

# **ACARIX A/S**

Ryvangs Allé 81,

2900 Hellerup

CVR No. 32648223

## **Annual Report 2021**

12. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 3 June 2022

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Philip 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 2021 - 31 December 2021.

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 2021 and of the results of the Company's operations for the financial year 1 January 2021 - 31 December 2021.

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, 3 June 2022

### 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 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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 2021, 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.

#### 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 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.

## Independent Auditors' Report

### 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, 3 June 2022

**PricewaterhouseCoopers**  
**Statsautoriseret Revisionspartnerselskab**  
CVR-no. 33771231

Allan Knudsen  
State Authorised Public Accountant  
mne29465

Frederik Tvedeskov Jantzen  
State Authorised Public Accountant  
mne47815

## ACARIX A/S

### Company details

<b>Company</b>	ACARIX A/S Ryvangs Allé 81, 2900 Hellerup
Telephone	49111481
email	dksrc@acarix.com
CVR No.	32648223
Registered office	Gentofte
<b>Board of Directors</b>	Philip Axel Wilhelm Siberg Fredrik Franz Johan Wilhelm Buch Louise Marie Counotte Janssen Ulf Lennart Rosén
<b>Executive Board</b>	Christian Lindholm, Man. Director
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup CVR-no.: 33771231

## Management's Review

Financial Statements of Acarix A/S for 2021 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, produce and advertise 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

### **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 2021 - 31 December 2021 shows a result of DKK -28.149.208 and the Balance Sheet at 31 December 2021 a balance sheet total of DKK 17.481.337 and an equity of DKK 1.933.056.

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

During the month of January 2022, DKK 8.000.000 was sent from Acarix AB to Acarix A / S in the form of an unconditional shareholder contribution.

Despite the limitations posed by the pandemic, the past year was full of activity and growth for Acarix. A sharp rise in sales in Germany, the launch in the US market and the growth capital that we secured give us good prospects of reaching our new strategic growth objectives for 2024.

CADScor® is a unique AI-based non-invasive system that helps physicians rule out CAD in patients experiencing chest pain in just a few minutes. It quickly provides patients with reassuring information, reduces the need for unnecessary and time-consuming examinations, and allows healthcare providers to focus on the patients who truly need help. Our solution has been clinically validated in studies on thousands of patients in order to verify an accuracy rate of more than 96%.

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

### ***Sizeable market potential in the US***

In addition to a unique product and a skilled team, we also have significant growth potential. Chest pain is the most common reason that people seek medical care, and today physicians do not have a simple way to rule out CAD. The interest we were met with when we demonstrated the CADScor® System in clinics during the autumn shows that there is a high need for this. When physicians see how relieved patients are, how simple the examination is to perform and how well documented the system is in clinical terms, in most cases they react very positively. We've seen a high conversion rate when we are able to perform a demonstration, so our goal is to perform as many as possible.

In the autumn, we focused on a few selected states where salespeople from our partner addressed that market. We validated our go-to-market strategy based on the results, and we concluded that it was successful. As a result, we are confident about rolling it out, proceeding methodically and continually validating it. We also have a well-thoughtout strategy for where and when we will use our own sales force, and when we will use a specialized partner.

## Management's Review

### ***Strong growth in Germany***

Even though our greatest growth potential is in the US, it's worth noting that development is moving forward in our existing markets, primarily in Germany where sales of both equipment and patches rose sharply during the year. Today, we have 150 systems installed, which is a 61% increase compared with 2020. Meanwhile, the use of patches has nearly doubled at the same time. Things moved relatively slowly in the German market initially, but we saw accelerated growth in 2021. In order to speed this up even further, we set goals for monthly patch sales, which sharpens our focus on ensuring that the systems we have installed are actually used. We are continuing the dialogue on including the CADScor®System in the German reimbursement system, but just as in the case of drugs, this is a process that will take time. An additional salesperson was hired during the year, and we have a clear strategy for how to proceed until the discounts are approved, focusing on larger private clinics and distributors.

### ***FDA application for Acarix Seismo***

The foundation of Acarix's platform is our patented technology that makes it possible to listen to internal organs. In the CADScor®System, sounds from the coronary arteries are analyzed with the help of AI to rule out CAD. Our new product Acarix Seismo analyzes the heart in the same way to perform a risk assessment on patients with suspected heart failure, which affects more than six million people per year in the US alone. We submitted an application for a breakthrough therapy designation to the US Food and Drug Administration (FDA) in February this year, based on the clinical data generated in the Seismo study conducted in Denmark. Our strong R&D team is continually working to develop our existing applications and to develop new ones.

### ***Additional capital raised through successful rights issue***

During the fourth quarter, we completed our planned new issue, which is primarily intended to finance the build-up of our US operations in 2022. We will focus on direct sales in selected states combined with sales through partners. The issue proceeds, which contributed about SEK 70 million net, are also being used to finance our continued sales development in Germany, England and the Nordics. In addition to a commercial focus in our main markets, we are also strengthening our heart failure product portfolio.

### ***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. The Letter of Financial Support is effective until 31 December 2022.

Management has updated the Group's liquidity forecast. Current Group cash and cash equivalents are deemed to be sufficient to finance the business for at least 12 months ahead. The management of Acarix and its Board of Directors estimates that current liquidity can finance operations up to the first quarter 2023 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.

Based on this Management has decided to prepare the Annual Report on a going concern basis.

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".



## Management's Review

### Research and development activities

Acaric A/S develops a non-invasive diagnostic equipment for ruling out the presence of Coronary Artery Disease, in symptomatic patients. The equipment has an advanced microphone that is to be placed on the chest of the patient by means of a product specific patch. After a short recording of heart sounds these will be converted by mathematical algorithms into a patient specific score determining the patient's risk of having Coronary Artery Disease. Hence the core competences of the company are mathematical modeling and signal interpretation as well as design and principles for optimal sound recording within the field of application.

## Accounting Policies

### Reporting Class

The Annual Report of ACARIX A/S for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B. With options of reporting class C.

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 at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

## 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 amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, 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 Annual Report, 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, change in inventories of finished goods, work in progress and goods for resale, other operation income, cost of raw and consumables and other external expenses.

#### Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

#### 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 costs include costs for distribution, sales, advertising, administration, premises. loss of debtors, operating leasing costs etc.

#### Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised 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
Concessions, patents, licens, trademarks and other similar rights	10-20 years	0%
Other fixtures and fittings, tools and equipment	3-10 years	0%
Leasehold improvements	5 years	0%

Profit or loss resulting from the sale of intangible or tangible assets 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 on 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 tax prepayment scheme.

Dividends equity 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

Clearly defined and identifiable development projects where the technical rate of utilisation, 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 amortisation, that are directly or indirectly attributable to the development activities of the enterprise and meet the recognition criteria.

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

## Accounting Policies

### Tangible assets

Tangible assets 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 components differ.

The carrying amounts of tangible assets and property plant and equipment are tested annually to determine whether there is any indication of impairment other than what is expressed by amortisation 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.

### Inventories

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

The net realisable 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 realisable 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.

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

### Receivables

Receivables are measured at amortised 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.

### Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

### Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the Income Statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortised cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortised cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities, comprising deposits, trade payables and other accounts payable, are measured at amortised cost, which usually corresponds to the nominal value.

### Other payables

Other payables are measured at amortised 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	2021 kr.	2020 kr.
<b>Gross profit</b>		<b>-24.113.811</b>	<b>-16.198.276</b>
Employee benefits expense	3	-2.124.657	-3.647.910
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-1.891.770	-1.870.381
<b>Profit from ordinary operating activities</b>		<b>-28.130.238</b>	<b>-21.716.567</b>
Other finance income		19.482	18.145
Finance expenses		-38.452	-52.072
<b>Profit from ordinary activities before tax</b>		<b>-28.149.208</b>	<b>-21.750.494</b>
Tax expense on ordinary activities		0	0
<b>Profit</b>		<b>-28.149.208</b>	<b>-21.750.494</b>
<b>Proposed distribution of results</b>			
Retained earnings		-28.149.208	-21.750.494
<b>Distribution of profit</b>		<b>-28.149.208</b>	<b>-21.750.494</b>

## Balance Sheet as of 31 December

	Note	2021 kr.	2020 kr.
<b>Assets</b>			
Completed development projects	4	8.848.879	10.482.518
Acquired patents	5	2.904.623	3.093.031
<b>Intangible assets</b>		<b>11.753.502</b>	<b>13.575.549</b>
Plant and machinery	6	141.944	96.666
<b>Property, plant and equipment</b>		<b>141.944</b>	<b>96.666</b>
Deposits, investments		98.850	98.850
<b>Investments</b>		<b>98.850</b>	<b>98.850</b>
<b>Fixed assets</b>		<b>11.994.296</b>	<b>13.771.065</b>
<b>Inventories</b>		<b>2.618.326</b>	<b>2.547.207</b>
Short-term trade receivables		66.758	11.913
Other short-term receivables		730.930	370.694
Accrued income		15.140	174.618
<b>Receivables</b>		<b>812.828</b>	<b>557.225</b>
<b>Cash and cash equivalents</b>		<b>2.055.887</b>	<b>2.430.503</b>
<b>Current assets</b>		<b>5.487.041</b>	<b>5.534.935</b>
<b>Assets</b>		<b>17.481.337</b>	<b>19.306.000</b>



## Balance Sheet as of 31 December

	Note	2021 kr.	2020 kr.
<b>Liabilities and equity</b>			
Contributed capital		4.084.921	25.835.415
Reserve for development expenditure		6.902.126	8.176.364
Retained earnings		-9.053.991	-24.525.637
<b>Equity</b>		<b>1.933.056</b>	<b>9.486.142</b>
Trade payables		670.789	736.441
Payables to group enterprises		14.101.298	8.325.705
Other payables		776.194	757.712
<b>Short-term liabilities other than provisions</b>		<b>15.548.281</b>	<b>9.819.858</b>
<b>Liabilities other than provisions within the business</b>		<b>15.548.281</b>	<b>9.819.858</b>
<b>Liabilities and equity</b>		<b>17.481.337</b>	<b>19.306.000</b>
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 2021	25.835.415	8.176.364	-24.525.637	9.486.142
Decrease of capital due to deficit coverage	-21.750.494	0	21.750.494	0
Profit (loss)	0	-1.274.238	-26.874.970	-28.149.208
Contribution from group	0	0	20.596.122	20.596.122
<b>Equity 31 December 2021</b>	<b>4.084.921</b>	<b>6.902.126</b>	<b>-9.053.991</b>	<b>1.933.056</b>

The share capital has developed as follows:

	2021	2020	2019	2018	2017
Balance at the beginning of the year	25.835.415	25.835.415	25.835.415	25.835.415	25.835.415
Decrease of capital due to deficit coverage	-21.750.494	0	0	0	0
<b>Balance at the end of the year</b>	<b>4.084.921</b>	<b>25.835.415</b>	<b>25.835.415</b>	<b>25.835.415</b>	<b>25.835.415</b>

## Notes

**1. 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. The Letter of Financial Support is effective until 31 December 2022.

Management has updated the Group's liquidity forecast. Current Group cash and cash equivalents are deemed to be sufficient to finance the business for at least 12 months ahead. The management of Acarix and its Board of Directors estimates that current liquidity can finance operations up to the first quarter 2023 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.

Based on this Management has decided to prepare the Annual Report on a going concern basis.

**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.

	2021	2020
<b>3. Employee benefits expense</b>		
Wages and salaries	2.072.100	3.236.160
Post-employment benefit expense	0	239.196
Social security contributions	27.771	58.991
Other employee expense	24.786	113.563
	<b>2.124.657</b>	<b>3.647.910</b>
Average number of employees	<u>3</u>	<u>5</u>
<b>4. Completed development projects</b>		
Cost at the beginning of the year	16.336.391	16.336.391
<b>Cost at the end of the year</b>	<b>16.336.391</b>	<b>16.336.391</b>
Depreciation and amortisation at the beginning of the year	-5.853.873	-4.220.234
Amortisation for the year	-1.633.639	-1.633.639
<b>Impairment losses and amortisation at the end of the year</b>	<b>-7.487.512</b>	<b>-5.853.873</b>
<b>Carrying amount at the end of the year</b>	<b>8.848.879</b>	<b>10.482.518</b>
<b>5. Acquired intangible assets</b>		
Cost at the beginning of the year	3.807.459	3.807.459
<b>Cost at the end of the year</b>	<b>3.807.459</b>	<b>3.807.459</b>
Depreciation and amortisation at the beginning of the year	-714.428	-526.020
Amortisation for the year	-188.408	-188.408
<b>Impairment losses and amortisation at the end of the year</b>	<b>-902.836</b>	<b>-714.428</b>
<b>Carrying amount at the end of the year</b>	<b>2.904.623</b>	<b>3.093.031</b>

**Notes****6. Plant and machinery**

	<b>2021</b>	<b>2020</b>
Cost at the beginning of the year	145.000	0
Addition during the year, incl. improvements	115.000	145.000
<b>Cost at the end of the year</b>	<b>260.000</b>	<b>145.000</b>
Depreciation and amortisation at the beginning of the year	-48.334	0
Amortisation for the year	-69.722	-48.334
<b>Impairment losses and amortisation at the end of the year</b>	<b>-118.056</b>	<b>-48.334</b>
<b>Carrying amount at the end of the year</b>	<b>141.944</b>	<b>96.666</b>

**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