

ACARIX A/S

Ryvangs Allé 81,

2900 Hellerup

CVR No. 32648223

Annual Report 2022

13. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 30 June 2023

Phillip Axel Wilhelm Siberg
Chairman

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ACARIX A/S

Management's Statement

Today, Management has considered and adopted the Annual Report of ACARIX A/S for the financial year 1 January 2022 - 31 December 2022.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January 2022 - 31 December 2022.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Hellerup, 30 June 2023

Executive Board

Christian Lindholm
Man. Director

Board of Directors

Philip Axel Wilhelm Siberg

Chairman

Fredrik Franz Johan Wilhelm Buch
Member

Louise Marie Counotte Janssen
Member

Ulf Lennart Rosén

Member

Independent Auditors' Report

To the shareholders of ACARIX A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Acarix A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw the attention to note 1, Material uncertainties relating to going concern, which describes that the Company has received a Letter of Financial Support from the parent company, Acarix AB. Current Group cash and cash equivalents are not sufficient to finance the activities of the Group for 2023 as planned and is dependent on payment from outstanding warrants. At the time of issuing our audit report, financing has not been secured. These conditions indicate that there is a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of

Independent Auditors' Report

accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark 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 financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- * Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- * Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- * Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- * Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 30 June 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR-no. 33771231

Allan Knudsen

State Authorised Public Accountant

mne29465

ACARIX A/S

Company details

Company	ACARIX A/S Ryvangs Allé 81, 2900 Hellerup
Telephone	49111481
E-mail	dksrc@acarix.com
CVR No.	32648223
Registered office	Gentofte
Financial year	1. januar 2022 - 31. december 2022
Board of Directors	Philip Axel Wilhelm Siberg Fredrik Franz Johan Wilhelm Buch Louise Marie Counotte Janssen Ulf Lennart Rosén
Executive Board	Christian Lindholm
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup CVR-no.: 33771231

Management's Review

Financial Statements of Acarix A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Annual Report has been prepared under the same accounting policies as last year.

The Company's principal activities

The company's main activity is to develop solutions for rapid AI-based coronary artery disease (CAD). The Acarix CADScor®System is CE marked and approved by FDA De Novo for patients experiencing chest pain with suspected CAD and is designed to reduce millions of unnecessary, invasive, costly diagnostic procedures. The CADScor®System calculates a patient specific CAD score non-invasively in less than 10 minutes with 96% confidence.

Exceptional circumstances

No exceptional circumstances have affected recognition or measurement.

Development in activities and the financial situation

The Company's Income Statement of the financial year 1 January 2022 - 31 December 2022 shows a result of DKK -28.425.929 and the Balance Sheet at 31 December 2022 a balance sheet total of DKK 19.147.726 and an equity of DKK -2.759.717.

The company's liquidity and equity are successively strengthened by unconditional shareholders contribution from the parent company.

During the month of January, March and April 2023, a total of DKK 9.000.000 was sent from Acarix AB to Acarix A/S in the form of an unconditional shareholder contribution.

2022 was a successful year for Acarix, as several important milestones were achieved. With the FDA DeNovo clearance, CPT III reimbursement approval and a strategic collaboration with the American College of Cardiology (ACC), our focus in 2023 is primarily on the American market.

In autumn 2021, we announced our growth objectives as part of our 2024 business plan. Our objective is to have at least 3,000 CADScor®Systems in the market, sales of SEK 200 million and a gross margin of at least 80%. The foundation has now been laid with the right team and the potential to succeed.

Full focus on the US market

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

Decisions on the purchase of new technology can take time and often include an investigation of patients and validation of reimbursement levels. In early 2023, we received our first order from the US Veterans Health Administration (VA), consisting of 11 CADScor®Systems and patches worth SEK 1 million. We continue with our focus on clinics, hospitals, IDNs and VA to meet both our short-term and long-term goals.

Management's Review

Our CPT III reimbursement code for CADScor®System was approved by the American Medical Association (AMA) and went into effect in July 2022. A CPT code enables reimbursement from insurance companies to clinics after using the CADScor®System. Individual insurance companies determine reimbursement levels in each state, with decisions on the purchase of the CADScor®System made only after patients have been examined and reimbursed. By the end of 2022, compensation from many leading insurance companies. The list of insurance companies that reimburse for CADScor®System is continuously increasing.

European business strategy focuses on current customers

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

Continued long-term investments in R&D and operations

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

Management of capital and liquidity risk

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

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

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

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

Management's Review

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

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

Uncertainties relating to going concern

The Company has received a Letter of Financial Support from Acarix AB. According to the letter Acarix AB will support the Company financially to the extent necessary to finance its operating activities and to settle its financial obligations as they fall due. The Letter of Financial Support is effective until 31 December 2023.

Current Group cash and cash equivalents are not sufficient to finance the activities of the Group for 2023 as planned. In January 2023 a rights issue was completed and within the framework of the rights issue, warrants were issued. Financing of the Group activities for 2023 is dependent on payment from outstanding warrants. These conditions indicate that there is a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as a going concern.

Please refer to note 1 "Uncertainties relating to going concern"

Significant events occurring after end of reporting period

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Please refer to note 2 "Significant events occurring after end of reporting period".

Accounting Policies

Reporting Class

The annual report of ACARIX A/S for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Reporting currency

The annual report is presented in Danish kroner.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the income statement under financial income and expenses.

General information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost principle.

Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Accounting Policies

Income statement

Gross profit/loss

The Company has decided to aggregate certain items of the income statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, other operating income, costs for raw materials and consumables and other external expenses.

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised excluding VAT and all discounts granted are recognised in revenue.

Other operating income comprises items of a secondary nature to the activities of the enterprises, including profits on sale of intangible and tangible assets.

Raw materials and consumables used

Costs for raw materials and consumables comprise the cost of goods purchased less discounts, costs subcontractors and change in inventories for the year.

Other external expenses

Other external expenses include expenses for distribution, sales, advertising, administration, premises, bad debts, operating leasing expenses etc.

Staff costs

Staff costs include wages and salaries including compensated absence and pension to the Companies employees, as well as other social security contributions etc. The item is deducted from refunds from public authorities.

Amortisation and impairment of tangible and intangible assets

Amortization and impairment of intangible assets, property, plant and equipment has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortized on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Patents	20 years	0%
Machinery and equipment	3 years	0%
Leasehold improvements	5 years	0%

Profit or loss resulting from the sale of intangible assets or property, plant and equipment is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the income statement under other operating income or expenses.

Accounting Policies

Financial income and expenses

Financial income and expenses are recognised in the income statement based at the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, financial expenses of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the advance-payment of tax scheme.

Dividends from other investments are recognised as income in the financial year in which the dividends are declared.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Balance sheet

Intangible assets

Development projects that are clearly defined and identifiable, and where the degree of technical utilization, sufficient resources and a potential future market or development potential in the Company are provable and where the intention is to manufacture, market or use the product or process are recognised as intangible assets if the value in use can be determined reliably and it is sufficiently certain that future earnings can cover production, sales and administration costs as well as total development costs.

Other development costs are recognised as costs in the income statement as they incur.

Development costs comprise costs, including wages, salaries and amortization, that are directly or indirectly attributable to the development activities of the enterprise and meet the recognition criteria.

Capitalized development costs are measured at cost on initial recognition and subsequently at the lower of cost less accumulated amortization and the recoverable amount.

Accounting Policies

Property, plant and equipment

Property, plant and equipment are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the date of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual component differ.

The carrying amounts of property plant and equipment are tested annually to determine whether there is any indication of impairment other than what is expressed by amortization and depreciation. If so, the assets are tested for impairment to determine whether the recoverable amounts are lower than the carrying amounts and the relevant assets are written down to such lower recoverable amounts. An impairment test is carried out annually of ongoing development projects, whether or not there is any indication of impairment.

The recoverable amount of an asset is determined as the higher of the net sales price and the value in use. Where the recoverable amount of the individual assets cannot be determined, the assets are grouped together into the smallest group of assets that can be estimated to determine an aggregate reliable recoverable amount for those units.

Deposits

Deposits are measured at cost.

Inventories

Inventories are measured at cost on the basis of the FIFO principle. Where the net realizable value is lower than cost, the inventories are written down to this lower value.

The net realizable value of inventories is calculated as the selling price less costs of completion and costs incurred to make the sale. The value is determined taking into account the negotiability of inventories, obsolescence and expected development in sales price.

Inventories are measured at cost using weighted average prices. Where the net realizable value is lower than cost, the inventories are written down to this lower value.

The cost of goods for resale, raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Merchandises are measured at cost comprising purchase price plus delivery costs.

Receivables

Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Accounting Policies

Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Other payables

Other payables are measured at amortized cost, which usually corresponds to the nominal value.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

	Note	2022 kr.	2021 kr.
Gross profit		-23.389.237	-24.113.811
Employee benefits expense	3	-2.825.252	-2.124.657
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-1.915.376	-1.891.770
Profit from ordinary operating activities		-28.129.865	-28.130.238
Other finance income		219.025	19.482
Finance expenses		-515.089	-38.452
Profit from ordinary activities before tax		-28.425.929	-28.149.208
Profit		-28.425.929	-28.149.208
Proposed distribution of results			
Retained earnings		-28.425.929	-28.149.208
Distribution of profit		-28.425.929	-28.149.208

Balance Sheet as of 31 December

	Note	2022 kr.	2021 kr.
Assets			
Completed development projects	4	7.215.239	8.848.879
Acquired patents	5	2.716.215	2.904.623
Intangible assets		9.931.454	11.753.502
Plant and machinery	6	88.615	141.944
Property, plant and equipment		88.615	141.944
Deposits, investments		98.850	98.850
Investments		98.850	98.850
Fixed assets		10.118.919	11.994.296
Inventories		2.914.236	2.618.326
Short-term trade receivables		34.400	66.758
Other short-term receivables		979.702	730.930
Accrued income		186.280	15.140
Receivables		1.200.382	812.828
Cash and cash equivalents		4.914.189	2.055.887
Current assets		9.028.807	5.487.041
Assets		19.147.726	17.481.337

Balance Sheet as of 31 December

	Note	2022 kr.	2021 kr.
Liabilities and equity			
Contributed capital		4.084.921	4.084.921
Reserve for development expenditure		5.627.886	6.902.126
Retained earnings		-12.472.524	-9.053.991
Equity		-2.759.717	1.933.056
Trade payables		2.689.746	670.789
Payables to group enterprises		18.170.163	14.101.298
Other payables		1.047.534	776.194
Short-term liabilities other than provisions		21.907.443	15.548.281
Liabilities other than provisions within the business		21.907.443	15.548.281
Liabilities and equity		19.147.726	17.481.337
Uncertainties relating to going concern	1		
Significant events occurring after end of reporting period	2		
Contingent liabilities	7		
Collaterals and assets pledged as security	8		
Related parties	9		

Statement of changes in Equity

	Contributed capital	Development expenditure	Retained earnings	Total
Equity 1 January 2022	4.084.921	6.902.126	-9.053.991	1.933.056
Profit (loss)	0	-1.274.240	-28.425.929	-29.700.169
Contribution from group	0	0	25.007.396	25.007.396
Equity 31 December 2022	4.084.921	5.627.886	-12.472.524	-2.759.717

The share capital has developed as follows:

	2022	2021	2019	2018	2017
Balance at the beginning of the year	4.084.921	25.835.415	25.835.415	25.835.415	25.835.415
Decrease of capital due to deficit coverage	0	-21.750.494	0	0	0
Balance at the end of the year	4.084.921	4.084.921	25.835.415	25.835.415	25.835.415

Notes

1. Material uncertainties relating to going concern

The Company has received a Letter of Financial Support from Acarix AB. According to the letter Acarix AB will support the Company financially to the extent necessary to finance its operating activities and to settle its financial obligations as they fall due. The Letter of Financial Support is effective until 31 December 2023.

Current Group cash and cash equivalents are not sufficient to finance the activities of the Group for 2023 as planned. In January 2023 a rights issue was completed and within the framework of the rights issue, warrants were issued. Financing of the Group activities for 2023 is dependent on payment from outstanding warrants. These conditions indicate that there is a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as a going concern.

2. Significant events occurring after end of reporting period

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

	2022	2021
3. Employee benefits expense		
Wages and salaries	2.807.549	2.072.100
Social security contributions	17.703	27.771
Other employee expense	0	24.786
	2.825.252	2.124.657
Average number of employees	5	3
4. Completed development projects		
Cost at the beginning of the year	16.336.391	16.336.391
Cost at the end of the year	16.336.391	16.336.391
Depreciation and amortisation at the beginning of the year	-7.487.512	-5.853.873
Amortisation for the year	-1.633.640	-1.633.639
Impairment losses and amortisation at the end of the year	-9.121.152	-7.487.512
Carrying amount at the end of the year	7.215.239	8.848.879
5. Acquired intangible assets		
Cost at the beginning of the year	3.807.459	3.807.459
Cost at the end of the year	3.807.459	3.807.459
Depreciation and amortisation at the beginning of the year	-902.836	-714.428
Amortisation for the year	-188.402	-188.408
Impairment losses and amortisation at the end of the year	-1.091.238	-902.836
Carrying amount at the end of the year	2.716.221	2.904.623

Notes**6. Plant and machinery**

	2022	2021
Cost at the beginning of the year	260.000	145.000
Addition during the year, incl. improvements	40.000	115.000
Cost at the end of the year	300.000	260.000
Depreciation and amortisation at the beginning of the year	-118.056	-48.334
Amortisation for the year	-93.329	-69.722
Impairment losses and amortisation at the end of the year	-211.385	-118.056
Carrying amount at the end of the year	88.615	141.944

7. Contingent liabilities

The company has contingent liabilities for rent at 144.000 DKK at the balance sheet date.

8. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

9. Related parties

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Acarix AB

Consolidated Financial Statements

The Company is included in the consolidated report for the Parent Company:
Name Acarix AB - Place of registered office Sweden.

The Group Annual Report of Acarix AB may be obtained at the following address:

Acarix AB
Jungmansgatan 12
SE-211 19 Malmö
Sweden