

Acarix Year-End Report

JANUARY-DECEMBER 2018

Market dynamics favourable for CADScor®System addressing the challenges of the global healthcare market

Fourth quarter (October-December) 2018 compared with same period 2017

- During the fourth quarter, sales amounted to seven CADScor®Systems and 640 patches compared with four CADScor®Systems and 480 patches in the same period previous year.
- Revenue amounted to 208 kSEK (230), with gross profit of 132 kSEK (173) and a gross margin of 63% (75).
- Operational costs amounted to 12,328 kSEK (12,412).
- Result before tax amounted to -12,006 kSEK (-12,267).
- Net cash flow from operating activities amounted to -8,547 kSEK (-6,285).
- Basic earnings per share amounted to -0.52 SEK (-0.55). No dilution arose.

Financial year 2018 compared with year 2017

- During the year a total of 22 (10) CADScor®System and 2,120 (1,360) patches were sold and generated totally 1,024 kSEK (638) in revenue. Gross profit amounted to 708 kSEK (430), corresponding to a gross margin of 69% (67).
- Operating costs amounted to 43,232 kSEK (31,173)
- Result before tax amounted to -42,250 kSEK (-30,736)
- Net cash flow from operating activities amounted to -38,336 kSEK (-40,539)
- Cash position amounted to 65,019 kSEK (103,457)
- Basic earnings per share amounted to -1.83 SEK (-1.29). No dilution arose.

Events in the fourth quarter, 2018

- To increase awareness and knowledge of the unique rule-out technology offered by Acarix through its CADScor®System, Acarix and MED Management entered into an agreement for the German outpatient market in October 2018.
- In November, Acarix announced that the board of directors appointed Per Persson to Chief Executive Officer. Per Persson came directly from the role as Chief Commercial Officer of Acarix. Christian Lindholm, who served as interim CEO since February 2018, resumed his role as Chief Financial Officer.
- In December, Acarix reported first patient enrolled in new clinical investigation exploring heart failure detection, a new functionality for early detection of heart failure using the CADScor®System.

Events after December 31, 2018

- In February 15 Acarix announced that it is adapting pathway for German reimbursement and submitting new dossier by the end of February 2019, aiming for full reimbursement. Thereafter, the authorities require eight weeks to assess the dossier and give feedback on requirements and potential complementary data. Previously, Acarix was aiming for full reimbursement in Germany by the end of 2019, after initial discussions with relevant associations. However, a new legislation is underway which will impact the local reimbursement process and result in delays. The above does not change Acarix abilities to achieve full reimbursement, it only impacts timing that will depend on the feedback and potential questions the company's submission will render into. In parallel, Acarix has also commenced a dialogue with channels in relation to the larger German statutory sick-funds, which independently may decide about reimbursing the CADScor®System. As a large part of hospital expenses is funded by independent statutory sick-funds this activity could significantly increase healthcare access to the CADScor®System. Furthermore, private reimbursement is not affected by the above changes.



Message from the CEO



After six months at Acarix, I clearly see our market evolving and a growing opportunity for our products aimed at revolutionizing cardiac diagnostics. At congresses and scientific events, an increasing number of presentations focus on the need for accurate tools that physicians can rely on to make quick and appropriate decisions.

After more than 25 years in the field of medical device and life science, I have learned that developing technology and entering new markets is a demanding, but also a highly rewarding process. We strive to improve an important part of the healthcare system burdened by aging tools and strained budgets by making sure Health Care Professionals using CADScor®System quickly receive reliable feedback in order to determine the best decision for their patients. Today, close to 400 million patients in the US, Europe and China are inflicted with cardiac related disease. Our system accurately rules out coronary artery disease in up to 50 percent of patients with chest pain*.

The healthcare industry is taking notice and during the last quarter of 2018, there were a number of events indicating growing interest in improving today's treatments.

At the PCI Congress in Munich in November, a number of leading German physicians were questioning the need of angiograms and CT scans early on for patients. The publication from J. Knuuti et al. is challenging the validity of stress test ECGs, and in Sweden there is a health technology assessment (HTA) that will do a similar evaluation. In short, the need of a rule-out device that can support the decision pathway for the patient in a safe, reliable and cost-efficient way is starting to get the right attention.

In December, we saw customers in Germany ordering a second CADScor®System for their clinics, saying they were very satisfied with the system's high accuracy. The waiting time to see a cardiologist is typically several months, but with the help of the CADScor®System we can impact this positively. Using the system as a rule-out device gives fast and accurate results, dramatically reducing waiting time, improving patients' quality of life, while ensuring physicians end up seeing patients truly in need of continued support, the customer said.

In Sweden, we have seen growing interest in the CADScor®System, and we expect the positive feedback from regional hospitals will support the referring of patients from the local GP community.

With MED Management in Germany, we had our first meeting and are leveraging its strong relations and network with leading out-patient clinics. The first evaluations are scheduled for February and March at a few different locations.

In Austria we got our first accounts opened during the second half of 2018, and with some pioneering work together with local physicians, we have started to create awareness around CADScor®System and Acarix.

By now, all four recruitment sites in the DAN-NICADII study are initiated and include patients. This study will support our previous publications and collect more patient data for further algorithm expansion to include the lower age group of patients. In Q4, we also started the enrollment of SEISMO, a new explorative clinical study to develop a diagnostic algorithm possibly leading to a new functionality for early detection of heart failure using the CADScor®System.

For Acarix, a number of events are lining up for an exciting 2019. We expect feedback in the coming month from MTEP UK (Medical technologies evaluation programme) after we submitted in December. In general, this will help our acceptance and establishment into the UK and other markets.

Acarix also plans on attending a number of events in 2019, including the DGIM congress in Germany. At DGIM, there will be a symposium with a strong chair and presenters, focusing on real life usage, the evidence and the unique technology offered by CADScor®System.

I look forward to coming back to you with more details about these events, as well as other matters related to our business. I would also like to take this opportunity to thank colleagues, board members and shareholders for their strong belief in and commitment to Acarix.

Malmö, February 19, 2019
PER PERSSON
CHIEF EXECUTIVE OFFICER

* Dan-Nicad I

Financial Report

Revenue and gross margin

Fourth quarter

Seven CADScor®Systems and 640 patches were sold during the fourth quarter compared to four CADScor®Systems and 480 patches in the same period previous year. Three CADScor®Systems were sold in Germany and four systems sold in Sweden, three of which included the right-to-return within a trial period up to July 2019. The three CADScor®Systems with right-to-return were not recognized as revenue in the fourth quarter. Previous quarter seven CADScor®Systems and 680 patches were sold.

Consolidated revenue for the fourth quarter amounted to 208 kSEK. Revenues from CADScor®Systems amounted to 13 kSEK and revenue from patches amounted to 195 kSEK. Gross profit for the fourth quarter amounted to 132 kSEK, corresponding to a gross margin of 63%. As average sales price of the CADScor®Systems were lower during the period the gross margin decreased to 63%, compared to 75% in the same period last year. As the sales volume of patches increases, gross margin is expected to return to the accumulated level.

Year 2018

For the full year a total of 22 CADScor®System and 2,120 patches were sold on the German (12), Danish (3), Swedish (5) and the Austrian (2) markets. Sales of CADScor®System in 2017 amounted to 10. Consolidated revenue amounted to 1,024 kSEK distributed between CADScor®Systems by 355 kSEK and patches by 669 kSEK. Gross profit for the year amounted to 708 kSEK, corresponding to a gross margin of 69%.

Expenses

Fourth quarter

Total group expenses (R&D and SG&A) for the fourth quarter amounted to 12,328 kSEK compared to 12,412 kSEK in the year-earlier period. SG&A costs amounted to 9,211 kSEK in the quarter, of which 4,736 kSEK related to sales and marketing costs. Research and development costs amounts to 3,117 kSEK (1,866) and have increased due to activities related to the DAN-Nicad II and the Seismo study.

Year 2018

Accumulated expenses amounted to 43,232 kSEK compared to 31,173 kSEK in the year-earlier period. Accumulated SG&A costs amounted to 30,887 kSEK (25,884) of which 17,502 kSEK (11,478) related to sales and marketing costs. Increased marketing activities and start-up of clinical activities represent the cost increase from the corresponding period last year

Result

Fourth quarter

In the fourth quarter the Group reported an operating loss of -12,196 kSEK compared to -12,239 kSEK in the year-earlier period. While the capitalization of development costs related to the CADScor®System ceased during previous year, the depreciation of capitalized development costs commenced. Depreciation during the fourth quarter amounted to 630 kSEK. Tax costs amounted to zero for the quarter compared to a revenue amounting 460 kSEK in the corresponding period in 2017. The net loss for the fourth quarter amounted to -12,006 kSEK compared to -12,727 kSEK in the year-earlier period. Earnings per share before dilution were -0.52 SEK for the fourth quarter compared to -0.55 SEK in the corresponding period in the preceding year. No dilution effects arose.

Year 2018

For the full year the Group reported an operating loss of -42,523 kSEK compared with a loss of -30,743 kSEK in the year-earlier period. Tax income amounted to zero for the year compared to 960 kSEK in the year-earlier period related to a Danish R&D tax credit ceased 2017. A net loss for the year amounted to -42,250 kSEK, compared to -29,776 kSEK in the corresponding period in 2017. Earnings per share before dilution were -1.83 SEK for the year compared to -1.29 SEK in the corresponding period in the preceding year. No dilution effects arose.

Intangible assets

Capitalization of development costs related to the CADScor®System has been ongoing since August 2015 when TÜV issued a certificate of compliance (CE-mark) for the product. Capitalization ceased when the product was launched on the market during the second quarter of 2017 and amortization of development costs was initiated. As of December 31, 2018, capitalized development costs amounted to 18,921 kSEK. The carrying amount including capitalized development costs and acquired rights as of December 31, 2018 amounted to 23,696 kSEK.

Equity

As of December 31, 2018, consolidated equity amounted to 87,877 kSEK compared to 128,939 kSEK on December 31, 2017. As of December 31, 2018, the total number of shares amounted to 23,027,376.

Cash Flow

Fourth quarter

In the fourth quarter, total cash flow showed an outflow of -8,547 kSEK compared to an outflow of -6,285 kSEK in the year-earlier period. No impact from investing-/financing activities during the period. The impact from working capital amounted to 1,642 kSEK compared to 2,990 kSEK in the year-earlier period.

Year 2018

Total cash flow for the year showed an outflow of -38,336 kSEK compared to an outflow amounting -42,320 kSEK in the year-earlier period. Cash flow from operating activities amounted to -38,336 kSEK compared to -40,539 kSEK in the corresponding period in 2017. The impact from working capital amounted to 133 kSEK compared to -13,664 kSEK in the year-earlier period. Cash flow used in investing activities amounted to zero compares to -2,984 kSEK in the previous year and refers to capitalized R&D costs related to the CADScor®System prior to completion of the development. At the end of the period, Acarix had 65,019 kSEK in cash and cash equivalents compared to 103,457 kSEK in the year-earlier period.

Parent Company

The Parent Company's operations are primarily focused on Group wide administration and management and have during the year invoiced 5,127 kSEK (4,239) in management-fees. The company report operating net loss for the quarter amounting -4,885 kSEK (-2,223) and a net operating loss for the year amounting -10,321 kSEK (-6,056). Net loss for the quarter amounts to -46,280 kSEK (-2,250) and includes write-downs on its shareholdings in subsidiaries amounting -41,428 kSEK. Total write-downs for the year amounts to -58,936 kSEK (-).

During the fourth quarter two new subsidiaries were established, Acarix GmbH in Austria, supporting the Austrian market and Acarix China ApS, supporting the Chinese approval process.

Participation in subsidiaries on December 31, 2018 amounted to 42,178 kSEK (68,876). The Parent Company's cash and cash equivalents at the end of the period amounted to 61,349 kSEK compared to 98,741 kSEK in the year-earlier period.

Share information

The share has been trading on Nasdaq First North with the ticker symbol ACARIX and ISIN code SE0009268717 since December 19, 2016 and the shares are listed under the Premier segment. As of June 30, 2018, the number of shares in the company amounted to 23,027,376 (23,027,376).

Shareholder register December 31, 2018	Number of shares	Votes and capital
Sunstone LSV Fund II K/S	4,749,081	20.6%
SEED Capital DK II K/S	4,749,081	20.6%
Puhua Jingxin	2,654,259	11.5%
Coloplast A/S	1,683,072	7.3%
Seventure Partners	993,334	4.3%
Other shareholders	8,198,549	35.6%
Total	23,027,376	100.0%

Auditor's review

This Year End Report has not been reviewed by the company's auditor.

Certified Adviser

Acarix's Certified Adviser on Nasdaq First North is Wildeco Ekonomisk Information AB, tel +46 8 545 271 00 or info@wildeco.se.

Financial calendar

	Date
First quarter 2019	May 16, 2019
Annual General Meeting	May 16, 2019
Second quarter 2019	August 21, 2019
Third quarter 2019	November 14, 2019

For more information, please contact

Per Persson, CEO

mail: per.persson@acarix.com

tel: +46 736 005 990

Christian Lindholm, CFO

mail: christian.lindholm@acarix.com

tel: +46 705 118 333

Group - Consolidated **Income statement**

kSEK	Note	Quarter 4 2018	Quarter 4 2017	Year 2018	Year 2017
Revenue	6	208	230	1 024	638
Cost of goods sold		-76	-56	-316	-208
Gross profit		132	173	708	430
Research and development costs		-3 117	-1,866	-12 344	-5,289
Sales, general and administrative costs		-9 211	-10,546	-30 887	-25,884
Operating result		-12 196	-12,239	-42 523	-30,743
Financial income		217	50	352	130
Financial costs		-27	-78	-79	-123
Profit before tax		-12 006	-12,267	-42 250	-30,736
Tax		-	-460	-	960
Net loss for the period		-12 006	-12,727	-42 250	-29,776
Net income attributable to Parent Company's shareholders		-12 006	-12,727	-42 250	-29,776
Basic earnings per share (SEK) ^{1, 2)}		-0.52	-0.55	-1.83	-1.29
Diluted earnings per share (SEK)		-0.52	-0.55	-1.83	-1.29
Average number of shares, thousands		23,027	23,027	23,027	23,027

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 **Statements of Comprehensive Income**

kSEK	Quarter 4 2018	Quarter 4 2017	Year 2018	Year 2017
Net loss for the period after tax	-12 006	-12,727	-42 250	-29,776
Items that may be reclassified to profit or loss				
Foreign currency translation adjustment	-257	997	1,188	664
Other comprehensive income for the period, net of tax	-257	997	1,188	664
Total comprehensive income for the period, net of tax	-12 263	-11,730	-41 062	-29,112
Total comprehensive income attributable to:				
Owners of Acarix	-12 263	-11,730	-41 062	-29,112

Group - Consolidated **Balance sheet**

kSEK	Note	Year 2018	Year 2017
Assets			
Intangible assets			
Acquired rights		4,775	4,840
Development projects, capitalized		18,921	20,351
Total intangible assets	7	23,696	25,191
Current assets			
Tax receivables		-	995
Inventory	8	2,625	1,945
Accounts receivables		603	454
Other receivables	9	3,254	2,015
Cash and cash equivalents		65,019	103,457
Total current assets		71,501	108,865
Total assets		95,197	134,056
Shareholders' equity and liabilities			
Equity			
Share capital and share premium		396,044	396,044
Other reserves		1,877	689
Retained earnings		-310,044	-267,794
Total equity		87,877	128,939
Current liabilities			
Tax payable		2	-
Accounts payable		2,502	1,464
Other liabilities		4,816	3,652
Total current liabilities		7,320	5,116
Total equity and liabilities		95,197	134,056

Group - Consolidated **Statement of changes in shareholders' equity**

KSEK	Share capital	Share premium	Other reserves	Retained earnings	Total shareholders equity
As at January 1, 2018	23,027	373,017	689	-267,794	128,940
Profit/loss for the period	-	-	-	-42,250	-42,250
Other comprehensive income:					
Foreign exchange rate adjustment	-	-	1,188	-	1,188
Total comprehensive income	23,027	373,017	1,877	-310 044	87,877
At December 31, 2018	23,027	373,017	1,877	-310 044	87,877
As at January 1, 2017	23,027	371,814	25	-238,018	156,848
Profit/loss for the period	-	-	-	-29,776	-29,776
Other comprehensive income:					
Foreign exchange rate adjustment	-	-	664	-	664
Total comprehensive income	23,027	371,814	689	-267,794	127,736
Transactions with owners:					
Issue of stock option	-	1,203	-	-	1,203
At December 31, 2017	23,027	373,017	689	-267,794	128,939

Group **Consolidated Statements of Cash Flow**

kSEK	Quarter 4 2018	Quarter 4 2017	Year 2018	Year 2017
Operating activities				
Result before tax	-12,006	-12,267	-42,250	-30,736
Adjustment for depreciation	630	599	2,507	1,433
Taxes received	997	2,421	997	2,421
Financial items	190	-28	277	7
Cash-flow before change of working capital	-10,189	-9,274	-38,469	-26,875
Working capital adjustments:				
Change in inventory	-86	-312	-680	-355
Change in income tax receivables	-	141	-	169
Change in receivables and prepayments	-895	782	-1,388	-825
Change in trade and other payables	2,623	2,379	2,201	-12,653
Total change in working capital	1,642	2,990	133	-13,664
Cash-flow from operations	-8,547	-6,285	-38,336	-40,539
Cash-flow from operating activities	-8,547	-6,285	-38,336	-40,539
Investing activities				
Investments in intangibles	-	-	-	-2,984
Cash-flow from investing activities	-	-	-	-2,984
Financing activities				
Issue of warrants	-	-	-	1,203
Cash flow from financing activities	-	-	-	1,203
Cash flow for the period	-8,547	-6,285	-38,336	-42,320
Currency translation differences	-372	190	-102	-118
Cash and cash equivalents, beginning of period	73,938	109,552	103,457	145,895
Cash and cash equivalents, end of period	65,019	103,457	65,019	103,457

Parent Company **Income statement**

kSEK	Note	Quarter 4 2018	Quarter 4 2017	Year 2018	Year 2017
Other revenue		527	1,973	5,127	4,239
Sales, general and administrative costs	6, 7, 8	-5,412	-4,196	-15,448	-10,295
Operating result		-4,885	-2,223	-10,321	-6,056
Profit/Loss from shares in group companies		-41,428	-	-58,936	-
Financial income		33	40	141	106
Financial expense		-	-66	-2	-66
Result before tax		-46,280	-2,250	-69,118	-6,017
Tax		-	-	-	-
Net loss for the period		-46,280	-2,250	-69,118	-6,017
Net income attributable to Parent Company's shareholder		-46,280	-2,250	-69,118	-6,017

Parent Company **Statements of Comprehensive Income**

kSEK	Note	Quarter 4 2018	Quarter 4 2017	Year 2018	Year 2017
Net loss for the period after tax		-46,280	-2,250	-69,118	-6,017
Total comprehensive income for the period, net of tax		-46,280	-2,250	-69,118	-6,017
Total comprehensive income attributable to: Owners of Acarix		-46,280	-2,250	-69,118	-6,017

Parent Company **Balance sheet**

kSEK	Year 2018	Year 2017
Assets		
Financial assets		
Participation in subsidiaries	42,178	68,876
Total financial assets	42,178	68,876
Current assets		
Other receivables	623	4,773
Cash and cash equivalents	61,349	98,741
Total current assets	61,972	103,514
Total assets	104,150	172,390
Shareholders' equity and liabilities		
Equity		
Share capital	23,027	23,027
Other capital contribution	156,912	156,912
Retained earnings	-79,939	-10,821
Total equity	100,000	169,118
Current liabilities		
Accounts payable	1,113	108
Other liabilities	3,037	3,163
Total current liabilities	4,150	3,271
Total equity and liabilities	104,150	172,390

Parent Company **Statement of changes in shareholders' equity**

kSEK	Share capital	Other capital contribution	Retained earnings	Total shareholders' equity
As at January 1, 2018	23,027	156,912	-10,821	169,118
Net loss for the period	-	-	-69,118	-69,118
Total comprehensive income	-	-	-69,118	-69,118
Change in shareholders' equity	-	-	-69,118	-69,118
At December 31, 2018	23,027	156,912	-79,939	100,000
As at January 1, 2017	23,027	155,709	-4,804	173,932
Net loss for the period	-	-	-6,017	-6,017
Total comprehensive income	-	-	-6,017	-6,017
Transactions with owners:				
Issue of stock options	-	1,203	-	1,203
Total transactions with owners	-	1,203	-	1,203
Change in shareholders' equity	-	1,203	-6,017	-4,814
At December 31, 2017	23,027	156,912	-10,821	169,118

Notes to the interim consolidated financial statements

Note 1 Corporate information

Company information

Acarix AB (559009-0667) 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

Basis of preparation

The interim report for the Group and Parent Company comprises summary consolidated financial statements for Acarix AB (publ). The interim consolidated financial statements include the Company's wholly-owned subsidiaries according to above specification..

Note 3 Accounting policies

Accounting policies

The consolidated report has been prepared in accordance with International Financial Reporting Standards (IFRS) and IAS 34, Interim Financial Reporting. Amendments to existing standards, new interpretations and new standards that came into effect as of January 1, 2018 did not affect the Groups reporting as of December 31, 2018.

Acarix continues to apply the same accounting principles and valuation methods as those described in the most recent Annual Report. The Parent Company report is prepared in accordance with RFR 2, Accounting for Legal Entities, the Swedish Annual Accounts Act and accounting principles

and the valuation methods as those described in the most recent Annual Report.

Standards issued but not yet effective

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC- 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17.

At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Early application is permitted, but not before an entity applies IFRS 15.

Acarix analyzes the effect of IFRS 16 and expects a limited effect from the transition. The leasing agreements that are reported as operational according to IAS 17 and which will be affected by the transition refers to about 10 agreements. The most important agreement relates to the office in Denmark.

Other agreements mainly consist of cars. Acarix annually pays about 600 TSEK in leasing fees, of which about 60% is made up of fees for the property in Denmark. All agreements expire in 2020 and 2021. The property in Denmark runs until June 2020 and there are no extension options to consider in the agreement. Acarix expects to conclude the project for IFRS 16 in March 2019. At the transition to IFRS 16 on January 1, 2019, Acarix will to apply the forward-looking method and will not recalculate in accordance with the standard comparison year.

Note 4 Significant accounting estimates, judgments and assumptions

In preparing the interim report, certain provisions under IFRS require management to make judgments, which may significantly impact the Group's financial statements. For additional descriptions of significant judgments and estimates, refer to note 4 in the annual report 2017.

Note 5 Risk management

The Acarix Group is exposed to business and financial risks through its operations. These risks have been described at length in the Company's annual report 2017. In addition to the risks described in these documents, no additional significant risks have been identified.

Note 6 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 2018

kSEK	Q1	Q2	Q3	Q4	Year
Werner Braun (Chairman)	41	112	42	68	264
Denis Gestin	-	50	-	-	50
Total	41	162	42	68	313

Consultancy fee to member of Board of Directors 2017

kSEK	Q1	Q2	Q3	Q4	Year
Werner Braun (Chairman)	-	-	69	546	615
Denis Gestin	23	-	23	23	69
Total	23	0	92	569	684

Note 7 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.

Sale of goods

Revenue from the sale of goods is recognized when the significant control of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Invoiced sales per country 2018

kSEK	Q1	Q2	Q3	Q4	Year
Germany	128	60	160	196	544
Sweden	86	-	58	12	156
Denmark	-	174	-	-	174
Austria	-	-	133	-	133
Other	16	1	-	-	17
Total	230	235	351	208	1,024

Invoiced sales per country 2017

kSEK	Q2	Q3	Q4	Year
Germany	64	152	-	216
Sweden	-	63	36	99
Denmark	65	-	194	259
Austria	64	-	-	64
Other	-	-	-	-
Total	193	215	230	638

Note 8 Intangible assets

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 2018.

Intangible assets 2018
kSEK

	Aquired rights	Development costs, completed	Total
Cost at January 1, 2018	5,773	21,612	27,385
Foreign currency translation adjustment	202	868	1,071
Cost at December 31, 2018	5,975	22,480	28,456
Amortization and impairment at January 1, 2018	-933	-1,261	-2,194
Amortization	-259	-2,248	-2,507
Foreign currency translation adjustment	-8	-50	-58
Amortization and impairment losses at December 31, 2018	-1,200	-3,559	-4,759
Carrying amount at December 31, 2018	4,775	18,921	23,696

Intangible assets 2017
kSEK

	Aquired rights	Development costs, completed	Total
Cost at 1 January 2017	5,606	18,179	23,785
Addition for the period	35	2,949	2,984
Foreign currency translation adjustment	132	484	615
Cost at 31 December	5,773	21,612	27,384
Amortization and impairment at 1 January 2017	-679	-	-679
Amortization	-271	-1,261	-1,531
Foreign currency translation adjustment	17	-	17
Amortization and impairment losses at 31 December 2017	-933	-1,261	-2,193
Carrying amount at 31 December 2017	4,840	20,351	25,191

Note 9 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.

Note 10 Trade 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.

Affirmation

This interim report has been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" and in accordance with the Swedish Annual Accounts Act. With respect to the Parent Company, this interim report has been prepared in accordance with the Swedish Annual Accounts Act and in compliance with RFR2, Accounting for Legal Entities. The Board of Directors and the CEO certify that this interim report presents a true and fair overview of the Group's and the Parent Company's operations, financial position and results of operations, and describes the significant risks and uncertainties facing the Parent Company and the companies belonging to the Group

Malmö, February 19, 2019

Werner Braun
Chairman of the Board

Johanne Braendgaard
Board member

Denis Gestin
Board member

Ulf Rosén
Board member

Claus Andersson
Board member

Yun Fei Hong
Board member

Per Persson
CEO

The information disclosed in this year-end report is mandatory for Acarix AB (publ) to publish pursuant to the EU Market Abuse Regulation. This information was submitted through the agency of the CEO, February 20, 2019 at 8:00 am (CET).



Acarix AB (publ)

World Trade Center Malmö • Skeppsgatan 19 • SE-211 11 Malmö • Sweden
Phone: +46 10 471 58 02 • Mail: info@acarix.com • www.acarix.com