

# Acarix Interim Report

JANUARY – MARCH 2018

## CADScor® System launched in key markets

### First quarter (January - March) 2018 compared with same period 2017

- During the quarter 4 CADScor® Systems and 520 patches were sold and generated revenues amounting kSEK 230 (0) with a gross profit of kSEK 158 and gross margin of 69%
- Operational costs amounting kSEK 8,170 (3,933).
- Result before tax amounted to kSEK -7,963 (-3,492)
- Net cash flow from operating activities amounted to kSEK -9,444 (-18,281)
- Total equity amounted to kSEK 122,357 (152,374)
- Cash position amounted to kSEK 94,256 (127,429)
- Basic earnings per share amounted to SEK -0.35 (-0.15). No dilution arose.

### Events occurred before March 31, 2018

- Acarix and the CADScor® System was for the second consecutive year presented at the Medtech Showcase in San Francisco, January 8-10. This provided a great opportunity to meet potential US and international collaborators.

- Acarix was attending at SWEET congress focused on emergency sector at the Swedish hospitals. The CADScor® System was presented to a group of healthcare providers that encounters patients with chest pain on a daily basis.
- Acarix announced the initiation of a multi-center trial of its handheld CADScor® System for ruling out Coronary Artery Disease ("CAD"). The results from the extensive study DanNICAD II are expected to be available early 2020. Acarix believes the device has the potential to both greatly improve triaging of patients and reduce the need for costly further invasive diagnostic investigations.
- On February 23, Christian Lindholm was appointed Interim CEO.

### Events occurred after March 31, 2018

- In beginning of April the Acarix CADScor® System was on display and in focus at DGK in Mannheim, a German key scientific symposium.
- Acarix has recruited Per Persson as new Chief Commercial Officer (CCO). Per has a long experience within both Medical Device and Cardiology, including positions as GM for Boston Scientific Nordic Region, Senior Marketing Director EMEAC for St Jude Medical. Per joins from Airsonett AB where he held the position as VP sales and Marketing and for the last 12 months as the CEO. Per brings many years of experience in sales focus and marketing execution and we are happy to welcome him on board.



## Message from the CEO



Dear shareholder,

Acarix introduced the CADScor®System on the German, Swedish and Danish markets 11 months ago, in June 2017. The introduction was made without general reimbursement, which is one of the key prerequisites and current priorities of the company for sustainable commercial success. During this period, we have sold 14 CAD-Scor®Systems with the potential to significantly improve the diagnostic pathway for patients and non-invasive procedures, ruling out Coronary Artery Disease (CAD) with high accuracy. In general, the technology has been well received and there is broad acceptance for the need for disruption in the current diagnostic pathway.

Acarix, together with other new technologies in the health-care sector, is experiencing relatively slow uptake and we are focusing intently on the inclusion of the CADScore technology in general guidelines and payments systems in parallel with sales and marketing activities.

In addition, we are investing in further clinical development to build awareness, interest, acceptance and use of the technology in the ordinary standard of care. Midway in the first quarter, the Dan NICAD II (DNII) clinical trial commenced enrolment of patients at two centers in Denmark. The goal of the DNII clinical trial is to collect more patient data for further algorithm expansion to include the lower age group of patients in the 30-39-year-old bracket, representing between 5-10% of the diagnostic market. The patient enrolment period is expected to be 12-18 months.

2018 represents an important year for Acarix in the company's efforts to continue the reimbursement process of the German market.

To increase sales capacity for the CADScor®System, we have strengthened our commercial organization by recruiting Per Persson as the Group's Chief Commercial Officer. He will join the team on August 1 at the latest. He has long-standing, solid and, for Acarix, relevant experience building med-tech businesses and we are delighted to have him aboard.

Attendance at important congresses and other fairs represents a crucial part in efforts to further strengthen our brand

and build awareness. Acarix is actively planning to participate in a number of carefully selected congresses in the next few quarters, most notably the congress of the European Society of Cardiology in August 2018, in addition to national events.

As part of our global strategy, we have now begun work on processing our entry into the Chinese market. Initially, this work is focusing on an approval process for the product through the CFDA.

Following the commencement of commercialization in June 2017, we have learned many important lessons and have made adjustments to our approach, including offering short-term evaluation for the customer. Our deep involvement in the daily clinical workplace has strengthened our commitment to push for professional awareness, particularly inclusion in relevant guidelines, and of course for public reimbursement.

Finally, we look to the future with great confidence and anticipation based on the broad acceptance for the need for disruption in the current diagnostic pathway, with the interest in our technology to serve as the facilitator.

Malmö May 23, 2018

CHRISTIAN LINDHOLM  
INTERIM CHIEF EXECUTIVE OFFICER

# Financial Report

## Revenues and gross margin

During the first quarter 4 CADScor®Systems and 520 patches were sold compared to four CADScor®Systems and 480 patches in previous quarter. Recurring sales of 120 patches were registered for the first time. Three systems were sold in Germany and one system sold in Sweden.

Consolidated revenue for the first quarter amounted to kSEK 230. Revenues from CADScor®Systems amounted to kSEK 75 and revenue from patches amounted kSEK 155.

Gross profit for the first quarter amounted to kSEK 158, corresponding to a gross margin of 69%.

During first quarter 2017 the CADScor®System were not yet commercialized.

## Expenses

Total group expenses (R&D and SG&A) for the first quarter amounted to kSEK 8,170 compared to kSEK 3,933 in the year-earlier period. Total increase of approximately kSEK 4,000 is mainly explained by increased sales and marketing costs amounting kSEK 2,500 and the fact that capitalization of development costs ceased in second quarter 2017 which have an cost impact of kSEK 1,500 in the quarter.

SG&A costs amounted to kSEK 6,231 in the first quarter, of which kSEK 3,629 related to sales and marketing costs.

## Result

In first quarter the Group reported an operating loss of kSEK -8,011 compared to kSEK -3,933 in the year-earlier period. While the capitalization of development costs related to the CADScore®System ceased during the second quarter 2017, the depreciation of capitalized costs commenced. Depreciation during the first quarter amounted to kSEK 609. Danish R&D tax credit related to development costs ceased in connection with launch of the CADScor®System. No tax income was reported during the quarter compared to kSEK 456 in the year-eralier period. The net loss for the first quarter amounted to kSEK -7,963 compared to kSEK -3,492 in the year-earlier period.

Earnings per share before dilution were SEK -0,35 for the first quarter compared to SEK -0,15 in the corresponding period in the preceding year. No dilution effects arose.

## Intangible assets

Capitalization of development costs related to the CAD-Scor®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 March 31, 2018, capitalized development costs amounted to kSEK 20,683.

The carrying amount including capitalized development costs and acquired rights as of March 31, 2018 amounted to kSEK 25,670.

## Equity

As of March 31, 2018, consolidated equity amounted to kSEK 122,357 compared to kSEK 152,374 on March 31, 2017. The equity includes the proceeds from the initial public offering of shares in connection with the listing on Nasdaq First North Premier in December 2016.

As of March 31, 2018, the total number of shares amounted to 23,027,376.

## Cash Flow

In the first quarter, total cash flow showed an outflow of kSEK -9,444 compared to an outflow of kSEK -18,281 in the year-earlier period. The cash outflow during the period is mainly driven by the operating result and increased inventory. Total impact from working capital amounts to kSEK -2,091 compared to kSEK -12,375 in the year-earlier period.

No investing activities were reported during the period compared to kSEK -1,986 in the year-earlier period.

At the end of the period, Acarix had kSEK 94,256 in cash and cash equivalents compared to kSEK 127,429 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 period invoiced kSEK 1,300 in management-fees. The company report net loss for the quarter amounting kSEK -1,347 compared to kSEK -913 in the year-earlier period. The Parent Company's cash and cash equivalents at the end of the period amounted to kSEK 90,220 compared to kSEK 124,373 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 March 31, 2018, the number of shares in the company amounted to 23,027,376 (23,027,376).

Shareholder register March 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%
<b>Total</b>	<b>23,027,376</b>	<b>100.0%</b>

The lock-up agreement of 360 days from the first trading day, entered by the five largest shareholders, have expired as of December 19, 2017.

### Auditor's review

This End-Year 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.

### Financial calendar

### Date

Second quarter 2018	August 21, 2018
Third quarter 2018	November 14, 2018
Fourth quarter and year end report	February 20, 2019

### For more information, please contact

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Group - Consolidated **Income statement**

kSEK	Note	Quarter 1 2018	Quarter 1 2017	Year 2017
Revenue	7	230	–	638
Cost of goods sold		–72		–208
Gross profit		158	–	430
Research and development costs		–1,939	–	–5,289
Sales, general and administrative costs		–6,231	–3,933	–25,884
Operating result		–8,011	–3,933	–30,743
Financial income		57	–	130
Financial costs		–8	–16	–123
Profit before tax		–7,963	–3,949	–30,736
Tax		–	456	960
Net loss for the period		–7,963	–3,492	–29,776
Net income attributable to parent company's shareholders		–7,963	–3,492	–29,776
Basic earnings per share (SEK) <sup>1), 2)</sup>		–0.35	–0.15	–1.29
Average number of shares, thousands		23,027	23,027	23,027

<sup>1)</sup> No dilution effects arose

<sup>2)</sup> 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 1 2018	Quarter 1 2017	Year 2017
Net loss for the period after tax	–7,963	–3,492	–29,776
Items that may be reclassified to profit or loss			
Foreign currency translation adjustment	1,380	–169	664
Other comprehensive income for the period, net of tax	1,380	–169	664
Total comprehensive income for the period, net of tax	–6,583	–3,661	–29,112
Total comprehensive income attributable to:			
Owners of Acarix	–6 583	–3,661	–29,112

Group - Consolidated **Balance sheet**

kSEK	Note	March 31, 2018	March 31, 2017	Dec 31, 2017
<b>Assets</b>				
<b>Intangible assets</b>				
Acquired rights		4,988	4,879	4,840
Development projects, capitalized		20,683	20,230	20,351
<b>Total intangible assets</b>	<b>8</b>	<b>25,670</b>	<b>25,109</b>	<b>25,191</b>
<b>Current assets</b>				
Tax receivables		1,039	3,068	995
Inventory	9	3,064	520	1,945
Accounts receivables		517	–	454
Other receivables		1,945	1,293	1,634
Prepayments		338	484	380
Cash and cash equivalents		94,256	127,429	103,457
<b>Total current assets</b>		<b>101,159</b>	<b>132,794</b>	<b>108,865</b>
<b>Total assets</b>		<b>126,829</b>	<b>157,903</b>	<b>134,056</b>
<b>Shareholders' equity and liabilities</b>				
<b>Equity</b>				
Share capital and share premium		396,044	394,841	396,044
Other reserves		2,069	–144	689
Retained earnings		–275,757	–242,323	–267,794
<b>Total equity</b>		<b>122,357</b>	<b>152,374</b>	<b>128,939</b>
<b>Current liabilities</b>				
Accounts payable		1,470	2,530	1,464
Other liabilities		3,003	2,998	3,653
<b>Total current liabilities</b>		<b>4,473</b>	<b>5,528</b>	<b>5,117</b>
<b>Total equity and liabilities</b>		<b>126,829</b>	<b>157,903</b>	<b>134,056</b>

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

kSEK	Share capital	Share premium	Other reserves	Retained earnings	Total shareholders equity
As at 1 January 2018	23 027	373 017	689	-267,794	128,940
Profit/loss for the period	-	-	-	-7,963	-7,963
Other comprehensive income:					
Foreign exchange rate adjustment	-	-	1,380	-	1,380
Total comprehensive income	23 027	373 017	2,069	-	122,357
At March 31 2018	23 027	373 017	2,069	-275,757	122,357
As at 1 January 2017	23 027	371 814	25	-239,350	155,516
Profit/loss for the period	-	-	-	-3,492	-3,492
Corrections from previous period	-	-	-	520	520
Other comprehensive income:					
Foreign exchange rate adjustment	-	-	-169	-	-169
Total comprehensive income	23 027	371 814	-144	-242,322	152.374
At March 31 2017	23 027	371 814	-144	-242,322	152.374

## Group Consolidated Statements of Cash Flow

kSEK	Quarter 1 2018	Quarter 1 2017	Year 2017
Operating activities			
Result before tax	-7,963	-3,949	-30,736
Adjustment for depreciation	609	-	1,433
Taxes received	-	-	2,421
Financial expenses	-	16	7
Adjustment for other items not included in cash flow	-	13	-
Cash-flow before change of working capital	-7,354	-3,920	-26,875
Working capital adjustments:			
Change in inventory	-1,118	-	-355
Change in receivables and prepayments	-329	-134	-656
Change in trade and other payables	-644	-12,241	-12,653
Total change in working capital	-2,091	-12,375	-13,664
Cash-flow from operations	-9,444	-16,295	-40,539
Cash-flow from operating activities	-9,444	-16,295	-40,539
Investing activities			
Investments in intangibles	-	-1,986	-2,984
Cash-flow from investing activities	-	-1,986	-2,984
Financing activities			
Issue of warrants	-	-	1,203
Cash flow from financing activities	-	-	1,203
Cash flow for the period	-9,444	-18,281	-42,320
Currency translation differences	243	-185	-118
Cash and cash equivalents, beginning of period	103,457	145,895	145,895
Cash and cash equivalents, end of period	94,256	127,429	103,457



## Parent Company **Income statement**

kSEK	Note	Quarter 1 2018	Quarter 1 2017	Year 2017
Other revenues		1,300	742	4,239
Sales, general and administrative costs		-2,686	-1,655	-10,295
Operating result		-2,686	-913	-6,056
Financial income		38	-	105
Financial expense		-	-	-66
Result before tax		-1,347	-913	-6,017
Net loss for the period		-1,347	-913	-6,017
Net income attributable to parent company's shareholder		-1,347	-913	-6,017

## Parent Company **Statements of Comprehensive Income**

kSEK	Note	Quarter 1 2018	Quarter 1 2017	Year 2017
Net loss for the period after tax		-1,347	-913	-6,017
Total comprehensive income for the period, net of tax		-1,347	-913	-6,017
Total comprehensive income attributable to:				
Owners of Acarix		-1,347	-913	-6,017

Parent Company **Balance sheet**

kSEK	March 31, 2018	March 31, 2017	Dec 31, 2017
<b>Assets</b>			
Financial assets			
Participation in subsidiaries	73,945	49,616	68,876
<b>Total financial assets</b>	<b>73,945</b>	<b>49,616</b>	<b>68,876</b>
Current assets			
Other receivables	6,283	812	4,773
Cash and cash equivalents	90,220	124,373	98,741
<b>Total current assets</b>	<b>96,503</b>	<b>125,185</b>	<b>103,514</b>
<b>Total assets</b>	<b>170,447</b>	<b>174,801</b>	<b>172,390</b>
<b>Shareholders' equity and liabilities</b>			
Equity			
Share capital	23,027	23,027	23,027
Other capital contribution	156,912	155,709	156,912
Retained earnings	-12,168	-5,718	-10,821
<b>Total equity</b>	<b>167,771</b>	<b>173,019</b>	<b>169,118</b>
Current liabilities			
Accounts payable	25	734	109
Other liabilities	2,651	1,048	3,163
<b>Total current liabilities</b>	<b>2,676</b>	<b>1,782</b>	<b>3,172</b>
<b>Total equity and liabilities</b>	<b>170,447</b>	<b>174,801</b>	<b>172,390</b>

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	-	-	-1,347	-1,347
Total comprehensive income	-	-	-1,347	-1,347
Change in shareholders' equity	-	-	-1,347	-1,347
At March 31 2018	23,027	156,912	-12,168	167,771
As at January 1 2017	23,027	155,709	-4,804	173,932
Net loss for the period	-	-	-913	-913
Total comprehensive income	-	-	-913	-913
Change in shareholders' equity	-	-	-913	-913
At March 31 2017	23,027	155,709	-4,804	173,019

# Notes to the interim consolidated financial statements

## Note 1 Corporate information

### Company information

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

## 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 March 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.

An analysis of the transition effects of IFRS 16 on the consolidated accounts shall begin in 2018.

#### 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, the following transactions were recognized with related parties during the year.

Consultancy fee to member of Board of Directors, kSEK	Q1 2018	Q1 2017	Year 2017	Year 2016
Werner Braun (Chairman)	-	-	645	-

At a General Meeting held on May 24, 2017, decision was made on issue of new warrants to senior executives, employees, key employees and board of directors within the Acarix group. For further information see note 10.

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

#### 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 risks and rewards 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, kSEK	Q2 2017	Q3 2017	Q4 2017	Q1-Q4 2017	Q1 2018
Germany	64	152	-	216	175
Sweden	-	63	36	99	55
Denmark	65	-	194	259	-
Other	64	-	-	64	-
Total	193	215	230	638	230

#### Note 8 Intangible assets

Development projects are related to the development of the CADScor<sup>®</sup>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<sup>®</sup>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 2017.

Intangible assets 2018 kSEK	Aquired rights	Development costs, completed	Total
Cost at 1 January 2018	5,773	21,612	27,385
Foreign currency translation adjustment	222	951	1,173
Cost at 31 March 2018	5,995	22,563	28,558
Amortization and impairment at 1 January 2018	-933	-1,261	-2,194
Amortization	-65	-564	-629
Foreign currency translation adjustment	-9	-55	-64
Amortization and impairment losses at 31 March 2018	-1,007	-1,880	-2,887
Carrying amount at 31 March 2018	4,988	20,683	25,670

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	34	2,151	4,239
Foreign currency translation adjustment	-27	-100	-127
Cost at 31 March 2017	5,613	20,230	25,842
Amortization and impairment at 1 January 2017	-662	-	-662
Amortization	-71	-	-71
Amortization and impairment losses at 31 March 2017	-734	-	-734
Carrying amount at 31 March 2017	4,879	20,230	25,109

#### 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

Receivables 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.

#### Note 11 Warrant program

At a General Meeting held on May 24, 2017, a resolution was passed on two warrant programs carrying entitlement to subscribe for shares.

The first program "Incentive Program 2017/2020" for senior executives and employees comprises an issue of a maximum of 825,000 warrants, with each warrant entitling the holder to purchase one share during the exercise period June 1, 2020 – June 15, 2020. The subscription price for the shares pursuant to the warrant program is SEK 25.60. Market-based pricing was applied in conjunction with the warrant offering.

The second program "Incentive Program 2017/2021" for the Board of Directors comprises an issue of a maximum of 300,000 warrants, with each warrant entitling the holder to purchase one share during the exercise period June 1, 2021 – June 15, 2021. The subscription price for the shares pursuant to the warrant program is SEK 29.54. Market-based pricing was applied in conjunction with the warrant offering.

The total number of registered shares and votes on the date of this proposal amounted to 23,027,376. The dilution resulting from Incentive Program 2017/2020 and Incentive Program 2017/2021 is estimated at approximately 4.66 percent of the total number of shares and votes in the Company, provided that full subscription and exercise of all warrants occurs in both programs.

The market price of the warrant program has been determined by an independent party on the basis of the Black-Scholes model. The essential parameters taken into account in the valuations are Acarix's share price, estimated dividends, volatility, the warrant exercise price and the risk-free rate.

The duration of Incentive program 2017/2020 is three years while the duration of Incentive Program 2017/2021 four years.

The CEO subscribed for 25,500 warrants and the other members of Group management subscribed for 138,000 warrants. Other employees and key individuals subscribed for 122,500 warrants. The Board of Directors subscribed for 20,000 warrants. Acarix Incentive AB subscribed for 819,000 warrants that can potentially be used for future employees. Some 1,125,000 warrants were issued in total.

## 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, May 23, 2018

Werner Braun  
Chairman of the Board

Oliver Johansen  
Board member

Denis Gestin  
Board member

Ulf Rosén  
Board member

Claus Andersson  
Board member

Yun Fei Hong  
Board member

Christian Lindholm  
CEO



