
acarix
Annual Report
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Acarix in brief

Acarix is a Swedish medtech company developing the CADScor® System, an innovative, non-invasive medical device for safe and quick rule-out of coronary artery disease (CAD) in the first stage of the diagnostic pathway.

Recent studies demonstrate that nine out of ten patients referred for non-invasive testing do not have significant CAD. Most patients could avoid the sometimes cumbersome, redundant and costly test procedures, saving them from stress, anxiety and long waiting times.[1, 2, 3, 4] With more than 97 percent confidence (negative predictive value), the CADScor® System can rule out up to 50 percent of patients who experience chest pain due to an illness other than CAD.

Acarix is a medtech company founded on innovation and science. Our vision is to create a paradigm shift in the early warning and assessment of cardiac and vascular diseases. We are using clinical evidence and complex algorithms to develop the CADScor® System, and we expect our rule-out device to generate significant cost savings for the healthcare system while limiting unnecessary anxiety and waiting times for patients. The CADScor® System is currently available in Germany, Austria, Switzerland, Sweden, Denmark, Finland and the UK.

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DO NOT SUFFER FROM SIGNIFICANT CORONARY ARTERY DISEASE

7

MARKETS:
GERMANY, AUSTRIA, SWITZERLAND, SWEDEN, DENMARK, FINLAND, THE UK

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An eventful year with major commercial successes

2020 was a successful and at times challenging year, during which we received confirmation of the tremendous value of our innovation. Despite the ongoing global pandemic, we succeeded in closing two of our clinical studies, substantially increasing our sales in Germany and obtaining market approval in the US. The CADScor® System has started to consolidate its position as a smooth and safe diagnostic aid with clear-cut evidence. We have identified where in the patient journey we contribute the most value for both the patient and healthcare.

At the beginning of the year, we completed a reorganization of our sales management team in Germany and the Nordic region. Although Germany was in lockdown for part of 2020, our local sales force succeeded in reaching our target groups. The results were striking: during the final two quarters, we significantly increased the number of CADScor® Systems in Germany by selling almost three times more systems than in the corresponding period of 2019. The German authorities also expressed an interest in allowing an independent scientific institution to conduct a study based on our method. Such a study confirms the value, relevance and potential of our technology and could significantly increase awareness of our brand.

Market approval in the US

In February, we submitted our application to the US Food and Drug Administration (FDA). Acarix's innovative diagnostic aid is unique – there is no equivalent in the market. We therefore had to apply via a DeNovo Pathway, which entails a completely new classification.

At the end of the year, we finally received approval, an important milestone that will create major opportunities for us to penetrate the world's largest medtech market. Our innovative technology will fill an important function in US healthcare and we are currently preparing for such a launch by identifying segments, target groups, price models and business concepts.

Can the CADScor® System be used to detect heart failure?

There are indications suggesting this is true. As scheduled, we completed patient enrollment in the SEISMO study, in which 199 patients are participating in order to create an algorithm that can be used to detect heart failure at an early stage. Today, many patients have to wait far too long for a medical evaluation and there is a need for a quick, reliable and cost-effective diagnostic pathway. The preliminary results of the study are positive and could motivate follow-up

"Our product is suitable in times when we need to keep our distance."

studies to collect more data for algorithms. As soon as we have access to patient data, we will continue our work to transform these promising results into an additional value-generating platform in the Acarix portfolio.

We will emerge from the pandemic in a strong position

It is hardly possible to summarize 2020 without mentioning COVID-19. Just like all other companies, we were forced to adjust. A number of our most important forums and congresses were canceled and it was a challenge reaching out to our target groups. During the first wave, all ongoing studies were also suspended. We therefore devoted considerable focus to realigning our operations to conduct video meetings, virtual training programs and other forms of support. This is one of the advantages of being a small company – we can quickly find new approaches to reach our goals. However, the COVID-19 pandemic has not only been a challenge. In fact, we have demonstrated that our product is highly suitable for examinations in times like these, when we need to minimize the number of social interactions.

Changed organizational structure

Another important event from the past year was that we streamlined our organization's business areas.
We have promoted certain individuals and assigned them clearer areas of responsibility. We hope that this will further improve our results and simultaneously increase transparency in Group management.

Successful share issue

Last summer, we concluded our rights issue and we consider it to be a success. The share issue was oversubscribed and we received a warm reception from our investors, all of whom showed a good understanding of the product and the exciting journey that lies ahead. More and more people are becoming aware of us and I believe that is because we have a product that is easy to understand and use. It provides society with considerable patient value at a low cost and is based on strong evidence. In addition, the authorities' guidelines are clear: healthcare must make earlier decisions concerning the evaluation of coronary artery disease (CAD) and utilize more alternatives to the traditional diagnostic pathways. However, it takes time to change established behaviors, particularly among members of a medical profession that has been trained to use a certain methodology.

Looking ahead

2020 was an eventful year and it seems that 2021 will be at least equally exciting. We will continue our excellent work in the Nordic region and Germany, while also laying the foundation to achieve commercial success in the US market. We will participate in a health economic publication from the UK, which is scheduled for the end of the second quarter. Finally, we will continue our work to find a reimbursement model for the German, UK and US markets. We have come furthest in these discussions with the German authorities, but the application process looks promising in a number of markets.

Lastly, I would like to thank all of our shareholders, customers and employees for a fantastic year together. I look forward to continuing our shared journey in the future and further scaling up our operations.

Per Persson
CEO of Acarix

History

2015

Acarix receives CE marking for commercialization in Europe.

2016

Completes CADScor® System's transition from prototype to production of the final product.

CADScor® System receives regulatory approval in Canada.

Completed IPO of new shares and listing on Nasdaq First North Premier Stockholm.

Completes enrolment of the major Dan-NICAD study comprising 1,675 patients.

Strategic investor Puhua Jingxin signs an agreement for a significant investment in Acarix and discusses the possibility of collaboration in the Chinese market.

2017

Direct sales force in place in Germany, Sweden and Denmark.

First sales in Germany, Sweden, Denmark and Austria.

2018

Enrollment started for Dan-NICAD II.

More than 5,000 patients in clinical and commercial usage.

Enrollment started for Seismo, an exploratory study for heart failure application.

2019

Acarix recognized and included in the Medtech Innovation Briefing (MIB) through the National Institute of Clinical Excellence (NICE) in the UK.

Rights issue closed, securing Acarix's ability to execute plans and activities throughout 2020 – Acarix exposed to thousands of investors and institutions.

Submission of FDA dossier, filing for US approval.

Reclassification study published in the International Journal of Cardiovascular Imaging.

By November, first patients included in the FILTER-SCAD study.

First commercial footprints from the UK and Finland, adding two new markets.

2020

US approval from the FDA secured through a De Novo admission.

Recruitment of patients for the Dan-NICAD II study (a total of 1,726 patients) finalized. The study will generate a significant volume of data to improve algorithms and make the product available for individuals from the age of 30.

Continued commercial success in Germany during the third quarter, with 19 systems delivered. More than 70 clients are now using CADSCor® in the DACH region.

FDA establishes a new technology classification based on CADScor®'s unique qualities.

The inclusion process of the exploratory clinical study SEISMO with 199 Danish patients is finalized according to schedule. The foundation makes it possible to evaluate an algorithm for early discovery of heart failure.

Our strategy

Acarix is a Swedish medtech company that develops and commercializes diagnostic rule-out tests for patients with suspected coronary artery disease (CAD). Acarix's primary objective is to establish our product – the CADScor® System – as a diagnostic aid for the early rule-out of CAD among patients whose symptoms give cause for further evaluation. The product can determine with a high degree of precision (negative predictive value) that a patient is not suffering from CAD and has been developed to facilitate rule-out as early as the patient's first contact with a physician. In addition to fast and accurate information for the patient and healthcare provider, the system also helps to ensure that patients with a high likelihood of CAD will have access to qualified care.

Business concept

By providing a diagnostic aid for physicians and healthcare providers, Acarix intends to establish a new market segment, where CAD can be ruled out already in the first line contact. The CADScor® System will be sold at clinics. Acarix will also sell disposable patches, to which the ultra-sensitive microphone is attached. The patches are designed for single use and are needed to perform an examination.

Vision

Acarix's vision is to create a paradigm shift in the early assessment of cardiovascular diseases and to create a leading platform in acoustic diagnostics of the cardiovascular system.

Goals

Acarix's ambition is to establish the CADScor® System as a standard tool to enable physicians to rule out CAD in their initial contact with a symptomatic patient.

Commercialization strategy

Acarix's overall objective is to develop and provide tests enabling swift, reliable and non-invasive rule-out of CAD in patients whose symptoms at the time give cause for further and more invasive examination. As an important part of the strategy, Acarix focuses on a few selected areas:

Market expansion in Europe

- Reimbursement process via the GB-A authority in Germany, from which Acarix received encouraging feedback in October 2020, when the G-BA published a request for acoustic diagnostics of CAD. The request is based on the clinical evidence and innovation that we shared in conjunction with our application. Due to the pandemic, the process has been delayed and we are awaiting a decision as to whether we will be summoned to a hearing during the first quarter.
- Continued development of reference centers in key markets, supporting the overall market development and peer-to-peer expansion.
- In the UK, we laid the foundation for a health economic report that was submitted for publication during the

second quarter of 2020. This will be shared with the authorities concerned for the continued establishment of our technology in the UK market.
- The same model will be developed into a base health economic model that will enable stronger support in the dialogue with authorities and hospital administrations in other markets.
- Secure and develop distributor partnerships in the company's key markets: the DACH region, the Nordic region and the UK.

FDA approval process and preparation for US market entry

- FDA submission following the DeNovo Pathway. In late November 2020, Acarix received market approval for CADScor® in the US market. The FDA, like the G-BA in Germany, opted to create a new segment for acoustic CAD diagnostics, which provided a unique recognition of our technology.
- In parallel, Acarix started preparing commercial activities. These have been aligned with the timelines for the FDA process. We have started this work in selected areas, including potential partnerships and sales channels. We have also initiated an application for a CPT reimbursement code.

Clinical studies

- In addition to the publications Acarix presented in 2020, continued investment in clinical evidence has been prioritized. Despite the ongoing pandemic, we succeeded in completing patient enrollment for two of our studies: the Dan-NICAD II study and the exploratory SEISMO study (concerning heart failure).

Acarix's revenue model

- Most of the customer segments currently have varying levels of importance depending on the healthcare structure of their respective market. In Northern Europe, the company has started with sales to hospitals as well as to private cardiologists and cardiology clinics. Thereafter, the company intends to introduce the product in a significantly larger customer segment where reimbursement is a prerequisite.
- Acarix offers the CADScor® System as a multi-tool with disposable patches. The disposable patches contain an RFID chip, which is preprogrammed to match the device. In the short term, revenue is driven by the number of CADScor® Systems sold, while the bulk of future revenue is expected to be generated from the sale of disposable patches.

Reimbursement and national guidelines

- Acarix aims to have the CADScor® System included in national and regional guidelines for CAD diagnosis. In parallel with the private segment of the health insurance system, Acarix is applying for inclusion in the state reimbursement system in the German market (G-BA). In the UK, Acarix will work with the National Institute of Clinical Excellence (NICE) to investigate the clinical and health economic benefits of the CADScor® System. In 2021, a health economic report will be submitted for publication as part of this process.
- During 2020, Acarix initiated preparatory work for the US market and, in conjunction with our FDA approval in late November, this process was activated.

“I always use the CADScor® System first to avoid unnecessary tests”

Dr Jens-Uwe Deiters, a specialist in internal medicine and occupational health, runs a private practice in Stuttgart, Germany. He was one of the first physicians in the region to adopt the CADScor® System in his business.

For how long have you been using the CADScor® System?

Since June 2020. When I first heard of the CADScor® device and its benefits, I read some articles, and I thought it was a good fit for my practice.

How many patients have you used the device on?

25. I just finished the first box of patches.

How has the CADScor® concept helped you in your daily work?

As a physician, you often have an idea of whether the patient’s complaints depend on a cardiac disease or not. CADScor® helps me reassure patients that my clinical conclusion is correct. I can easily show my patients the CADScor® to demonstrate the risk of coronary artery disease. It reduces the patient’s stress as well.

How do the patients experience the examination?

All of my patients have followed the instructions and relaxed, so technically it has been a good experience. We have placed leaflets regarding the device in our waiting room, and people are very interested and ask us about it.

What is your opinion of the primary benefits of the CADScor® System?

I want to minimize the number of inconvenient examinations for my patients. When we suspect that the patient has coronary artery disease, we can refer them to a cardiac MRI or CT scan. But a CT scan always involves radiation, and a cardiac MRI is costly and demands more from the patient. I always use the CADScor® System first to avoid unnecessary test procedures.

How big is the demand for diagnostic devices like CADScor® System?

It is an emerging market where the healthcare system can save a lot of money while improving diagnostics and reducing stress levels.

Our technology

Since the initiation of Acarix, it was clear that the requirements of the acoustic sound recording system had to be very special to identify the sounds arising from narrowed coronary arteries. Building on the broad foundation of Danish expertise within acoustics, world class components and electronics are therefore an integral part of a the high performing CADScor® System.

Ten years of clinical experience in a new technology

As a new technology the CADScor® System users need to trust the performance reported from clinical studies for the ability to identify sounds that cannot be readily heard by the human ear and even calculate a CAD-score for safe rule-out for coronary artery disease.

Similar to the European users of the CADScor® System, The US Food and Drug Administration (USFDA) has evaluated the CADScor® technology and clinical performance and cleared the CADScor® System for sale in the US, through the De Novo approval process in an only 12-month period from application to clearence.

Using the CADScor® System, as an aid in the early diagnostic work-up for a patient suspected of stable coronary artery disease, can save both the patient and healthcare system for more involving complex and risk associated evaluation procedures.

The full CAD-scoring process is undertaken on the patient in less 10 minutes, from patient entering for an examination to leaving with a CADScor® result. To obtain these high-quality recordings no special recording room is needed, but only a specially designed patch, that in combination with the recording CADScor® sensor, eliminates external (handheld) micro- vibrations and also maintains a constant pressure towards the patient chest.

The CADScor® System is based on what is known as ultrasensitive phonocardiography, doing sound recording and analyzing the sounds and murmurs emitted from the human heart. The sound analysis is conducted immediately after recording using the high onboard computing power of the CADScor® System and the result is displayed on the integrated touch screen.

For patient filing, journaling, documentation and convenience, the CADScor® result can be visualized and integrated into a patient report and transferred by email or printed by the investigating doctor or nurse via a GDPR safe QR-code. The process involves using the associated CADScor® App and simply scanning the QR-code result and decide for print or send.

The CADScor® App is now offered free of charge to users having iOS enabled camera fitted devices running at least iOS v.13. Support for Android OS enabled camera fitted devices at version 9 or higher is expected during 2021.

Background

In the medical field, listening to internal body sounds are termed auscultation (to listen) and widely used today. The first stethoscopes were sound conducting wooden sticks that later evolved into the signature medical device of the doctor, the binaural stethoscope. Today's stethoscopes are used for listening to the sounds of lungs, hearts and also frequently intestinal or stomach sounds.

The current CADScor® System has an integrated scoring algorithm originally developed at University of Aalborg, Denmark, as a computer-based algorithm to rule-out suspected coronary artery disease in patients, based on recorded hearts sounds. Acarix and the University of Aalborg have since been collaborating to further improve the scoring algorithm and its noise cancelling properties, resulting in

a powerful tool to undertake the safe rule-out of coronary artery disease, by fully acoustic means.

From a patient perspective, looking at the patient pathway from suspicion of coronary artery disease to rule-out or diagnosis was found both long and, in many cases, also costly and carrying extra patient risk. Many different analyses and tests were often done before a diagnosis or rule-out of coronary artery disease could be made, both extending total diagnosis time and adding substantial test costs.

Thus, many suspected patients are examined, but only a much lower percentage of these patients actually suffer from CAD and could thus potentially have been redirected for other evaluations or immediately ruled-out for their suspicion of coronary artery disease.

In conclusion, the CADScor® System was developed to:

- Be applied as a first test modality at the first contact with cardiologists or physicians for patients' suspected of stable coronary artery disease.
- Enable the patient CAD-scoring in standard clinical settings, tolerating normal clinical noise levels, by use of sophisticated adaptive noise-filtering algorithms
- Accommodate the evaluation time by the CADScor® System to integrate in daily clinical practice activities, returning a CAD-score result immediately after sound recording using only the CADScor® System and patch.

Patents

Acarix holds nine patent families in relation to the CADScor® System. In all patent applications Acarix focuses on the most important markets i.e. USA, China, Europe and India. Five of the patent families relates to the classification by phonocardiography of cardio-vascular signals, for identification of coronary artery disease. Two of these patent families relate to methods/procedures exclusively for US applications. Two patent families relate to product design and construction. One patent family relate to adaptive filtering of the recorded signal. One patent family relate to classification of heart failure by seismocardiography.

Ongoing clinical studies

The FILTER-SCAD study continued enrolling patients in 2020; however, at a lower rate than anticipated due to the COVID-19 pandemic. The study objective is to evaluate the CADScor® System in a randomized study directly comparing CADScor® evaluation to standard evaluation. The number of patients is approximately 2,000 patients, recruited from four to six different clinical study sites, including one Swedish center. There will be a 12-month inclusion and 12-month follow-up period per center. The design of the study was presented as a poster at ESC 2020. The study results are expected to be concluded by 2023.

The Dan-NICAD II study included the last patient in December 2020. The study, that comprises 1726 patients referred to coronary CT with symptoms suggestive of stable CAD, will further establish the diagnostic accuracy of the CADScor® System compared to other stratification alternatives commonly used today and add more validated clinical data for further development of the CADScor® algorithm. The study also includes patients below the age of 40 which may provide the opportunity of an expansion of the currently identified patient group, thus enable the CADScor® System to be used on patients down to 30 years of age. The result of the final analysis of the study data is expected to be submitted for publication late 2021.

The SEISMO study included the last patient in March 2020. The study, with a total of 199 patients provides data for development of an early heart failure detection algorithm.

The recording devices used in the SEISMO study are modified CADScor® Systems obtaining additional seismo-cardiographic data information. The results from the final analysis of the study data are expected to be submitted for publication in Q2 2021.

The Validate study has been submitted for publication. The study data provides validation of the CADScor® System for the detection of CAD in a high-prevalence population.

The data from the exploratory BACC study with patients suspected of acute myocardial infarction coming to the Emergency Room is being processed for submission and publication.

The German AKUSTIK study is a clinical utility study of the CADScor® System as an early rule-out system in patients with suspected stable CAD. The study is a blinded comparison to standard care evaluation, including stress-ECG.

Current

In November 2020 Acarix receives US market approval for the CADScor® System with the following indications for use: *The intended use of the CADScor® System is to record heart sounds, murmurs and vibration for calculation of a patient specific score, indicating the risk of presence of coronary stenosis, as an aid in cardiac analysis and diagnosis.*

As there was no similar device currently used in the US market, FDA identified this generic type of device as: *Coronary artery disease risk indicator using acoustic heart signals. A coronary artery disease risk indicator using acoustic heart signals is a device that records heart sounds including murmurs and vibrations to calculate a patient-specific risk of presence of coronary artery disease, as an aid in cardiac analysis and diagnosis.*

For the US market there are some specific requirements that currently are being implemented before marketing. These changes are evaluated if beneficial and applicable for the EU market, but also with the consideration to streamline future production and facilitate traceability.

As the CADScor® System is used more frequently and the customer base expands, feedback from the market has also increased. This is appreciated input and valuable data for product care activities. In addition to this the clinical study DANICAD2 will give further input to develop and potentially improve the algorithm.

The first clinical study regarding heart failure, called SEISMO, has also been completed with positive indications. Work is initiated with regards to further clinical data collection and product development activities.

33 percent of all deaths are caused by cardiovascular disease – considerable demand for a leaner diagnostic pathway

Cardiovascular disease (CVD) is the most common cause of death globally, depriving an estimated 17.9 million people of their lives every year.[1, 2] Patients, healthcare professionals and healthcare systems would benefit from more efficient diagnostic procedures related to CVD.

More than 75 percent of all deaths related to CVD occur in low- and middle-income countries.[3] In Europe, CVD causes approximately 3.9 million deaths annually and accounts for 45 percent of all deaths in the region.[4] In the US, the corresponding figure is nearly 840,000 deaths annually.[5] The total cost to society of CVD in the EU and the US amounts to EUR 210 billion[6] and USD 330 billion[7], respectively, including both direct and indirect costs.

Coronary artery disease

Coronary artery disease (CAD) is one of the most common cardiovascular diseases. It is estimated to cause around 7.2 million deaths annually.[8] The primary symptoms of CAD are rarely unambiguous and often confused with signs of other discomfort and diseases, e.g. muscle pain, diffuse stomach complaints or psychosocial stress. Recent studies have shown that as few as 6 to 10 percent of patients referred to non-invasive testing suffer from significant CAD.[9, 10, 11] Nine out of ten patients could be saved from cumbersome and costly test procedures.

The need to reduce the number of non-invasive and invasive diagnostic procedures, while maintaining diagnostic reliability, seems imperative. Early identification and rule-out of patients who do not have significant CAD would reduce healthcare costs and patient anxiety.

Today's diagnostic pathways

CAD symptoms include pressure or pain in and around the heart, often in combination with breathing difficulties, dizziness or nausea. The symptoms are not unambiguous, which is why healthcare centers refer patients to cardiology specialists for further investigation. The primary examination consists of multiple steps, all evaluated to determine the need for further examinations. The diagnostic pathway depends on both the individual and the national guidelines and reimbursement structures.

Cardiovascular disease (CVD) is the most common cause of death globally. Many patients who seek medical attention for chest pain would benefit from more efficient diagnostic pathways in order to reduce worry and anxiety.

The four most common steps in the diagnosis of CAD are:

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

The non-invasive alternatives, exercise ECG and echocardiography, often produce inconsistent results that depend on the particular cardiologist's assessment. Patients are frequently referred for an invasive coronary angiogram, resulting in high costs for the healthcare system and discomfort and unnecessary risks for the patient.

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Market overview 2020

Despite the COVID-19 pandemic, Acarix succeeded in advancing its position in its prioritized markets. We implemented a number of focused market initiatives, both in person and virtually. This had a significant impact on our market penetration, particularly in the DACH region, where we currently have more than 70 active clinics. The year's major event was naturally our FDA approval for the US market, where we see huge potential for our products. To be able to penetrate even more markets outside Europe, we are focusing on improving our virtual training and support.

Market approval in the US

In November, we finally received the go-ahead for the CADScor® System in the US market. We applied via the DeNovo Pathway and, as a result of our unique technology, we were allotted our own category by the FDA, as the first company in our segment. In parallel with the application, we took the first market-strategic steps towards a launch in the US and identified segments, target groups, price models and business concepts.

Major success in the DACH region

Although Germany was in lockdown for a large part of the past year, we successfully reached out to many new customers and clinics. Our German sales force was expanded to include three sales representatives, and we are working with two distributors – Novomed and Bodenwinkler – in Switzerland and Austria. During the third quarter, we delivered 19 systems to Germany, three times more than during the year-earlier period.

The German Federal Joint Committee (G-BA) is investigating the potential to let an independent scientific institution conduct a study based on the CADScor® method. Such an opportunity confirms the value and relevance of our method and should be viewed as recognition of the potential of our clinical platform. In addition, the study could increase our exposure and customer awareness.

In September, the German Ministry of Health stated that phonocardiography for ruling out stable coronary artery disease has the potential for general use in Germany. In our ongoing reimbursement process, the German authorities have decided to treat our technology in a similar manner to the FDA, which we regard as positive.

Health economic model demonstrates efficacy and value

The UK is an important market with huge potential for the CADScor® System. Together with a UK consultancy, we have developed a health economic model that clarifies the financial benefits of implementing CADScor® at an early stage of diagnosing stable chest pain. For our UK customers to qualify for reimbursement, we need to prove the system's efficacy and value for both the healthcare system and the patient. It will be possible to use the model in other markets with similar healthcare systems.

Nordic region

During the past year, we continued our efforts to increase knowledge and awareness of our CADScor®. We methodically focused on selected forums where diagnosis of stable chest pain is discussed. We also engaged in a dialogue with hospitals, private clinics and authorities to inform them of the advantages of our product. Healthcare is under increasing pressure, and we see a considerable need for faster and more cost-effective diagnostic pathways.

Said Masiha, specialist physician.

The CADScor® System helps patients who cannot perform exercise tests

Said Masiha, specialist physician in cardiology, internal medicine and clinical physiology, operates a private specialist clinic in Uppsala. Every week, he examines patients who are seeking medical attention for chest pain and other heart-related symptoms. Said has tested the CADScor® System as a complement to traditional exercise tests.

How long have you used the CADScor® System?

We have used it for a month and managed to test approximately 35 patients.

How does CADScor® help you in your practice?

I am currently using the product as a complement to exercise tests. The examination goes quickly and smoothly. It's an easy-to-use device that gives a clear answer and also shortens appointment times. Usually when we test for potential coronary artery diseases, we use exercise tests in the form of a bicycle test. However, we have a small group of patients, approximately 10–15 percent, who cannot cycle due to pain, functional disability or other reasons. For these patients, being able to offer a different method offers great benefits.

How do you view the future of the CADScor® System?

We are currently awaiting the results of the evaluating studies, which will provide an indication of how well CADScor® fares in relation to the exercise tests. We need a solid base to be able to motivate our decisions to refer patients to a more comprehensive examination. CADScor® is a new system in the market. It has considerable potential, but it is still too early to tell if it can fully replace the exercise tests.

My chest pain was not caused by heart disease.

Lena's chest pain was evaluated using CADScor®

Lena had been feeling tired and was experiencing a diffuse burning sensation in her chest, so she went to her family doctor at the local healthcare center. Following basic tests, she was referred to the medical department at Kristianstad Central Hospital, where she underwent a CADScor® test to rule out an ischemic heart condition.

At the hospital, Lena was first asked to perform a bicycle test. The results of the bicycle test did not enable the specialist physicians to rule out a heart condition so additional tests had to be performed.

"I was informed that they usually perform a relatively comprehensive examination called a cardiac scintigraphy, in which a radioactive substance is injected into the body. This substance then becomes visible during X-ray. In my case, the doctors first wanted to perform a CADScor® test so that I could avoid further examinations of a more invasive nature," Lena explains.

A clear answer

The test was conducted at the Clinical Physiology Department at Kristianstad Central Hospital. The medical staff went through the test procedure with Lena:

"It was a quick and easy test that was over in ten minutes. I was asked to hold my breath for a couple of short sections during the actual measurement. They put a little device on by chest that would record and analyze sound from the heart. If the device showed a green symbol, they could rule out coronary artery disease."

After ten minutes, the measurement was over and Lena was told that she had a healthy and low CAD score, which was confirmed by the green symbol on the screen. The medical staff could then rule out CAD with a very high probability, which meant that Lena did not have to undergo any further tests.

"I felt relieved getting such a clear answer. Now I don't need to worry any more!"

The share

Acarix AB (publ) is the Parent Company in the Group consisting of five wholly owned subsidiaries, of which Acarix A/S with its registered office in Kongens Lyngby, Denmark, is the company in which the Group's operations are conducted. The Acarix share has been traded on the First North Growth Market in the Premier segment since December 19, 2016. The share was introduced at a price of SEK 17.60 per share and the final closing price at December 31, 2020 was SEK 1.18. In 2020, the highest price paid was SEK 1.88 on November 25, 2020, and the lowest price paid was SEK 0.59 on March 20, 2020.

During September, the company's rights issue and share issue offsetting debt were completed. Due to the rights issue, the number of shares increased by 86,156,738, from 51,694,043 to 137,850,781 and approximately SEK 58 million was contributed to the company before expenses related to the rights issue. Acarix's share capital increased by SEK 861,567.38 to SEK 1,378,507.81. Total dilution corresponded to approximately 62.5 percent.

The guarantors, in accordance with the guarantee agreements that had been entered into, had the possibility of choosing to receive guarantee compensation in the form of cash remuneration or newly issued shares in the company. A number of guarantors elected to receive the guarantee compensation in the form of newly issued shares. In view of this and pursuant to an authorization from the Annual General Meeting on May 14, 2020, a compensation issue totaling 3,194,656 shares was implemented.

Through the compensation issue, the number of Acarix shares increased to a total of 141,045,437, and the share capital increased by a total of SEK 31,946.56 to SEK 1,410,454.37. The dilution resulting from the compensation issue corresponded to approximately 2.3 percent.

The share trades under the ACARIX ticker and the ISIN code SE0009268717 and is included in the Nasdaq First North Healthcare GI, which rose by 32.3 percent and 43.6 percent, respectively, during 2019 and 2020.

The number of shares in the company at year-end totaled 141,045,437 (51,694,043), comprising a total market cap of SEK 169.2 million (65.7) at December 31, 2020. The Acarix share is monitored regularly by Redeye analysts.

Shareholder register December 31, 2020	Number of shares	Votes and capital
Försäkringsktiebolaget Avanza Pension	14,730,879	10.44%
SEED Capital DK II K/S	4,749,081	3.37%
Sydbank A/S	3,298,649	2.34%
Xinchang Puhua-Jingxin-Guzhou Heal	2,654,259	1.88%
Nordnet Pensionsförsäkring AB	2,212,019	1.57%
Konrad, Magnus	2,100,000	1.49%
Northern Trust Global Services, SE	2,041,573	1.45%
Johansson, Ernst David	1,600,000	1.13%
Bergvall, Leif Harald	1,500,000	1.06%
Sköld, Jörgen	1,440,000	1.02%
Other shareholders	104,718,977	74.24%
Total	**141,045,437**	**100.0%**

Voting rights and entitlement to dividends

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

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

Warrant program

At an Extraordinary General Meeting held on August 11, 2020, a resolution was passed concerning a warrant program conferring entitlement to subscribe for shares.

Incentive Program 2020/2023 for senior executives and employees comprises an issue of a maximum of 3,000,000 warrants, with each warrant entitling the holder to purchase one share during the exercise period of August 1, 2023 through October 1, 2023. The subscription price for the shares pursuant to the warrant program is SEK 1.17. Market-based pricing was applied in conjunction with the warrant offering. The duration of Incentive Program 2020/2023 is three years.

Annual General Meeting (AGM)

The AGM of Acarix AB (publ) will take place on May 11, 2021 at the offices of Baker & McKenzie Advokatbyrå, Vasagatan 7, SE-101 23 Stockholm, Sweden. Notice to attend the AGM will be published on Acarix's website www.acarix.com.

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

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

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

Risks and uncertainties

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

Market growth and general economic conditions

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

Products and market acceptance:

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

Risks related to future commercialization

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

Competition

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

Licenses and approval

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

Research and development

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

Development costs

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

Key person dependency

For the continued development of the company, Acarix is

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

Product liability

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

Intellectual property rights

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

Financing

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

Tax

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

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

Legislation and regulations

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

Disputes

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

Pandemics

The effects of pandemics like COVID-19 can have major consequences for the general economy and have a negative impact on Acarix's clinical and commercial activities in both the short and the long term. This may also impact access to capital, which could affect Acarix's ability to obtain the necessary funding for its operations. It is currently difficult to assess the way the ongoing outbreak of COVID-19 will develop, but there is a risk that it will affect Acarix's clinical programs and sales development in 2021, and the possibility to raise necessary capital in the beginning of 2022. See also Note 5 Financial risks.

Corporate Governance Report

Introduction

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

- Acarix A/S, Hellerup, Denmark
- Acarix GmbH, Cologne, Germany
- Acarix GmbH, Vienna, Austria
- Acarix China ApS, Hellerup, Denmark
- Acarix Incentive AB, Malmö, Sweden

The Board of Directors of Acarix AB (publ), Corp. Reg. No. 556009-0667 ("the company") hereby submits its Corporate Governance Report for 2020 based on Swedish law, such as the Swedish Companies Act and the Swedish Annual Accounts Act, and external control instruments, including First North Rule Book for Issuers and the Swedish Corporate Governance Code ("the Code"). The Code is based on the "comply or explain" approach, which means that a company that applies the Code need not comply with every rule of the Code at every point in time; instead it is permitted to apply alternative solutions regarded as more suitable to the company's special circumstances. A prerequisite for this is that every deviation is reported, that the solution chosen instead is described and that an explanation for the deviation is reported.

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

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

General Meeting

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

2020 AGM

Acarix's 2020 AGM was held on May 16 in Stockholm. The following resolutions were adopted at the AGM:

- to adopt the annual report for 2019.
- that no dividend be paid for 2019, in accordance with the Board of Directors' proposal in the official notice.
- to discharge the Board members and the CEO from liability for the 2019 fiscal year.
- that the Board of Directors is to consist of six Board members and no deputy members, in accordance with the Nomination Committee's proposal.
- that the number of auditors is to be one registered accounting firm.
- that remuneration to the Chairman of the Board is to be paid in an amount of EUR 60,000, and EUR 20,000 is to be paid to each of the other Board members, in accordance with the Nomination Committee's proposal. that fees to the Chairman of the Audit Committee and the Chairman of the Remuneration Committee are to be paid in an amount of EUR 5,000, respectively.
- in accordance with the proposal in the official notice, that the Board members for the period until the next AGM will be: Werner Braun, Chairman (re-election), Johanne Braendgaard (re-election), Paolo Raffaelli (re-election), Ulf Rosén (re-election), Anders Jacobson (new election) and Marlou Janssen-Counotte (new election). Claus Andersson and Yenfei Hong declined re-election.
- to approve the proposal in the official notice concerning re-election of the registered accounting firm Öhrlings PricewaterhousCoopers AB as auditor, with Authorized Public Accountant Cecilia Andrén Dorselius as auditor-in-charge.
- to adopt principles for the Nomination Committee in accordance with the Nomination Committee's proposal, which were unchanged compared with the preceding year.
- to approve the Board's proposal in the official notice concerning guidelines for executive remuneration.
- to authorize the Board to make decisions on new issues of shares and/or convertible debentures and/or warrants in accordance with the Board of Directors' proposal.
- to approve an amendment to the Articles of Association in accordance with the minutes of the AGM.
- to approve the decision to reduce the share capital.
- to resolve on the issuance of warrants and subsequent transfers related to the introduction of an incentive program for senior executives, other employees and key individuals.

The minutes of the 2020 AGM, the instructions for the work of the Nomination Committee and other information are available at www.acarix.com.

2021 AGM

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

Extraordinary General Meeting

Acarix held an Extraordinary General Meeting on August 11, 2020. The following resolutions were adopted at the Extraordinary General Meeting:

- to adopt the Board of Directors' proposal concerning a rights issue in accordance with the Board of Directors' proposal.
- to issue warrants and approve the subsidiaries' transfer of warrants in accordance with the Board of Directors' proposal.

Nomination Committee

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

The Nomination Committee, which is to be appointed for the period until a new Nomination Committee has been appointed, is to consist of four members, of whom three are to be appointed by the company's three largest shareholders in terms of voting rights and the fourth is to be the Chairman of the Board. As soon as reasonably possible after the end of the third quarter, the Chairman of the Board is to contact, in an appropriate manner, the company's three largest shareholders

in terms of voting rights whose holdings at that particular point in time are registered in the shareholder register maintained by Euroclear Sweden AB and ask them to name in writing, within a reasonable period considering the circumstances, which must not exceed 30 days, the person that the shareholder wishes to appoint as a member of the Nomination Committee and send this to the Nomination Committee. If one of the three largest shareholders does not want to exercise his/her right to appoint a member of the Nomination Committee, the next shareholder in line will be offered the right to appoint a member of the Nomination Committee. Should several shareholders abstain from their right to appoint members of the Nomination Committee, the Chairman of the Board is not required to contact more than eight shareholders, assuming that it is not necessary to compose a Nomination Committee comprising at least three members.

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

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

In connection with the preparation of its proposal concerning the members of the Board of Directors, the Nomination Committee is to consider the Board of Directors' evaluation of its work and take into account the requirements regarding the composition of the Board of Directors pursuant to the Swedish Companies Act, the Swedish Corporate Governance Code and Nasdaq Stockholm's Rule Book for Issuers. When preparing its proposals, the Nomination Committee is to take into account the fact that the Board must have an appropriate composition in view of the company's operations, stage of development and conditions in general, characterized by diversity and breadth as regards the expertise, experience and background of the members. The aim is to have an even gender distribution. The Nomination Committee ahead of 2021 AGM was appointed in accordance with these principles and consists of Werner Braun, Ulf Rosén (Chairman) and Yunfei Hong.

The company complies with the Code's regulations with the exception of the composition of the Nomination Committee. The deviation consists of the fact that the majority of members of the Nomination Committee are company Board members. The reason for this deviation is that most of the contacted shareholders declined membership of the Nomination Committee.

Board of Directors

According to the Articles of Association, Acarix's Board of Directors is to consist of at least three and not more than ten members elected by the AGM for the period until the end of the next AGM. The Board members are to be elected annually at the AGM for the period until the end of the following year's AGM. The AGM on May 16, 2020 elected six Board members, four via re-election and two via new election to replace members who had stepped down. The company's legal counsel served as the Secretary of the Board. Other Acarix executives participate in Board meetings as reporters on specific matters. According to the Code, a majority of the Board members elected by the AGM are to be independent in relation to Acarix and Group management. Also according to the Code, at least two of the Board members who are independent in relation to Acarix and Group management must also be independent in relation to the company's major shareholders. The composition of Acarix's Board of Directors fulfills the independence requirements of the Code. The shareholdings of individual Board members, their independence in relation to the company, Group management and the company's major shareholders, and their assignments in other companies are presented in the table below and the Board members are presented on pages 32–33.

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

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

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

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

Work and evaluation of the Board of Directors

Every year, the Board of Directors adopts rules of procedure for its work. This occurs in conjunction with the statutory Board meeting after the AGM and thereafter the rules of procedure are updated where necessary. The rules of procedure describe such matters as the Board of Directors' responsibilities and duties, the internal division of work and work methods as well as the division of work between the Board of Directors and the CEO. The current rules of procedure were adopted on May 11, 2020. Once annually, evaluate the Chairman's work on the Board of Directors.

Chairman of the Board's responsibilities

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

addition, the Chairman is responsible for contacts with shareholders concerning shareholder issues and for ensuring that the Board conducts an annual evaluation of its work.

Work of the Board of Directors 2020

During the fiscal year, a total of 14 minuted Board meetings were held: six scheduled minutes, one statutory meeting and seven meetings held by circular letter related to the rights issue/share issue offsetting debt, reduction of share capital and warrant programs. Board meetings have a recurring structure with predetermined main points. Information material and decision-making documentation prior to Board meetings are generally sent approximately one week before each meeting.

Evaluation of Board work

According to the Code, the Board of Directors, through a systematic and structured process, is to annually evaluate the work of the Board with the objective of developing the Board's work methods and efficiency. The Board of Directors'

Board members' attendance and independence, 2020	Elected	Attendance at Board meetings	Attendance at Remuneration Committee meetings	Attendance at Audit Committee meetings	Independent in relation to the company and Group management	Independent in relation to the company's major shareholders
Werner Braun (Chairman)	2016	7(7)	1(1)	–	Yes	Yes
Ulf Rosén	2016	7(7)	1(1)	–	Yes	Yes
Paolo Raffaelli	2019	7(7)	–	2(2)	Yes	Yes
Johanne Braendgaard	2018	7(7)	–	2(2)	Yes	Yes
Anders Jacobson	2020	3(7)	–	2(2)	Yes	Yes
Marlou Janssen	2020	3(7)	1(1)	–	Yes	Yes
Claus Andersson	2016	3(7)	–	–	Yes	Yes
Hong Yun Fie	2016	1(7)	–	–	Yes	Yes

Claus Andersson and Hong Yun Fie declined re-election. Marlou Janssen and Anders Jacobson were elected to the Board of Directors. In total, seven Board meetings were held during the year, including one statutory Board meeting. An additional seven meetings were held by circular letter in conjunction with the rights issue/share issue offsetting debt and the 2020/2023 warrant program.

Remuneration of Board members and Group management, 2020, kSEK	Director's fee/ Base salary	Director's additional services	Bonus	Pension costs	Other social security costs	Total
Werner Braun, Chairman of the Board	597	–	–	–	61	658
Ulf Rosén, Board member	229	–	–	–	72	301
Paolo Raffaelli, Board member	229	–	–	–	72	301
Johanne Braendgaard, Board member	199	–	–	–	63	262
Anders Jacobson, Board member	125	–	–	–	39	164
Marlou Janssen, Board member	125	–	–	–	39	164
Claus Andersson, Board member	75	–	–	–	23	98
Hong Yun Fie, Board member	–	–	–	–	–	0
Subtotal, Board members	**1,579**	**0**	**0**	**0**	**369**	**1,948**
Per Persson, CEO	2,183	0	465	433	907	3,988
Other members of Group management	3,910	0	358	600	961	5,829
Subtotal, Group management	**6,094**	**0**	**823**	**1,032**	**1,868**	**9,817**
Total	**7,673**	**0**	**823**	**1,032**	**2,238**	**11,766**

In addition to director fees, Ulf Rosén and Paolo Raffaelli also receive remuneration for their work on the Remuneration Committee and Audit Committees, respectively. Ten months of remuneration to the COO is included under Other members of Group management.

work in 2020 was evaluated during the first quarter of 2021. The evaluation was carried out by all Board members responding to a questionnaire with questions about the Board's activities. The results from the evaluation are compiled in a report and presented to the Board of Directors and members of the Nomination Committee.

Board of Directors' committees

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

The duties of the Remuneration Committee are to prepare matters concerning remuneration and terms of employment for the Group management.

Group management

CEO and Group management

The Board of Directors appoints the CEO to manage the company. In his role, the CEO reports to the Board of Directors and his main duty is the everyday management of the company's operations. The Board of Directors' rules of procedure and the instructions for the CEO establish which matters the company's Board is to make decisions on and which decisions fall within the CEO's area of responsibility. The CEO is also responsible for formulating reports and the decision-making documentation required ahead of Board meetings and serves as a reporter of this material at the Board meetings. The CEO is to take the actions necessary to ensure that the company's accounting complies with the law and to ensure that the company's funds are managed in a satisfactory manner. It is therefore the CEO's responsibility to ensure that the company has efficient internal controls and procedures for ensuring that the established principles for financial reporting and internal control are applied.

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

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

The CEO also leads the work of Group management. In 2020, Group management consisted of the CEO, the CFO, the CMO and the COO. The COO's employment in the company was terminated during October. At December 31, 2020, Group management comprised three people. For more information about Acarix's senior executives, refer to page 34 of the Annual Report.

Incentive programs 2020

In August 2020, the Group decided to implement a warrant program for the company's management, other employees and other key individuals. In total, the program encompasses 3,000,000 warrants. The warrants were transferred at market value and were subscribed for by all employees during the third quarter; a total of 2,680,000 warrants generated SEK 616,391 in warrant premiums. The remaining 320,000 warrants were transferred free of charge to Acarix Incentive AB.

At the end of the program, each warrant will provide entitlement to subscribe for one new Acarix share at a predetermined exercise price. The exercise price amounts to SEK 1.71 per share (subscription period from September 1 to October 1, 2023). Upon full exercise of the warrants, the share capital will increase by approximately SEK 44,700, corresponding to dilution of about 4.5 percent of the total number of shares and voting rights.

Internal control and risk management of financial reporting

The Board of Directors is responsible for ensuring that there is an efficient system for internal control and risk management. The responsibility for creating favorable conditions for working on these matters has been delegated to the CEO. Both Group management and managers at various levels in the company have this responsibility within their respective areas. Authorities and responsibilities are defined in policies, guidelines, job descriptions and instructions for authorization rights. The Board has decided not to establish a special

audit function (internal audit). The Board of Directors' annual evaluation concerning the need for such a function shows that is not warranted in view of the business's scope and risk exposure.

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

Control environment

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

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

A project has been initiated in order to further develop and align the company's control environment and control activities to the company's size and business complexity.

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

Risk assessment

Acarix's Board of Directors works continuously and systematically with risk assessments in order to identify risks and take actions to offset them. The company conducts risk assessment continuously, whereby risks are identified from a company perspective. As part of the efforts to further develop the company's control environment, the risk process will be reviewed and refined in 2021.

Information and communication

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

Follow-up, evaluation and reporting

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

Internal audit

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

External audit

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

The 2020 AGM re-elected the accounting firm Öhrlings PricewaterhouseCoopers AB (PwC), with Authorized Public Accountant Cecilia Andrén Dorselius as auditor-in-charge at Acarix up to the end of the 2021 AGM.

Board of directors

Dr. Werner Braun

CHAIRMAN OF THE BOARD AND BOARD MEMBER SINCE 2016

Born: 1946.

Education: Dr. Werner Braun holds a PhD in physics from the Technical University of Munich, Germany.

Previous engagements/experience: Dr. Werner Braun has international experience from leading positions in medtech companies in Germany, Austria and the US and has been CEO of BIOTRONIK SE & Co and an external Board member of Technologies Ltd. Chilworth.

Other significant ongoing assignments: Chairman of the Board of Miracor S.A and CEO of WEMANITEC GmbH.

Acarix holdings: 34,000 shares and 20,000 warrants.

Anders Jacobson

BOARD MEMBER SINCE 2020

Born: 1967.

Education: Anders Jacobson holds an MSc in engineering physics from Uppsala University, Sweden.

Previous engagements/experience: Anders Jacobson has held various senior positions in different life science companies, including Biotage and St. Jude Medical, and within the technical consulting industry, including Sigma, Teleca and Prevas. In his previous positions, Anders has worked in research and development, manufacturing, service and technical sales in a global environment.

Other significant ongoing assignments: Board member of Acarix A/S and CTO of Senzime AB.

Acarix holdings: No shares or warrants.

Paolo Raffaelli

BOARD MEMBER SINCE 2019

Born: 1965.

Education: Paolo Raffaelli holds an MSc in electronics from University La Sapienza Rome, Italy, and an MBA from IMD Business School in Lausanne, Switzerland. He also completed a number of traineeships at UCLA, Kellogg Business School.

Previous engagements/experience: Paolo Raffaelli has over 20 years of international management experience in sales, marketing and business management in the cardiovascular field. He has experience of managing suppliers and diversified sales channels in medical technology, including up and downstream strategic marketing. His previous positions include Global Marketing VP at Maquet Critical Care and Marketing and Education Director EMEA at Abbott. Before that, Paolo spent more than 12 years at Medtronic in such positions as Chairman of the Board and CEO.

Other significant ongoing assignments: None.

Acarix holdings: No shares or warrants.

Marlou Janssen-Counotte

BOARD MEMBER SINCE 2020

Born: 1965.

Education: Marlou Janssen studied hotel management at TIO.

Previous engagements/experience: Marlou Janssen-Counotte has more than 25 years of experience from the medtech industry. She started her medtech career at Medtronic and, in the past 20 years, has held senior executive roles as Vice President at St. Jude Medical, Vice President International Marketing & Sales at Biotronik and President and Board member at Biotronik Inc.

Other significant ongoing assignments: Manages EDP Solutions at Philips Medical Systems.

Acarix holdings: No shares or warrants.

Johanne Braendgaard

MSC IN INTERNATIONAL BUSINESS ECONOMICS
BOARD MEMBER SINCE 2018

Born: 1974.

Education: Johanne Brændgaard holds an MSc in international business economics and a BA in French and international studies from Aalborg University.

Previous engagements/experience: She has several years of global sales, marketing and product management experience from the medtech industry from positions at Cook Medical and Getinge. Prior to that, she worked in venture capital and IT.

Other significant ongoing assignments: None.

Acarix holdings: No shares or warrants.

Ulf Rosén

PARTNER
BOARD MEMBER SINCE 2014

Born: 1960.

Education: Ulf Rosén is a registered nurse and has a degree in business administration from IHM Business School. He has also completed a number of traineeships, such as in financial management at INSEAD.

Previous engagements/experience: Since the late 1990s, Ulf Rosén has been Chairman of the Board, a Board member and CEO of a number of Scandinavian companies in the medical technology, pharma and service sectors. Previous positions include CEO of Neo-Pharma AB, CEO of Attana AB, Chairman of the Board of Trial Form Support International, Stille AB and Scibase AB, General Manager of Fresenius-Kabi AB, Executive Vice President of the Global Nutrition Division at Fresenius-Kabi, CEO of Pharmacia & Upjohn AS and CEO of Globen Ögonklinik AB. Ulf Rosén is co-founder of Lobsor Pharmaceuticals AB.

Other significant ongoing assignments: CEO of Lobsor Pharmaceuticals AB. Chairman of the Board and CEO of Intrance Holding AB, Intrance Medical Systems Inc, LobSor Holding AB and Ponscasa Holding AB. CEO of Ponscasa Denmark ApS and Board member of Reapplix ApS. General Partner for Fund III at the investment company SEED Capital, responsible for investments in medical technology and digital health solutions.

Acarix holdings: 965,830 shares and no warrants. Ulf Rosén represents SEED Capital which owns approximately 3.4 percent of the company.

Management

Per Persson

CEO SINCE 2018

Born: 1965.

Education: Per Persson studied marketing at Lund University and has completed a number of sales and management programs.

Previous engagements/experience: He has worked in the medical device industry for nearly 30 years. His experience includes a variety of commercial and leadership roles, in such areas as sales, global product and marketing management, and general and country management for large corporations as well as smaller organizations. He previously served as CEO and Board member of Airsonett AB, Board member of Swedish Medtech Service Aktiebolag and Vice President of Sales at Atos Medical.

Other significant ongoing assignments: None.

Acarix holdings: 162,666 shares and 1,000,000 warrants.

Contact: per.persson@acarix.com
+46 (0)73 600 59 90

Christian Lindholm

CFO SINCE 2016

Born: 1964.

Education: Christian Lindholm studied business administration at the University of Växjö and Kristianstad University.

Previous engagements/experience: For the past 17 years, he has held positions as CFO in both private and listed companies. Prior to joining Acarix, Christian Lindholm was CFO of Doro AB and TFS International AB.

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

Acarix holdings: 13,333 shares and 800,000 warrants.

Contact: christian.lindholm@acarix.com
+46 (0)705 118 333

Charlotte Öljemark

CHIEF MARKETING OFFICER SINCE 2019

Born: 1976.

Education: Charlotte Öljemark has an MSc in business administration with a major in strategic management from Lund University.

Previous engagements/experience: Charlotte Öljemark was previously Global Marketing Manager at Baxter, Global Product Manager at Atos Medical AB and Global Marketing and Product Management Director at Occlutech AB. She has also held senior positions at ArjoHuntleigh, GlaxoSmithKline GmbH & Co. KG and Etac AB.

Other significant ongoing assignments: None.

Acarix holdings: 39,484 shares and 150,000 warrants.

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Administration report

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

The Board of Directors and the CEO hereby present the annual accounts for the Parent Company and the Group for the 2020 fiscal year. The consolidated balance sheet and income statement and the balance sheet and income statement for the Parent Company will be presented for adoption to the AGM on May 11, 2021.

Group

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

- Acarix A/S, Hellerup, Denmark
- Acarix China ApS, Hellerup, Denmark
- Acarix GmbH, Cologne, Germany
- Acarix GmbH, Vienna, Austria, and
- Acarix Incentive AB, Malmö, Sweden.

The Parent Company

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

Line of business

Acarix is a Swedish medical technology company that entered in the commercial phase in mid-2017. Acarix develops and commercializes diagnostic tests for cardiovascular diseases based on the company's technology platform CADScor® System. The company's main market is the market for medical technology for cardiovascular diseases. During the fiscal year, Acarix was active in the DACH region, the Nordic region and the Middle East. The primary area of application for the CADScor® System is the diagnosis of patients displaying symptoms of coronary artery disease. Today, only about 10 percent of all patients who seek medical care for coronary artery disease actually have the disease. These patients cannot currently be easily identified by their physician and are therefore forced to undergo a long and comprehensive diagnostic process in order to receive a correct diagnosis. The CADScor® System can with 97 percent confidence (negative predictive value*) rule out up to 50 percent of patients who today present symptoms of coronary artery disease to their physician.

The diagnosis of patients with the help of the CADScor® System is estimated to generate significant cost savings for the healthcare and social insurance system, while enabling the patient to avoid unnecessary, invasive and in some cases harmful diagnostic procedures. The CADScor® System is CE certified and is thereby approved for sales in Europe and other countries that accept CE certification. During the latter part of 2020, the company also obtained FDA approval for the US market and the product is thereby also approved for sales in the US.

Financial development

Revenue and gross margin

During the year, 51 CADScor® Systems and 3,540 disposable patches were sold. During the preceding year, 23 CADScor® Systems and 4,326 disposable patches were sold, of which five CADScor® Systems and 2,040 disposable patches were delivered to the company's clinical trials. During the fiscal year and onward, sales to the company's clinical trials are recognized under operating costs. Of the systems sold, 44 were delivered to the DACH region, six to the Middle East and one to the Nordic region.

Revenue during the year amounted to kSEK 2,170 (1,857). Gross profit amounted to kSEK 1,594, corresponding to a gross margin of 73 percent, compared with kSEK 1,430 and 77 percent in 2019. The year-on-year decrease in the gross margin was due to an increased proportion of sales of systems generating lower margins than disposable patches. In addition, a portion of sales are channeled through distributors, which reduces the gross margin.

Expenses

Total operating expenses (R&D and sales and administrative expenses) for the year amounted to kSEK 43,025, compared with kSEK 47,873 during the preceding year. Sales and administrative expenses amounted to kSEK 28,556 (27,591), of which kSEK 13,107 (15,553) related to sales and marketing costs. Research and development costs amounted to kSEK 14,469 (20,282) during the period. The year-on-year cost reduction mainly resulted from deferred costs caused by the COVID-19 situation, combined with concluded clinical studies.

Financial performance

During the fiscal year, the Group reported an operating loss of kSEK -41,431, compared with a loss of kSEK -46,444 during the preceding year. Depreciation/amortization during the year amounted to kSEK 3,453 distributed between capitalized development costs of kSEK 2,298, patent costs of kSEK 265, depreciation of lease assets of KSEK 822 and depreciation of tangible assets of kSEK 68. The net loss for the year amounted to kSEK -41,496, compared with a loss of kSEK -46,459 during the preceding year. Earnings per share before dilution were SEK -0.51, compared with SEK -1.83 during the preceding year. There were no dilution effects.

Intangible assets

As of December 31, 2020, capitalized development costs amounted to kSEK 14,143 (16,924). The carrying amount including capitalized development costs and acquired rights amounted to kSEK 18,316 (21,508) No investments were made during the period.

Cash flow and financial position

Total cash flow for the year amounted to kSEK 10,663, compared with an outflow kSEK -11,500 during the preceding year. The effect from working capital amounted to kSEK 1,585, compared with kSEK -2,213 during the preceding year. On the balance-sheet date, after the issue proceeds of kSEK 47,536 had been received, Acarix had kSEK 64,113 in cash and cash equivalents, compared with kSEK 53,747 at December 31, 2019.

The management of Acarix and its Board of Directors estimates that current liquidity can finance operations up to the first quarter 2022 and, at the same time, it is evaluating the capital structure and possible future financing options. Management and the Board are positive about the possibility of raising capital for the company's continued operations in accordance with the business plan.

Equity

As of December 31, 2020, consolidated equity amounted to kSEK 82,136, compared with kSEK 76,602 on December 31, 2019. The company's Annual General Meeting in May resolved to reduce the share capital with the aim of improving the ratio between the share capital and unrestricted equity. The new share capital of kSEK 517 was registered during August. During September, the company completed its rights issue and share issue offsetting debt, which increased the share capital by kSEK 894. The share capital amounted to kSEK 1,411 at December 31, 2020. The total number of shares is 141,045,437.

Significant risks and uncertainties

All business activities in Acarix are subject to risk. Risk management is essential and an integral part of the company's operations and strategy. The risks may be due to events in the external environment and may affect certain industries more than others. The risks may also be specific to the individual company.

Acarix is exposed to some specific risk categories:

- Operational risks, e.g. due to the capital-intensive and risky nature of new medical device development, dependence on external partners, risks in clinical trials, dependence on qualified personnel and key individuals.
- External risks, such as patent infringement, competition, rapid technological development, regulatory requirements, pricing and cost reimbursement.
- Financial risks, such as exchange rate risk, interest risk, credit risk and financing risk.
- Risks related to future pandemics similar to COVID-19.

Further information about risks is presented on page 23 of the Annual Report.

Events after the balance sheet date

No significant events after the balance sheet date.

Information about the share

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

During September, the company's rights issue and share issue offsetting debt were completed. Due to the rights issue, the number of shares increased by 86,156,738, from 51,694,043 to 137,850,781 and approximately SEK 58 million was contributed to the company before expenses related to the rights issue. The guarantors of the rights issue, in accordance with the guarantee agreements that had been entered into, had the possibility of choosing to receive guarantee compensation in the form of cash remuneration or newly issued shares in the company. A number of guarantors elected to receive the guarantee compensation in the form of newly issued shares. In view of this and pursuant to an authorization from the Annual General Meeting on May 14, 2020, a compensation issue totaling 3,194,656 shares was implemented. Through the compensation issue, the number of Acarix shares increased to a total of 141,045,437. The number of shares in the company at year-end was 141,045,437 (23,027,376).

Certified adviser

Redeye AB, whose email address is certifiedadviser@redeye.se and phone number is +46 (0)8 121 576 90, is the company's Certified Adviser.

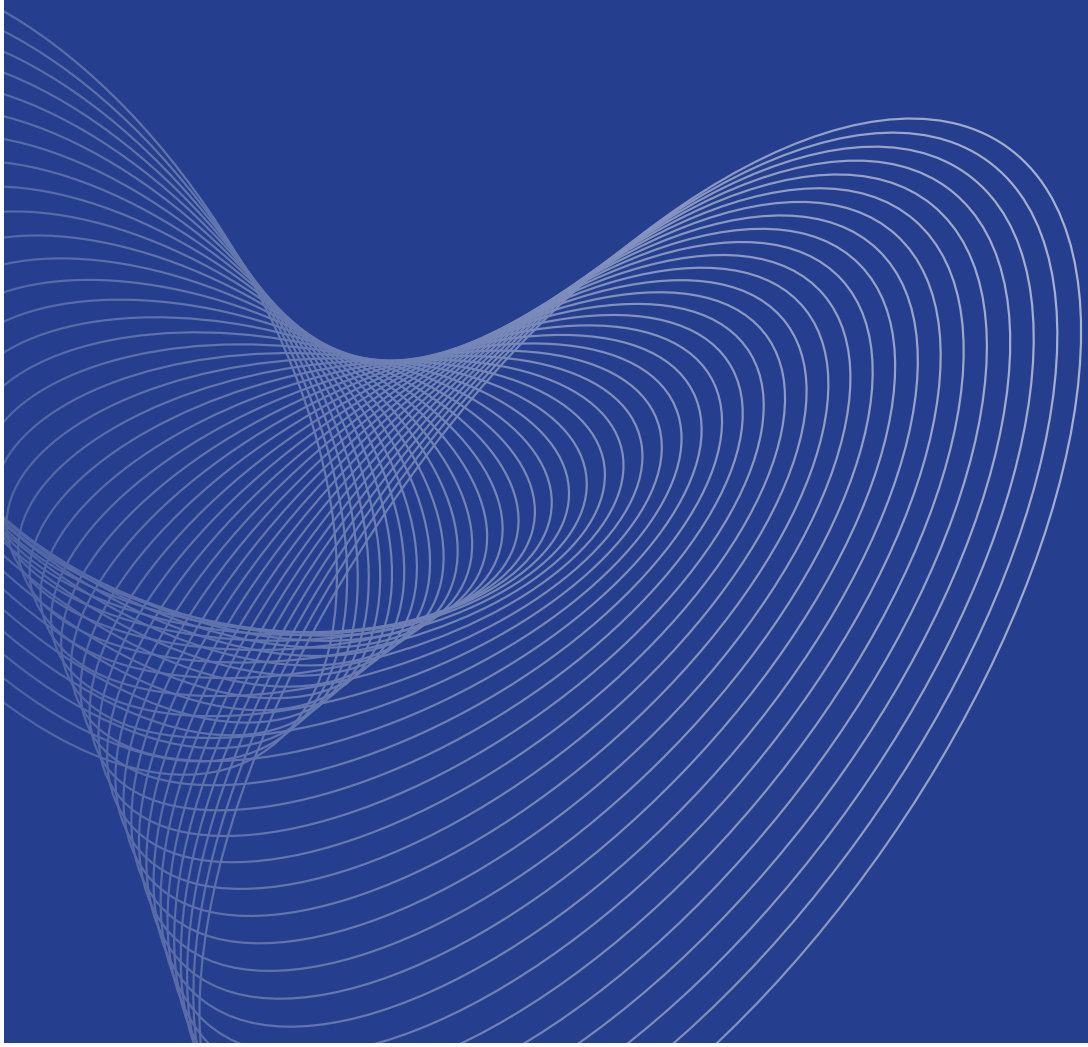
Proposed appropriation of the company's profits

Non-restricted equity in the Parent Company	SEK
Share premium reserve	210,051,772
Retained earnings	-74,616,761
Loss for the year	-37,935,515
Total	**97,499,496**

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

	SEK
To be carried forward	97,499,496

Financial Statements



Group
Consolidated statement of income

kSEK	Note	Year 2020	Year 2019
Revenue	13	2,170	1,857
Cost of goods sold		-576	-427
Gross profit		**1,594**	**1,430**
Research and development costs		-14,469	-20,282
Sales, general and administrative costs		-28,556	-27,591
Operating profit	6, 7, 8	**-41,431**	**-46,444**
Financial income	9	25	103
Financial costs	9	-90	-94
Profit before tax		**-41,496**	**-46,434**
Tax	10	–	-25
Net loss for the period		**-41,496**	**-46,459**
Net income attributable to parent company´s shareholders		**-41,496**	**-46,459**
Basic earnings per share (SEK) [1), 2)]	11	-0,51	-1,83
Diluted earnings per share (SEK)		-0,51	-1,83
Average number of shares, thousands		81,478	25,416

[1)] No dilution effects arose.
[2)] EPS – Net profit for the period, attributable to shareholders of the Parent Company, divided by average number of shares outstanding.

Group
Consolidated statement of comprehensive income

kSEK	Year 2020	Year 2019
Net loss for the period after tax	-41,496	-46,459
Items that may be reclassified to profit or loss		
Foreign currency translation adjustment	-1,124	637
Other comprehensive income for the period, net of tax	-1,124	637
Total comprehensive income for the period, net of tax	**-42,620**	**-45,822**
Total comprehensive income attributable to:		
Owners of Acarix	-42,620	-45,822

Group
Consolidated balance sheet

kSEK	Note	Dec 31, 2020	Dec 31, 2019
ASSETS			
Tangible assets			
Leased assets	7	1,378	881
Tangible assets		130	
Total tangible assets		1,508	881
Intangible assets			
Acquired rights		4,173	4,584
Development projects, capitalized		14,143	16,924
Total intangible assets	12	**18,316**	**21,508**
Total fixed assets		**19,824**	**22,389**
Current assets			
Inventory		3,437	3,052
Accounts receivables		387	1,108
Other receivables	14	2,187	2,688
Cash and cash equivalents	15	64,113	53,747
Total current assets		**70,124**	**60,594**
Total assets		**89,948**	**82,983**
SHAREHOLDERS´S EQUITY AND LIABILITIES			
Equity			
Share capital and share premium	16	427,567	430,592
Other reserves		1,390	2,514
Retained earnings		-346,821	-356,502
Total equity		**82,136**	**76,602**
Long term liabilities			
Lease debt	7, 20	568	72
Total long term liabilities		**568**	**72**
Current liabilities			
Lease debt	7, 20	799	694
Accounts payable	17	1,648	1,781
Other liabilities	18	4,796	3,834
Total current liabilities		**7,243**	**6,309**
Total equity and liabilities		**89,948**	**82,983**

Group

Consolidated statement of changes in shareholders' equity

	Share capital	Share premium	Other reserves	Retained earnings	Total shareholders' equity
As at January 1, 2020	**51,694**	**378,898**	**2,514**	**-356,502**	**76,603**
Profit/loss for the year	–	–	–	-41,496	-41,496
Other comprehensive income:					
Foreign exchange rate adjustment	–	–	-1,124	–	-1,124
Reduction of share capital	**-51,177**	**–**	**–**	**51,177**	**0**
Transactions with owners:					
Rights issue	894	57,383	–	–	58,277
Costs related to rights issue	–	-10,741	–	–	-10,741
Issue of warrants	–	616	–	–	616
At December 31, 2020	**1,411**	**426,156**	**1,390**	**-346,821**	**82,136**
As at January 1, 2019	**23,027**	**373,017**	**1,877**	**-310,044**	**87,877**
Profit/loss for the year	–	–	–	-46 459	-46,459
Other comprehensive income:					
Foreign exchange rate adjustment	–	–	637	–	637
Transactions with shareholders:					
Rights issue	28,667	14,333	–	–	43,000
Costs related to rights issue	–	-8,452	–	–	-8,452
At December 31, 2019	**51,694**	**378,898**	**2,514**	**-356,502**	**76,602**

Group
Consolidated statement of cash flows

kSEK	Note	Year 2020	Year 2019
Operating activities			
Operating result		-41,666	-46,444
Adjustment for depreciation		3,453	4,115
Financial items		-60	9
Cash-flow before change of working capital		**-38,273**	**-42,320**
Working capital adjustments:			
Change in inventory		-581	-426
Change in receivables and prepayments		1,838	-428
Change in trade and other payables		328	-1,359
Total change in working capital		**1,585**	**-2,213**
Cash-flow from operating activities		**-36,686**	**-44,533**
Financing activities			
Amortization of lease debt	20	-802	-1,515
Issue of warrants		616	–
Rights issue		47,536	34,548
Cash flow from financing activities		**47,350**	**33,033**
Cash flow for the period		**10,663**	**-11,500**
Currency translation differences		-298	238
Cash and cash equivalents, beginning of period		53,747	65,019
Cash and cash equivalents, end of period		**64,113**	**53,747**

Parent Company
Income statement

kSEK	Note	Year 2020	Year 2019
Other revenues		**8,661**	**7,967**
Sales, general and administrative costs	6, 7, 8	-19,969	-20,259
Operating result		**-11,308**	**-12,292**
Profit/Loss from shares in group companies		-26,672	-33,654
Financial income	9	46	92
Financial expense	9	-1	-1
Profit before tax		**-37,935**	**-45,855**
Tax		–	–
Net loss for the period		**-37,935**	**-45,855**
Net income attributable to Parent Company´s Shareholder		**-37,935**	**-45,855**

Parent Company
Statement of comprehensive income

kSEK	Note	Year 2020	Year 2019
Net loss for the period after tax		-37,935	-45,855
Total comprehensive income for the period, net of tax		**-37,935**	**-45,855**
Total comprehensive income attributable to:			
Owners of Acarix		-37,935	-45,855

Parent Company
Balance sheet

kSEK	Note	Dec 31, 2020	Dec 31, 2019
ASSETS			
Financial assets			
Participations in subsidiaries	21	42,178	42,178
Total financial assets		**42,178**	**42,178**
Current assets			
Other receivables	14	1,041	1,163
Cash and cash equivalents	15	59,763	48,243
Total current assets		**60,803**	**49,406**
Total current assets		**102,981**	**91,584**
SHAREHOLDERS´EQUITY AND LIABILITIES			
Equity			
Share capital	16	1,411	51,694
Other capital contribution		210,051	162,793
Retained earnings		-112,552	-125,794
Total equity		**98,910**	**88,693**
Current liabilities			
Accounts payable	17	1,144	666
Other liabilities	18	2,927	2,224
Total current liabilities		**4,071**	**2,890**
Total equity and liabilities		**102,981**	**91,584**

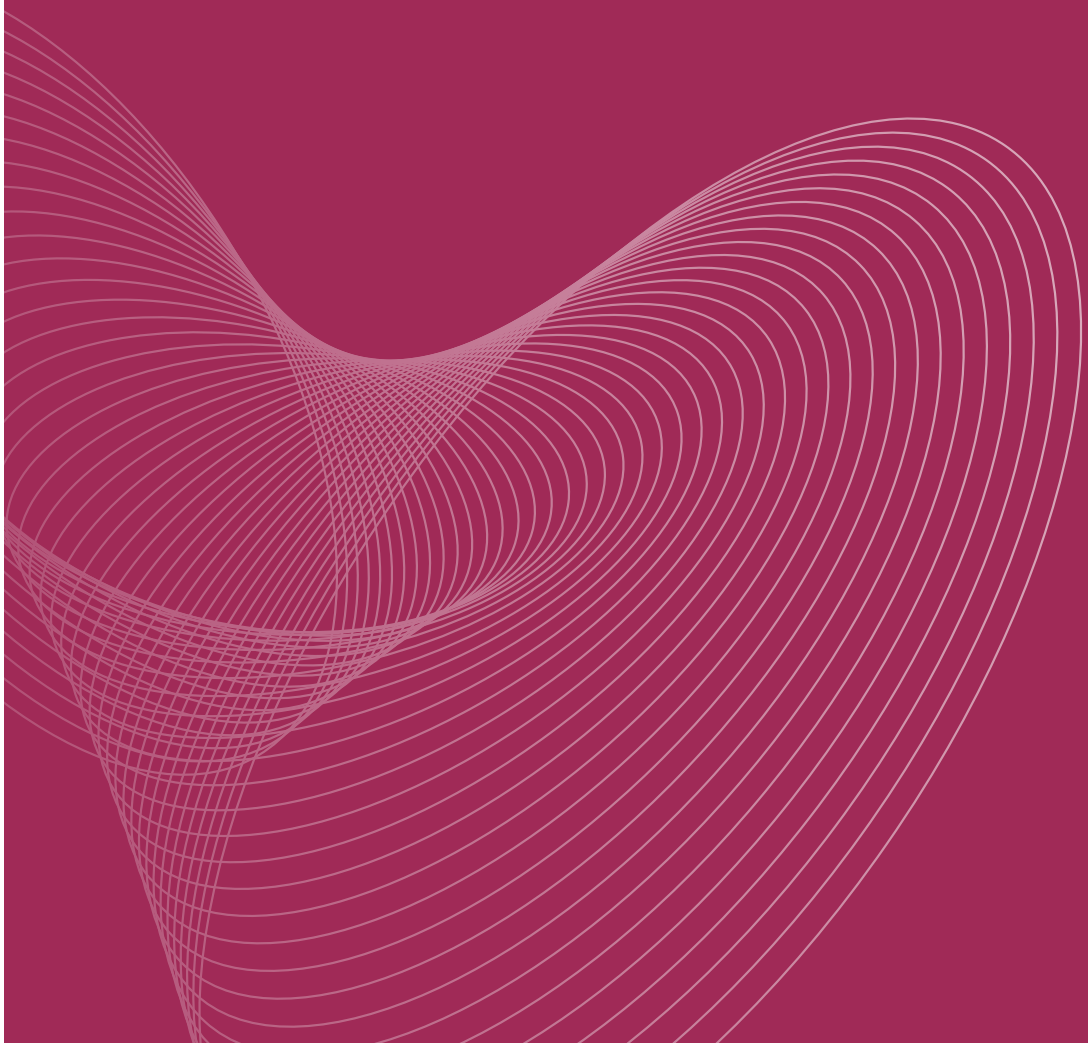
Parent Company
Statement of changes in equity

kSEK	Share capital	Other capital contribution	Retained earnings	Total shareholders' equity
As at January 1, 2020	**51,694**	**162,793**	**-125,794**	**88,694**
Net loss for the year	–	–	-37,935	-37,935
Reduction of share capital	**-51,177**	**–**	**51,177**	**0**
Transactions with the owners				
Issue of warrants	–	616	–	616
Rights issue	894	57,383	–	58,276
Costs related to rights issue	–	-10,741	–	-10,741
At December 31, 2020	**1,411**	**210,051**	**-112,552**	**98,910**
As at January 1, 2019	**23,027**	**156,912**	**-79,939**	**100,000**
Net loss for the year	–	–	-45,855	-45,855
Rights issue	28,667	14,333	–	43,000
Costs related to rights issue	–	-8,452	–	-8,452
At December 31, 2019	**51,694**	**162,793**	**-125,794**	**88,693**

Parent Company
Statement of cash flows

kSEK	Note	Year 2020	Year 2019
Cash flow from operating activities			
Operating result		-11,308	-12,292
Financial items		45	90
Working capital adjustments:			
Changes in other receivables and prepayments		624	-543
Changes in trade and other payables		679	-1,256
Total working capital		**1,303**	**-1,799**
Net cash flows from operating activities		**-9,960**	**-14,000**
Cash flow from investing activities			
Shareholder contribution		-26,672	-33,654
Net cash flow from investing activities		**-26,672**	**-33,654**
Cash flow from financing activities			
Rights issue		47,536	34,548
Issue of warrants		616	–
Net cash generated from/(used in) financing activities		**48,152**	**34,548**
Net increase in cash and cash equivalents		**11,520**	**-13,106**
Cash and cash equivalents, opening balance		48,243	61,349
Cash and cash equivalents at year-end		**59,763**	**48,243**

Notes



Notes

Note 1 Corporate information

Company information

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

The Acarix Group consist of:

Acarix A/S	The main operating company	Incorporated and located in Denmark
Acarix GmbH	Supporting sales on the German market	Incorporated and located in Germany
Acarix GmbH	Supporting sales on the Austrian market	Incorporated and located in Austria
Acarix China ApS	Supporting Chinese approval process	Incorporated and located in Denmark
Acarix Incentive AB		Incorporated and located in Sweden

Note 2 Basis of preparation

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

Note 3 Significant accounting policies

Consolidation

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

Currency

The Group's financial reports are presented in Swedish kronor (SEK), which is also the functional currency. Foreign subsidiaries have euro (EUR) and Danish crowns (DKK) as foreign currency. All items included in the financial statements of each entity are measured using that entity's functional currency. Transactions denominated in currencies other than the functional currency are considered transactions denominated in foreign currencies.

On initial recognition, foreign currency transactions are translated at the exchange rate prevailing on the transaction date. Receivables, liabilities and other monetary items denominated in foreign currency that have not been settled at the transaction date are translated at closing rates. Foreign exchange differences between the rate of exchange at the date of the transaction and the rate of exchange at the settlement date or the balance sheet date are recognized in profit or loss under financial items.

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

INCOME STATEMENT

Revenue recognition

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

Invoiced sales per country, kSEK	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1-Q4 2020
Germany	96	230	284	842	1,452
Middle East	–	–	331	–	331
Sweden	–	–	–	38	38
Denmark	–	–	–	–	–
Austria	–	24	120	38	182
Switzerland	–	38	56	48	142
Other	25	–	–	–	25
Total	**121**	**292**	**791**	**966**	**2,170**

Invoiced sales per country, kSEK	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1-Q4 2019
Germany	203	225	120	183	731
Sweden	96	29	–	–	125
Denmark	–	410	–	398	808
Austria	–	–	–	–	–
Other	–	–	–	193	193
Total	**299**	**664**	**120**	**774**	**1,857**

Sale of goods

The Group sells CADScor® System to cardiologists and clinics within DACH region, Nordic and Middle East. Revenue from the sale of goods is recognised at a point in time when control is passed to the customer, which takes place when the products are delivered to the customer. In certain cases, the products are sold with discounts. Revenue from sales is recognised based on the price in the contract, less calculated volume discounts.

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

Costs

Research and development costs

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

Sales, General and administrative costs

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

Financial income and costs

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

Amortization of intangible assets

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

Tax

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

In assessing current tax for the year, the applicable tax rates and rules on the statement of financial position date are used. Tax for the period is recognized based upon the company's estimated full-year effective tax rate.

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

Operating segments

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

STATEMENT OF FINANCIAL POSITION

Development projects

For accounting purposes, research expenses are defined as costs incurred for current or planned investigations undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Development expenses are defined as costs incurred for the application of research findings or specialist knowledge to plans or designs for the production, provision or development of new or substantially improved products, services or processes, respectively, prior to the commencement of commercial production or use.

Development costs were incurred in the Group during last year and are capitalized in the balance sheet when the entities demonstrate:

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

Amortization of development was initiated during second half of 2017.

Research and development costs mainly comprise the costs of clinical studies, research and development activities in the areas

of application technology and engineering, field trials, regulatory approvals and approval extensions. Research costs as incurred are expensed.

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

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

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

Accounts receivable from 2018
The Group's accounts receivable are classified according to the business model of collecting contractual cash flows. Receivables are measured at fair value, and subsequently at amortised cost using the effective interest method less impairment. The Group has decided to apply the simplified approach for calculating credit losses, which entails that the loss allowance is measured at an amount corresponding to the expected credit losses for the remaining lifetime. The expected credit loss levels are based on individual assessments of each customer and are adjusted to take current and forward-looking information into consideration, including macroeconomic factors that could impact customers' ability to pay the receivable. The loss allowance is recognised in profit or loss under selling costs.

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

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

Financial liabilities
The Group's financial liabilities are measured at amortised cost by applying the effective interest method. Financial liabilities are derecognised from the balance sheet when the contractual obligation has been fulfilled, cancelled or extinguished in another manner.

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

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

Government grants

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

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

CASH-FLOW STATEMENT

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

EARNINGS PER SHARE

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

New and amended standards applied by the Group

No standards, amendments and interpretations that have come into force for the financial year beginning January 1, 2020 have had a material impact on Acarix's financial statements.

Leases (from 2019)

Acarix leases various properties and cars. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions, especially for leases of properties where, among other things, the lease term differs between different agreements. Rental contracts for cars are typically made for fixed periods of 3 years. Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. The right-of-use asset and the lease liability are reported on the line item Right of use and Long-/Short term lease debt in the balance sheet. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable in connection with the inception date of the lease
- variable lease payment that are based on an index or a rate, measured based on the index or rate at initial recognition
- amounts expected to be payable by the lessee under residual value guarantees.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, Acarix uses the Group's incremental borrowing rate. Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received in connection with the inception date of the lease.

Acarix has chosen to apply the practical expedient concerning short-term leases. Payments associated with short-term leases are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

PARENT COMPANY'S ACCOUNTING POLICIES

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

Classification and presentation

The income statement and balance sheet for the Parent Company are prepared according to the stipulations of the Annual Accounts Act while the statement of comprehensive income and the cash-flow statement are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows, respectively. Shareholders' contributions are added to the value of shares and participations in the balance sheet, after which an impairment test is made.

Note 4 Significant accounting policies, judgments and assumptions

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

Deferred tax assets

The Group recognizes deferred tax assets relating to tax losses carried forward when management assess that these tax assets can be offset against positive taxable income in the foreseeable future. The assessment is made at the reporting date and is based on relevant information, taking into account any impact on their utilization from restrictions in tax legislation in the various countries. Deferred tax assets arising from tax loss carryforwards are recognized to the extent it is considered probable that there will be sufficient future taxable profit against which future tax loss carryforwards can be utilized. As of the balance sheet date, there are no deferred tax assets linked to loss carryforwards.

Development costs

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

At the end of 2020, the carrying amount of capitalized development costs was kSEK 14,143 (16,924).

Impairment of development projects

For development projects in progress, impairment testing is performed at least annually. Impairment tests are based on a DCF model, where cash flows are derived from the budget, taking into account the cost of completing the projects. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows, growth rate, interest rate and risks. For additional information see note 12.

Note 5 Financial Risks

The Group is exposed to a limited amount of market risk and credit risk. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The main type of market risk that the Group is exposed to is foreign currency risk, which is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in EUR and DKK in relation to SEK. The company does not hedge foreign currency. The Group is minimally exposed to interest rate risks. As these market risks are minimal, management deems that a sensitivity analysis is not necessary.

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

Management of capital and liquidity risk

The Group'd capital is the sum of equity attributable to the Group's shareholders. At year-end, the Group's capital amounted to kSEK 82,136 (76,602).

The Group's capital structure objective is to safeguard the Group's ability to continue as a going concern in order to generate shareholder returns in the future, and to maintain an optimal capital structure to minimize the cost of capital. Until the balance-sheet date, the Group was financed through shareholders' contributions in the form of new share issues. During the year, there were no changes to the Group's capital management. See note 19, Maturity analysis for derivate financial liabilities.

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

The Board believes that current cash and cash equivalents amounting to 64 million at December 31, 2020 is deemed to be sufficient to finance the business forward, for at least 12 months on the basis of the forecast for 2021, developed by the company's management. Based on the prevailing Covid-19 situation, Acarix has updated the company's liquidity forecast. Given a stabilization of the market during the first half of 2021, Acaix cautiously look favorably at the opportunity to raise capital for the company's continued operations in spring 2022.

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

Note 6 Auditor's fees

Group, kSEK	2020	2019
Auditing assignments PwC	427	273
Auditing activities in addition to the auditing assignment PwC	67	–
Tax advise PwC	104	30
Other services PwC	362	167
Total	**960**	**469**

Parent Company, kSEK	2020	2019
Auditing assignments PwC	316	175
Auditing activities in addition to the auditing assignment PwC	67	–
Tax advise PwC	73	30
Other services PwC	204	94
Total	**660**	**299**

Note 7 Leasing

Operational leasing

Parent Company, kSEK	2020	2019
Lease cost for renting offices	274	264
Leasing costs for cars	212	200
Future lease payments pertaining to non-cancelable leases were as follows:		
Within months	217	175
Between 6-12 months	56	70
Later than 1 year and within 2 years	112	117

Leasing agreement

Group, kSEK	2020	2019
Assets and rights of use		
Office rental	478	580
Leasing of cars	900	301
Total	**1,378**	**881**
Leasing debt		
Short term	799	694
Long term	568	72
Total	**1,366**	**766**
Depreciation of rights of use		
Office rental	460	1 184
Leasing of cars	362	346
Total	**822**	**1 530**
Interest expense related to leasing agreements	56	54
Costs related to short Short term lease	274	264
Costs attributable to leasing agreements for which the underlying asset is of non-significant value and not shown above as short-term leasing agreements	50	–

Note 8 Personnel costs for employees

Group, kSEK	2020	2019
Wages and salaries	12,573	11,759
Bonus	1,337	99
Pension	1,231	1,423
Social security	2,425	2,200
Total	**17,566**	**15,481**
Total remuneration and benefit for Group Management		
Salaries	6,094	6,371
Bonus	823	0
Pension	1,032	1,250
Social security	1,868	1,797
Total	**9,817**	**9,418**
Employees		
Average number of employees (FTE)	11	10
Men	9	7
Women	2	3
Number of year-end employees (FTE) [1]	9	9

[1] The number of employees in Denmark amounted to 3, Sweden 4 and Germany had 2 employees at the end of the year.

Pensions

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

Parent Company, kSEK	2020	2019
Wages and salaries	5,491	5,314
Bonus	892	0
Pension expense	1,004	1,184
Social security	2,105	1,957
Total	**9,492**	**8,456**
Total remuneration and benefit for Group Management		
Salaries	4,723	4,867
Bonus	823	0
Pension	897	1,101
Social security	1,868	1,796
Total	**8,311**	**7,765**
Employees		
Average number of employees (FTE)	4	2
Men	3	2
Women	1	0
Number of year-end employees (FTE)	4	3

Remuneration of board of directors and management, 2020, kSEK	Director's fee/ Base salary	Director's additional services	Bonus	Pension costs	Other social security costs	Total
Werner Braun, Chairman of the Board of Directors	597	–	–	–	61	658
Ulf Rosén, Board member	229	–	–	–	72	301
Paolo Raffaelli, Board member	229	–	–	–	72	301
Johanne Braendgaard, Board member	199	–	–	–	63	262
Anders Jacobson, Board member	125	–	–	–	39	164
Marlou Janssen, Board member	125	–	–	–	39	164
Claus Andersson, Board member	75	–	–	–	23	98
Hong Yun Fie, Board member	–	–	–	–	–	0
Total Board of Directors	**1,579**	**0**	**0**	**0**	**369**	**1,948**
Per Persson, CEO	2,183	0	465	433	907	3,988
Other Executive Management	3,910	0	358	600	961	5,829
Total Executive Management	**6,094**	**0**	**823**	**1,032**	**1,868**	**9,817**
Total	**7,673**	**0**	**823**	**1,032**	**2,238**	**11,766**

During the year, management acquired warrants at market value.

Remuneration of board of directors and management, 2019, kSEK	Director's fee/ Base salary	Director's additional services	Bonus	Pension costs	Other social security costs	Total
Werner Braun, Chairman of the Board of Directors	526	–	–	–	165	691
Denis Gestin, Board member	105	–	–	–	33	138
Paolo Raffaelli, Board member	123	–	–	–	39	161
Claus Andersson, Board member	188	–	–	–	59	248
Hong Yun Fie, Board member	188	–	–	–	59	248
Johanne Braendgaard, Board member	188	–	–	–	59	248
Ulf Rosén, Board member	188	–	–	–	59	248
Total Board of Directors	**1,508**	**0**	**0**	**0**	**474**	**1,981**
Per Persson, CEO	2,100	0	0	636	814	3,550
Other Executive Management	4,271	0	0	614	983	5,868
Total Executive Management	**6,371**	**0**	**0**	**1,250**	**1,797**	**9,418**
Total	**7,878**	**0**	**0**	**1,250**	**2,271**	**11,399**

Note 9 Financial items

Group, kSEK	2020	2019
Interest income	0	92
Exchange rate income	25	11
Interest expenses	-52	-56
Exchange rate losses	-38	-38
Total	**-65**	**9**

Parent Company, kSEK	2020	2019
Interest income	46	95
Interest expenses	-1	-3
Total	**45**	**92**

Note 10 Tax on result for the year

Group, kSEK	2020	2019
Current income tax	–	–
Deferred tax on rights of use and leasing liabilities (IFRS 16)	–	-25
Total reported tax expense in the Group	–	**-25**

Reconciliation of tax

Group, kSEK	2020	2019
Accounting profit before income tax	-41,496	-46,434
At statutory income tax rate of 21.4%	8,880	9,937
Tax effect of non-tax-deductible costs	-36	-30
Tax effect items reported directly against equity	2,299	–
Temporary differences, not capitalized	-537	-573
Effect of foreign tax rates	181	208
Non-capitalized losses	-10,787	-9,542
Other	–	-25
Reported effective tax	**0**	**-25**
Effective tax rate	**0%**	**0.1%**

Parent Company, kSEK	2020	2019
Current income tax	–	–
Deferred tax	–	–
Tax on result for the year	**–**	**–**

Parent Company, kSEK	2020	2019
Accounting profit before income tax	-37,935	-45,855
At statutory income tax rate of 21.4% (21.4%)	8,118	9,813
Tax effect of non-tax-deductible costs	-5,716	-7,231
Tax effect items reported directly against equity	2,299	–
Non-capitalized losses	-4,701	-2,582
Reported effective tax	**–**	**–**
Effective tax rate	**0.0%**	**0.0%**

Deferred tax relates to the following:

Group, kSEK	2020	2019
Tax losses carriyforwards	-52,352	43,001
Intangible fixed assets	4,015	4,732
Deferred tax on rights of use and leasing debt (IFRS 16)	–	25
Deferred tax	**-48,337**	**-38,244**
Value allowance, deferred tax assets	48,337	38,269
Net deferred taxes	**0**	**25**

Parent Company, kSEK	2020	2019
Tax losses carriyforwards	-11,736	-7,046
Intangible fixed assets	0	0
Other	0	0
Deferred tax	**-11,736**	**-7,046**
Value allowance, deferred tax assets	11,736	7,046
Net deferred tax assets	**0**	**0**

The group has in previous years generated tax losses. As it is still uncertain whether deferred tax assets can be utilized, such assets has not been recognized in the annual report.

According to current tax legislation, tax loss carry-forward can be carried forward indefinitely.

Note 11 Earnings per share

Group, kSEK	2020	2019
Earnings per share before dilution		
Net loss for the year	-41,496	-46,459
Weighted average number of ordinary shares for measuring fundamental EPS	81,478	25,416
Earnings per share before dilution	**-0.51**	**-1.83**
Earnings per share after dilution		
Net loss for the year	-41,496	-46,459
Weighted average number of ordinary shares for measuring fundamental EPS	81,478	25,416
Earnings per share after dilution	**-0.51**	**-1.83**

Note 12 Intangible fixed assets

Group, 2020, kSEK	Acquired rights	Development costs	Total
Cost at January 1, 2020	**6,054**	**22,819**	**28,873**
Foreign currency translation adjustment	-182	-779	-960
Cost at December 31, 2020	**5,873**	**22,040**	**27,912**
Amortization and impairment at January 1, 2020	**-1,470**	**-5,895**	**-7,365**
Amortization	-265	-2,298	-2,563
Foreign currency translation adjustment	35	295	330
Amortization and impairment losses at December 31, 2020	**-1,700**	**-7,898**	**-9,598**
Carrying amount at December 31, 2020	**4,173**	**14,143**	**18,315**

Group, 2019, kSEK	Acquired rights	Development costs	Total
Cost at January 1, 2019	**5,975**	**22,480**	**28,456**
Foreign currency translation adjustment	79	339	418
Cost at December 31, 2019	**6,054**	**22,819**	**28,873**
Amortization and impairment at January 1, 2019	**-1,200**	**-3,559**	**-4,759**
Amortization	-267	-2,317	-2,584
Foreign currency translation adjustment	-3	-19	-22
Amortization and impairment losses at December 31, 2019	**-1,470**	**-5,895**	**-7,365**
Carrying amount at December 31, 2019	**4,584**	**16,924**	**21,508**

Development projects are related to the development of the CADScor® System (acoustic cardiovascular diagnostics), which records heart sounds and murmurs for calculating a patient's specific score in order to determine the patient's risk of coronary artery disease. During the second quarter 2017, the CADScor® System was introduced on the market and the first sales orders were recognized. Capitalization of development costs ceased when the product was ready to launch on the market and amortization of capitalized development costs commenced. Management estimates the useful life of development projects to be 10 years. These assets are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds the recoverable amount. Development projects have been tested for impairment in December 2020. The impairment test is based on management budgets and estimates of expected sales and costs in accordance with established forecasts for the next five years. These forecasts are based on expected future development and the management's assessment of market development. The impairment test includes a WACC (Weighted Average Cost of Capital) discount factor of 20 percent (20) and a perpetuity growth rate of 3 percent (3). An increase in WACC by 2 percentage points would not generate any impairment requirement.

Note 13 Segment reporting

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

	Net sales		Intangible assest	
kSEK	2020	2019	2020	2019
Germany	1,452	731	–	–
Middle East	331	–	–	
Sweden	38	125	–	–
Denmark	–	808	18,316	21,508
Austria	182	–	–	–
Switzerland	142	–	–	–
Other	25	193	–	–
Total	**2,170**	**1,857**	**18,316**	**21,508**

Note 14 Other receivables

Group, kSEK	2020	2019
VAT	1,002	1,264
Deposit	138	177
Prepaid expenses [1)]	1,047	1,247
Total	**2,187**	**2,688**

[1)] Right of use for leased assets is included with SEK 129 thousand.

Parent Company, kSEK	2020	2019
VAT	502	750
Receivables group companies	5	39
Prepaid expenses	534	374
Total	**1,041**	**1,163**

Note 15 Cash and cash equivalents

Group, kSEK	2020	2019
Bank balances	64,056	53,690
General pledging of bank deposits	50	50
Cash	7	7
On December 31	**64,113**	**53,747**

Parent Company, kSEK	2020	2019
Bank balances	59,713	48,193
General pledging of bank deposits	50	50
On December 31	**59,763**	**48,243**

Note 16 Share capital

Group, kSEK		Shares	Share capital
Total December 31, 2015		**19,403,820**	**23,989**
Conversion of loans, Class A1 shares	July 2016	3,362,847	4,342
Acquisition of Parent Company Acarix AB	September 2016	500,000	500
Non-cash issue, Class Y shares	September 2016	162,162	209
New issue, Class A1 shares	October 2016	2,000,000	2,656
Conversion of loans, Class A1 shares	November 2016	902,586	1,184
New issue, Class Y1 shares	November 2016	4,000	5
Non-cash issue to former owners of Acarix A/S	December 2016	-25,835,415	-32,386
Non-cash issue	December 2016	15,067,376	15,067
Reduction of share capital in Acarix AB	December 2016	-500,000	-500
New issue in conjunction with IPO	December 2016	7,960,000	7,960
New issue	November 2019	28,666,667	28,667
Reduction of share capital	August 2020	–	-51,177
New issue	September 2020	89,351,394	894
Total December 31, 2020		**141,045,437**	**1,411**

During September, the company's rights issue and share issue offsetting debt were completed

Due to the rights issue, the number of shares increased by 86,156,738, from 51,694,043 to 137,850,781 and approximately SEK 58 million was contributed to the company before expenses related to the rights issue. The guarantors of the rights issue, in accordance with the guarantee agreements that had been entered into, had the possibility of choosing to receive guarantee compensation in the form of cash remuneration or newly issued shares in the company. A number of guarantors elected to receive the guarantee compensation in the form of newly issued shares. In view of this and pursuant to an authorization from the Annual General Meeting on May 14, 2020, a compensation issue totaling 3,194,656 shares was implemented. Through the compensation issue, the number of Acarix shares increased to a total of 141,045,437. The number of shares in the company at year-end was 141,045,437 (23,027,376).

Note 17 Account payable

Group, kSEK	2020	2019
Accounts payable	1,648	1,781
	1,648	**1,781**

Parent Company, kSEK	2020	2019
Accounts payable	1,144	666
	1,144	**666**

Note 18 Other liabilities

Group, kSEK	2020	2019
Accrued personnel-related expenses	3,180	3,084
Other accrued costs	1,617	750
On December 31	**4,796**	**3,834**

Parent Company, kSEK	2020	2019
Accrues personnel related expenses	2,157	2,006
Other accrued expenses	771	218
Accrued group expenses	–	–
On December 31	**2,928**	**2,224**

Note 19 Maturity analysis for derivate financial liabilities

Maturity analysis for derivate financial liabilities, 2020

Time interval; months	0-3	3-6	6-9	9-12	> 12	Total
Accounts payable	1,648	–	–	–	–	**1,648**
Leasing debt	214	212	206	166	568	**1,366**
	1,862	**212**	**206**	**166**	**568**	**3,014**

Maturity analysis for derivate financial liabilities, 2019

Time interval; months	0-3	3-6	6-9	9-12	> 12	Total
Accounts payable	1,781	–	–	–	–	**1,781**
Leasing debt	466	273	28	23	73	**863**
	2,247	**273**	**28**	**23**	**73**	**2,644**

Note 20 Leasing debt

Leasing debt	Dec 31, 2020	New leasing agreement	Amortization (financing activities)	Paid interests (operating activities)	Currency translation	Discounting	Dec 31, 2020
Leasing debt	766	1,090	-802	-56	270	98	**1,366**

Leasing debt	Dec 31, 2019	Adjustment due to new accounting principles	New leasing agreement	Amortization (financing activities)	Paid interests (operating activities)	Currency translation	Discounting	Dec 31, 2019
Leasing debt	–	2,125	–	-1,515	-54	156	54	**766**

Note 21 Shares in subsidiaries

Parent Company, kSEK	2020	2019
Acquisition value	134,768	101,114
Shareholder contribution	26,672	33,654
Closing acquisition value at December 31	**161,440**	**134,768**
Impairment loss for the year	-92,590	–58,936
Impairment for the year	-26,672	–33,654
Carrying amount at December 31	**42,178**	**42,178**

Accounting policy

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

The acquisition value is tested for impairment annually.

The company's holdings of participations in Group companies

			Booked value (kSEK)	
Name of the company	Equity share	No of shares	2020-12-31	2019-12-31
Acarix A/S	100%	23,027,376	38,469	38,469
Acarix GmbH	100%	25,000	3,364	3,364
Acarix Incentive AB	100%	50,000	50	50
Acarix China ApS	100%	50,000	69	69
Acarix GmbH	100%	1	226	226
			42,178	**42,178**

Name of the company	Reg. Nr.	Domicile	Result (kSEK)	Equity (kSEK)
Acarix A/S	32648223	Lyngby, Denmark	-34,257	23,210
Acarix GmbH	HRB88101	Cologne, Germany	40	6,569
Acarix Incentive AB	559102-0044	Malmö, Sweden	0	50
Acarix China ApS	40065059	Lyngby, Denmark	0	69
Acarix GmbH	ATU73943307	Vienna, Austria	0	226

Note 22 Related parties

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

Consultancy fee to member of Board of Directors 2020

kSEK	Q1	Q2	Q3	Q4	Year
Werner Braun (Chairman)	–	–	–	–	–
Denis Gestin	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**–**

Consultancy fee to member of Board of Directors 2019

kSEK	Q1	Q2	Q3	Q4	Year
Werner Braun (Chairman)	64	–	–	–	64
Denis Gestin	–	–	–	–	–
Total	**64**	**–**	**–**	**–**	**64**

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

For additional information see note 8.

Note 23 Significant events after year-end

No significant events after the balance sheet date.

Note 24 Assets pledged and guarantees

Group and Parent Company

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

Note 25 Proposed appropriation of profits

Unrestricted shareholder´s equity in the parent company	SEK
Share premium reserve	210,051,772
Result brought forward	-74,616,761
Result for the year	-37,935,515
Total	**97,499,496**

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

	SEK
Carry forward	**97,499,496**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Statements

The Board of Directors and the Executive Management declare that the consolidated financial statements have been prepared in accordance with IFRS, as issued by the IASB and adopted by the EU, and give a fair view of the Group's financial position, results of operations and cash flow. The financial statements of the Parent Company have been prepared in accordance with generally accepted accounting principles in Sweden and give a fair view of the Parent Company's financial position, results of operations and cash flow.

The Board of Directors' Report for the Acarix Group and the Parent Company provides a fair view of the development of the Group's and the Parent Company's operations, financial position, results of operations and cash flow and describes material risks and uncertainties facing the Parent Company and the companies included in the Group.

Malmö, April 19, 2021

Executive management

Per Persson
CEO

Board of directors

Dr. Werner Braun
Chairman of the Board

Paolo Raffaelli
Board Member

Johanne Braendgaard
Board Member

Anders Jacobson
Board Member

Marlou Janssen-Counotte
Board Member

Ulf Rosén
Board Member

Our audit opinion was issued on April 20, 2021

Öhrlings PricewaterhouseCoopers AB

Cecilia Andrén Dorselius
Authorized Public Accountant
Auditor in Charge

Alexander Ståhl
Authorized Public Accountant

Auditor's report

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

Report on the annual accounts and consolidated accounts

Opinions
We have audited the annual accounts and consolidated accounts of Acarix AB (publ) for the year 2020 except for the corporate governance statement on pages 25-34. The annual accounts and consolidated accounts of the company are included on pages 35-65 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2020 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 25-34. 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 1-24. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

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

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

Auditor's responsibility
Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements

can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

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

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Acarix AB (publ) for the year 2020 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

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

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

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

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

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

Auditor's responsibility

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

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

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

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

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

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 25-34 has been prepared in accordance with the Annual Accounts Act.

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

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

Malmö 20 April 2021
Öhrlings PricewaterhouseCoopers AB

Cecilia Andrén Dorselius
Authorized Public Accountant
Auditor in charge

Alexander Ståhl
Authorized Public Accountant

Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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