

Acarix Interim report January-June 2020



Agile and flexible with sustained focus on key priorities

Second quarter 2020 compared with same period 2019

- During the second quarter, four CADScor®System (5) and 660 (1,690) disposable patches were sold to end-users. In addition to these systems, six demo systems were sold to distributors and one system was leased.
- Revenue amounted to 292 kSEK (664), with gross profit of 220 kSEK (539) and a gross margin of 75 percent (81).
- Operational costs amounted 10,580 kSEK (12,844).
- Result before tax amounted to -10,390 kSEK (-12,301).
- Net cash flow from operating activities amounted to -9,129 kSEK (-12,692).
- Basic earnings per share amounted to -0.20 SEK (-0.54). No dilution arose.

First half year 2020 compared with same period 2019

- During the first half year a total of 12 (10) CADScor®System and 800 (2,330) patches were sold and generated totally 413 kSEK (963) in revenue. Gross profit amounted to 329 kSEK (748), corresponding to a gross margin of 80 percent (78).
- Operating costs amounted to 21,485 kSEK (25,882)
- Result before tax amounted to -21,205 kSEK (-25,123)
- Net cash flow from operating activities amounted to -18,253 kSEK (-26,152)
- Cash position amounted to 35,366 kSEK (39,037)
- Basic earnings per share amounted to -0.41 SEK (-1,09). No dilution arose.

Events in the second quarter, 2020

- On May 11, 2020, the company announced that the last patient was included in the exploratory SEISMO study, which is evaluating the possibility of developing an early heart failure detection algorithm.

Events after June 30, 2020

- On July 15, 2020, the company announced that the board of directors, subject to the subsequent approval of an Extraordinary General Meeting, resolved to carry out a new share issue of a maximum of 86,156,738 shares with preferential rights for the Company's existing shareholders. If fully subscribed, the Rights Issue will provide the Company with approximately SEK 56 million before deduction of costs related to the Rights Issue. The Company has received guarantee undertakings from external investors of approximately SEK 50.4 million, corresponding to approximately 90 percent of the Rights Issue.
- On 15 July 2020, the shareholders of Acarix AB were summoned to an extraordinary general meeting to be held on Tuesday, 11 August 2020 in Stockholm. The extraordinary general meeting shall decide on rights issue and a warrant program.

The total amount in tables and statements might not always summarize as there are rounding differences. The aim is to have each line item corresponding to the source and it might therefore be rounding differences in the total.

CEO Message

For us and for many other companies, the pandemic and global uncertainty have caused delays in some prioritized projects. However, in combination with a dynamic Capital Market this has created a window for us to review our overall funding. The opportunity to secure funding will enable full focus with continued commercialization in priority markets and continued the research as soon as the market is normalized again. Through an early capital raise we already in the fourth quarter will have secured resources to be able to fully utilize and further refine Acarix's potential by pursuing and implementing our commercial strategy towards a stronger position in the market.

The CADScor®System is uniquely positioned as a reliable, non-invasive, easy-to-use and logistically smart tool for early rule-out of coronary artery disease, CAD. In the second quarter, we made great strides with this unique offering in several markets. Our first Finnish customer, a clinic in Helsinki, used the CADScor®System on over 60 patients with good results confirming the unique concept we are offering. Furthermore, we recently sold our first systems in Switzerland and Luxembourg. These market openings prove that CADScor® meets the vast needs of patients and physicians. Recently, we also established a collaboration with a number of diagnostic specialist dealers in northern and southern Germany. I have great confidence that this collaboration will be developing for all parties involved, as the knowledge about CADScor® is starting to carefully gain some positive momentum in Germany.

In the quarter, the last patient was enrolled in the exploratory clinical heart failure trial SEISMO, including patients at two sites in Denmark. In parallel with our core focus on CAD, we explore potential applications for which our unique technology might make a difference. Heart failure is an area that has a huge potential and we assess the opportunity of helping patients with early detection based on our acoustic technology. The data from the trial is currently being processed, and the initial results are expected in the late second half of this year.

Over a couple of months, we have collected data from over 1,000 patients at four independent clinics in Germany and Austria to see how well the CADScor® performs in real life practice. The data is currently being analyzed, but initial analysis indicate that results are in line with previous clinical results (Dan-NICAD I). Strong data from commercially used CADScor®Systems is fundamental in the work of commercializing our technology. The final analysis is expected early in the fourth quarter.

We have been fast to adapt both our business and costs to the effects of the Covid-19 pandemic and the reality that



now prevails. In the second quarter, we continued to identify areas that would allow for relevant savings without jeopardizing our most important studies as well as the process for US market approval with the US Food and Drug Administration (FDA) and the reimbursement process with the German G-BA. As a result, we continued to make adjustments to the organization and adapt our investment priorities. Furthermore, the reduced compensation that was introduced for most employees in the first quarter was prolonged. However, in order to expand on prioritized markets, we made some important recruitments earlier in the year, including sales leadership for both the German as well as the Nordic markets.

The Covid-19 pandemic and its effects have caused delays in some of our projects, including feedback from the FDA and the G-BA. Although we have a satisfactory cash position of SEK 35 million, in July, we announced a new share issue as we see a window of opportunity to further increase our financial strength. With the impact of Covid-19 we need to act agile and re-prioritize our objectives in order to improve the use of the resources at hand. The new share issue will allow full focus on the commercial and strategic development as soon as the pandemic situation allows.

With its rule-out capabilities, the CADScor® contributes to reduce the burden on healthcare by keeping many patients out of the hospitals and at the same time bringing more clarity about the medical status of the patient. We are eager to go back to working at full speed according to our strategy as soon as the markets normalize. I look forward to report to you about our continued commercialization and expansion.

Sincerely,
Per Persson
Chief Executive Officer

Financial Report

Revenues and gross margin

Second quarter

During the quarter, four CADScor®Systems were sold to end-users, three systems to customers in the German market and one system to Switzerland. Another system was leased and six demo systems were sold to our new distributors in Germany and Switzerland. During the period, 660 disposable patches were sold. During the corresponding period last year, five CADScor®Systems and 1,690 disposable patches were sold, of which 1030 patches were delivered for clinical trials. Sales and marketing activities during the quarter were limited due to the covid-19 situation.

Revenues for the quarter amounted to SEK 292 thousand, compared with SEK 664 thousand during the corresponding period. The difference in revenue between the periods is explained by 1,030 more disposable patches sold during the previous period, which were delivered for clinical trials.

Gross profit for the quarter amounted to SEK 220 thousand, which corresponded to a gross margin of 75 percent, compared with 81 percent during the same period last year. The reason for a lower gross margin compared with the same period last year is a lower share of revenue related to disposable patches.

First half year

During the first half of the year, a total of twelve CADScor®-Systems were sold, of which six demo systems to distributors and 2 rental systems. A total of 800 disposable patches were sold during the period. During the first half of 2019, ten CADScor®Systems and 2,330 disposable patches were sold, of which 1,200 disposable patches were delivered for the company's clinical trials.

Group revenues totaled SEK 413 thousand (963), of which SEK 140 thousand pertained to CADScor®System and SEK 273 thousand pertained to disposable patches. Gross profit amounted to SEK 329 thousand, corresponding to a gross margin of 80 percent compared with 78 percent in the corresponding period in 2019.

Expenses

Second quarter

Total operating expenses (R&D and sales/administration expenses) for the second quarter amounted to SEK 10,580 thousand, compared with SEK 12,844 thousand during the corresponding period last year. Sales and administration costs amounted to SEK 6,721 (7,570) thousand in the quarter, of which SEK 2,735 (3,823) thousand related to sales/marketing costs. Research and development costs amounted to SEK 3,860 (5,274) thousand and are mainly generated from ongoing clinical trials. The Covid-19 situation during the quarter resulted in delays in our clinical trials and thus shifts in related costs. Furthermore, marketing activities decreased during the period.

First half year

Total consolidated costs (R&D and sales/administration costs) for the first half of the year amounted to SEK 21,845 thousand, compared with SEK 25,882 thousand during the previous year. Sales and administration costs amounted to SEK 13,094 (15,362) thousand, of which SEK 5,389 (8,097) thousand relates to sales and marketing costs. Research and development costs amounted to SEK 8,391 (10,519) thousand during the period. The Covid-19 situation during the period has resulted in delays in our clinical trials and thus shifts in related costs. Furthermore, marketing activities decreased during the period.

Result

Second quarter

During the quarter, the Group reported an operating loss of SEK -10,360 thousand compared with SEK -12,304 thousand during the corresponding period last year. Depreciation during the quarter amounted to SEK 875 thousand (1,049) divided between capitalized development costs of SEK 583 thousand, patent costs of SEK 67 thousand, depreciation of leasing assets of SEK 207 thousand and tangible assets of SEK 17 thousand. The net loss for the quarter amounted to SEK -10,390 thousand, compared with SEK -12,351 thousand during the corresponding period last year. Earnings per share before dilution were SEK -0.20 for the first quarter compared with SEK -0.54 during the corresponding period last year. There was no dilution effect.

First half year

During the first half of the year, the Group reported an operating loss of SEK -21,156 thousand, compared with SEK -25,133 thousand during the corresponding period last year. Depreciation during the year amounted to SEK 1,886 thousand, divided between capitalized development costs of SEK 1,166 thousand, patents SEK 134 thousand, leasing assets of SEK 551 thousand and depreciation of tangible assets of SEK 34 thousand. The net loss for the year amounted to SEK -21,205 thousand, compared with SEK -25,148 thousand during the corresponding period last year. Earnings per share before dilution were SEK -0.41 compared with SEK -1.09 during the previous year. There was no dilution effect.

Intangible assets

As of June 30, 2020, capitalized development costs amounted to SEK 15,890 thousand. Reported value including capitalized development costs and acquired rights as of June 30, 2020 amounted to SEK 20,372 thousand.

Equity

As of June 30, 2020, consolidated equity amounted to SEK 55,499 kSEK, compared with SEK 63,533 kSEK on June 30, 2019.

During the fourth quarter of 2019, a rights issue was carried out. The share capital increased by SEK 28,667 thousand to SEK 51,694 thousand. The rights issue provided the company with SEK 34,548 thousand after issue costs.

Cash Flow

Second quarter

The total outflow for the period amounted to –9,129 kSEK compared with an outflow of –12,692 kSEK during the corresponding period last year. The effect from working capital amounted to 615 kSEK compared with –1,057 kSEK in the corresponding period last year.

First half year

Total outflow for the first half year amounted to SEK –18,253 thousand, compared with an outflow of SEK –26,152 thousand in the same period last year. The effect from working capital amounted to SEK 1,628 thousand, compared with SEK –2,338 thousand in the same period last year. At the end of the period, Acarix had SEK 35,366 thousand in cash and cash equivalents, compared with SEK 39,037 thousand as of June 30, 2019. During the fourth quarter of 2019, a rights issue was carried out which provided the company with a net capital of SEK 34,548 thousand.

Capitalization

The Board of Directors of Acarix resolved, conditional upon the subsequent approval of an Extraordinary General Meeting, to conduct a new issue of shares with preferential rights for existing shareholders at a subscription price of SEK 0.65 per share. The Rights Issue comprises a maximum of 86,156,738 shares, resulting in an increase of the share capital with a maximum of SEK 861,567.38. The total issue amount is SEK 56,001,879.7, before deduction of costs related to the Rights Issue. Acarix has received guarantee commitments consisting of a so called bottom guarantee of SEK 42 million and a top guarantee of SEK 8,4 million, which together corresponds to approximately 90 percent of the Rights Issue.

The board of directors is of the opinion that the proceeds from the Rights Issue, provided that it is fully subscribed, will cover the Company's working capital needs until February 2022.

Parent Company

The Parent Company, whose operations mainly focus on overall management and financing of the Group, recognized SEK 3,200 thousand (6,080) in management fees during the first half of the year. The company reported a net loss for the half year of SEK –15,143 thousand (–16,316) including a write-down of holdings in subsidiaries of SEK –9,465 thousand (–11,460).

As of the second quarter of 2018, shareholder contributions in subsidiaries have been expensed in the parent company's income statement under financial items. Shares in subsidiaries as of June 30 amounted to SEK 42,178 thousand (42,178).

The Parent Company's cash and cash equivalents at the end of the period amounted to SEK 30,933 thousand, compared with SEK 36,792 thousand for the previous year.

Share information

The share has been trading on Nasdaq First North Growth Market Stockholm 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, 2020, the number of shares in the company amounted to 51,694,043 (23,027,376).

Shareholder register June 30, 2020	Number of shares	Votes and capital
Sunstone LSV Fund II K/S	4,749,081	9.2%
SEED Capital DK II K/S	4,749,081	9.2%
Xinchang Puhua-Jingxin-Guzhou Heal	2,654,259	5.1%
Försäkringsbolaget, Avanza Pension	2,523,747	4.9%
SHB, Copenhagen Branch	2,033,290	3.9%
Coloplast A/S	1,683,072	3.3%
BNY MELLON SA/NV FRKN JYSKE BANK, W8IMY	1,253,237	2.4%
Nordnet Pensionsförsäkring AB	625,505	1.2%
Sköld, Jörgen	540,000	1.0%
Bergvall, Leif Harald	500,000	1.0%
Other shareholders	30,382,771	58.8%
Total	51,694,043	100.0%

Auditor's review

This Interim 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
Interim Report, third quarter	November 12, 2020
Interim Report, fourth quarter and Year end Report	February 18, 2021

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Group – Consolidated statement of income

kSEK	Note	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Year 2019
Revenue	7	292	664	413	963	1,857
Cost of goods sold		-72	-125	-84	-115	-427
Gross profit		220	539	329	748	1,430
Research and development costs		-3,860	-5,274	-8,391	-10,519	-20,282
Sales, general and administrative costs		-6,721	-7,570	-13,094	-15,362	-27,591
Operating result		-10,360	-12,304	-21,156	-25,133	-46,444
Financial income		13	29	26	65	103
Financial costs		-42	-25	-76	-54	-94
Profit before tax		-10,390	-12,301	-21,205	-25,123	-46,434
Tax		-	-50	-	-25	-25
Net loss for the period		-10,390	-12,351	-21,205	-25,148	-46,459
Net income attributable to Parent Company's shareholders		-10,390	-12,351	-21,205	-25,148	-46,459
Basic earnings per share (SEK) ^{1), 2)}		-0,20	-0,54	-0,41	-1,09	-1.83
Diluted earnings per share (SEK)		-0,20	-0,54	-0,41	-1,09	-1.83
Average number of shares, thousands		51,694	23,027	51,694	23,027	27,805

¹⁾ No dilution effects arose

²⁾ EPS – Net profit for the period, attributable to shareholders of the Parent Company, divided by average number of shares outstanding

Group – Consolidated statement of comprehensive income

kSEK	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Year 2019
Net loss for the period after tax	-10,390	-12,351	-21,205	-25,148	-46,459
Items that may be reclassified to profit or loss					
Foreign currency translation adjustment	-1,663	435	50	803	637
Other comprehensive income for the period, net of tax	-1,663	435	50	803	637
Total comprehensive income for the period, net of tax	-12,053	-11,916	-21,155	-24,345	-45,822
Total comprehensive income attributable to:					
Owners of Acarix	-12,053	-11,916	-21,155	-24,345	-45,822

Group – Consolidated statement of financial position

kSEK	Note	Jun 30, 2020	Jun 30, 2019	Dec 31, 2019
Assets				
<i>Tangible assets</i>				
Lease rights		1,608	1,651	881
Tangible assets		170	–	–
Total tangible assets		1,778	1,651	881
<i>Intangible assets</i>				
Acquired rights		4,482	4,768	4,584
Development projects, capitalized		15,890	18,267	16,924
Total intangible assets	8	20,372	23,035	21,508
Deferred tax assets		0	0	0
Total fixed assets		22,150	24,686	22,389
<i>Current assets</i>				
Inventory		3,108	3,427	3,052
Accounts receivables		596	1,360	1,108
Other receivables		1,715	2,788	2,688
Cash and cash equivalents		35,366	39,037	53,747
Total current assets		40,784	46,612	60,594
Total assets		62,933	71,298	82,983
Shareholders' equity and liabilities				
<i>Equity</i>				
Share capital and share premium		430,592	396,044	430,592
Other reserves		2,564	2,680	2,514
Retained earnings		–377,707	–335,191	–356,502
Total equity		55,449	63,533	76,602
<i>Long term liabilities</i>				
Lease debt		806	121	72
Total long term liabilities		806	121	72
<i>Current liabilities</i>				
Lease debt		788	1,413	694
Accounts payable		799	2,274	1,781
Other liabilities		5,091	3,957	3,834
Total current liabilities		6,678	7,644	6,309
Total equity and liabilities		62,933	71,298	82,983

Group – Consolidated statement of changes in shareholders' equity

	Share capital	Share premium	Other reserves	Retained earnings	Total shareholders equity
As at January 1, 2020	51 694	378 898	2 514	-356 502	76 602
Profit/loss for the period	-	-	-	-21,205	-21,205
Other comprehensive income:					
Foreign exchange rate adjustment	-	-	50	-	50
Total comprehensive income	51,694	378,898	2,564	-377,707	55,449
At June 30, 2020	51,694	378,898	2,564	-377,707	55,449
As at January 1, 2019	23,027	373,017	1,877	-310,044	87,878
Profit/loss for the period	-	-	-	-25,148	-25,148
Other comprehensive income:					
Foreign exchange rate adjustment	-	-	803	-	803
Total comprehensive income	23,027	373,017	2,680	-335,191	63,533
At June 30, 2019	23,027	373,017	2,680	-335,191	63,533

Group – Consolidated statement of cash flows

kSEK	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Year 2019
Operating activities					
Operating result	-10,395	-12,304	-21,190	-25,133	-46,444
Adjustment for depreciation	875	1,049	1,886	2,052	4,115
Taxes received	-	-	-	-	-
Financial items	-28	4	-47	10	9
Cash-flow before change of working capital	-9,548	-11,252	-19,351	-23,071	-42,320
<i>Working capital adjustments:</i>					
Change in inventory	899	-100	-260	-802	-426
Change in receivables and prepayments	-145	-1,050	1,786	-491	-428
Change in trade and other payables	-139	93	102	-1,046	-1,359
Total change in working capital	615	-1,057	1,628	-2,338	-2,213
Cash-flow from operations	-8,932	-12,307	-17,722	-25,409	-44,533
Cash-flow from operating activities	-8,932	-12,307	-17,722	-25,409	-44,533
Financing activities					
Amortization of lease debt	-197	-385	-531	-744	-1,515
Rights issue	-	-	-	-	34,548
Cash-flow from financing activities	-197	-385	-531	-744	33,033
Cash flow for the period	-9,129	-12,692	-18,253	-26,152	-11,500
Currency translation differences	-524	148	-128	170	238
Cash and cash equivalents, beginning of period	45,019	51,581	53,747	65,019	65,019
Cash and cash equivalents, end of period	35,366	39,037	35,366	39,037	53,747

Parent Company income statement

kSEK	Note	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Year 2019
Other revenue		1,010	2,945	3,200	6,080	7,967
Sales, general and administrative costs		-4,394	-5,540	-8,903	-10,989	-20,259
Operating result		-3,384	-2,595	-5,703	-4,909	-12,292
Profit/Loss from shares in group companies		-7,352	-7,225	-9,465	-11,461	-33,654
Financial income		13	24	26	55	92
Financial expense		-	-1	-	-1	-1
Result before tax		-10,723	-9,797	-15,143	-16,316	-45,855
Tax		-	-	-	-	-
Net loss for the period		-10,723	-9,797	-15,143	-16,316	-45,855
Net result attributable to Parent Company's shareholder		-10,723	-9,797	-15,143	-16,319	-45,855

Parent Company balance sheet

kSEK	Note	Jun 30, 2020	Jun 30, 2019	Dec 31, 2019
Assets				
<i>Financial assets</i>				
Participation in subsidiaries		42,178	42,178	42,178
Total financial assets		42,178	42,178	42,178
<i>Current assets</i>				
Other receivables		3,932	7,234	1,163
Cash and cash equivalents		30,933	36,792	48,243
Total current assets		34,864	44,026	49,406
Total assets		77,043	86,204	91,584
Shareholders' equity and liabilities				
<i>Equity</i>				
Share capital		51,694	23,027	51,694
Other capital contribution		162,793	156,912	162,793
Retained earnings		-140,937	-96,255	-125,794
Total equity		73,550	83,684	88,693
<i>Current liabilities</i>				
Accounts payable		495	176	666
Other liabilities		2,997	2,344	2,224
Total current liabilities		3,493	2,520	2,890
Total equity and liabilities		77,043	86,204	91,584

Parent Company statement of changes in equity

kSEK	Share capital	Other capital contribution	Retained earnings	Total shareholders' equity
As at January 1, 2020	51,694	162,793	-125,794	88,693
Net loss for the period	-	-	-15,143	-15,143
Total comprehensive income	-	-	-15,143	-15,143
Change in shareholders' equity	-	-	-	-
At March 31, 2020	51,694	162,793	-140,937	73,550
As at January 1, 2019	23,027	156,912	-79,939	100,000
Net loss for the period	-	-	-16,316	-16,316
Total comprehensive income	-	-	-16,316	-16,316
Change in shareholders' equity	-	-	-16,316	-16,316
At June 30, 2019	23,027	156,912	-96,255	83,684

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

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, 2019 did not affect the Groups reporting as of December 31, 2019, except for IFRS 16.

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.

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 2019.

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 2019. 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 2020

kSEK	Q1	Q2	Q3	Q4	Year
No consultancy fees have been paid for in 2020	-	-	-	-	-
Total	-	-	-	-	-

Consultancy fee to member of Board of Directors 2019

kSEK	Q1	Q2	Q3	Q4	Year
Werner Braun (Chairman)	-	66	-	-	66
Total	-	66	-	-	66

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, kSEK	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1-Q4 2020
Germany	96	320			326
Sweden	-	-			-
Denmark	-	-			-
Austria	-	24			24
Switzerland	-	38			38
Other	25	-			25
Total	121	292			413

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

Total excluding deliveries to clinical trials	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1-Q4 2019
	299	254	120	376	1,049

* deliveries to clinical trials

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 2019.

Group, 2020, kSEK	Acquired rights	Development costs	Total
Cost at January 1, 2020	6,054	22,819	28,873
Foreign currency translation adjustment	36	154	190
Cost at June 30, 2020	6,090	22,973	29,063
Amortization and impairment at January 1, 2020	-1,470	-5,895	-7,365
Amortization	-67	-583	-650
Foreign currency translation adjustment	-71	-605	-676
Amortization and impairment losses at June 30, 2020	-1,609	-7,083	-8,692
Carrying amount at June 30, 2020	4,482	15,890	20,372

Group, 2019, kSEK	Acquired rights	Development costs	Total
Cost at January 1, 2019	5,975	22,480	28,456
Foreign currency translation adjustment	138	594	732
Cost at June 30, 2019	6,114	23,074	29,188
Amortization and impairment at January 1, 2019	-1,200	-3,559	-4,759
Amortization	-130	-1,130	-1,260
Foreign currency translation adjustment	-16	-118	-134
Amortization and impairment losses at June 30, 2019	-1,346	-4,807	-6,153
Carrying amount at June 30, 2019	4,768	18,267	23,035

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, August 6, 2020

EXECUTIVE MANAGEMENT

Per Persson
CEO

BOARD OF DIRECTORS

Dr. Werner Braun
Chairman of the Board

Paolo Raffaelli
Board Member

Johanne Braendgaard
Board Member

Anders Jakobson
Board Member

Marie Louise Janssen-Counotte
Board Member

Ulf Rosén
Board Member

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, August 7, 2020 at 8:00 am (CET).

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