (67,971). Deferred tax assets on the deficit have not been taken into account.

NOTE 14 – Contingent liabilities

The Company has no pledged collateral or other contingent liabilities as of 12/31/2023, nor as of 12/31/2022.

NOTE 15 – Shares in group companies

	2023	2022
Initial acquisition value	9	9
Acquisition	0	0
Closing reported value	9	9

Holdings of shares in subsidiaries consist of the following:

The Group	Org no	Residence	Equity	Result
AcouSort Inc	185359-3000	Maryland	-4097	-2,968

The Group	Share of ownership	Number of shares	Book value 2023
AcouSort Inc	100%	100	9
Total			9

NOTE 16 – Significant events after the end of the period

On January 18, AcouSort announces that the company extends its collaboration with a leading cell therapy company into a third project phase. The new assignment will generate revenues of at least SEK 485,000 in 2024.

On January 31, AcouSort announces that significant technical progress in the AcouSome project has been achieved with two novel patent applications filed.

Declaration by the Board of Directors and the CEO

The Board of Directors and the Chief Executive Officer certify that the Annual Report provides a true and fair view of the company's business, financial position, performance and describes material risks and uncertainties, to which the Company is exposed.

Lund April 1, 2024

Martin Olin

Chairman

Thomas Laurell

Board member

Stefan Scheduling

Board member

Katherine Flagg

Board member

Torsten Freltoft

CEO

Our audit report was submitted on April 1, 2024.
Öhrlings PricewaterhouseCoopers AB.

Mikael Nilsson

Authorized public accountant

Auditor's report

To the general meeting of the shareholders of AcouSort AB (publ), corporate identity number 556824-1037

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of AcouSort AB (publ) for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 19-35 in this document.

In our opinion, the annual accounts and consolidated 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 their financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Basis for Opinions

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

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

Other Information 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 1-18 and on page 38. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act. 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/revisorsansvar. This description is part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of AcouSort 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 Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

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

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

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

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

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

Malmö on April 1, 2024

Öhrlings PricewaterhouseCoopers AB

Mikael Nilsson

Authorized Public Accountant

Other information

ANNUAL GENERAL MEETING AND AVAILABILITY OF THE ANNUAL REPORT

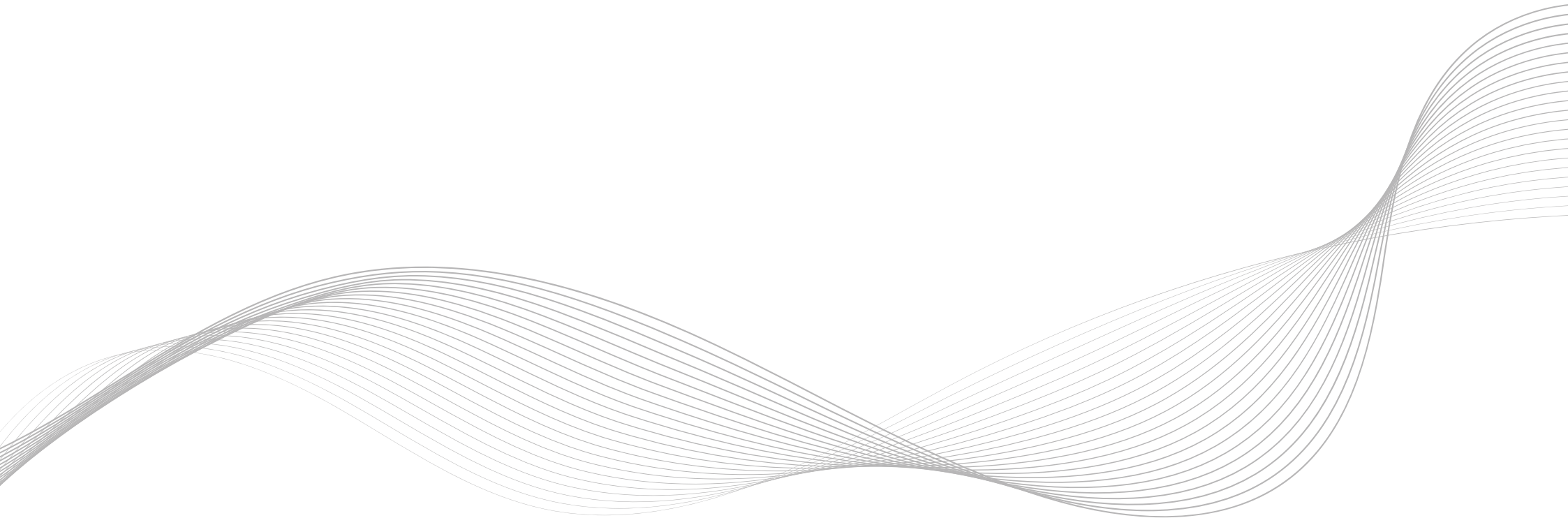
The Annual General Meeting will be held in Lund on April 30, 2024, at 9 AM. The Annual Report will be available for download on the Company's website (www.acousort.com) no later than three weeks before the annual general meeting.

THE SUBSIDIARY ACOUSORT INC

AcouSort AB has a wholly owned subsidiary in the USA, AcouSort Inc. The Company's task is to carry out marketing and sales on the North American market. During the financial year 2023, the parent company has transferred funds to the American subsidiary with a total of approximately SEK 2.75 million, in the form of loans.

UPCOMING FINANCIAL REPORTS

- Q1 2024: May 22, 2024
- Q2 2024: August 28, 2024
- Q3 2024: November 27, 2024
- Q4 2024: February 26, 2025



AcouSort
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