



# CHORDATE MEDICAL HOLDING AB

INTERIM REPORT | JANUARY-MARCH 2023



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Chordate Medical Holding AB (publ)  
CIN 556962-6319

## INTERIM REPORT JANUARY–MARCH 2023

### Summary of the period January–March 2023

- Net turnover was SEK 120,421 (68,633)
- Cash flow from operating activities was SEK -6,499,823 (-6,765,843)
- Profit/loss after financial items was SEK -7,133,134 (-7,379,153)
- Profit/loss after tax was SEK -7,133,134 (-7,379,153)
- Earnings per share were SEK -0.03 (-0.04)

### Chordate Medical in brief

Chordate Medical Holding AB (publ) is a medical technology company that for over ten years has developed, patented and received CE marking for a new neuromodulation treatment technology for chronic nasal congestion (rhinitis) and chronic migraine. The Company offers its products in select European markets, Israel and Saudi Arabia. Chordate Medical Holding AB (Publ.) is listed on NASDAQ First North Growth Market (ticker: CMH). Read more at [www.chordate.com](http://www.chordate.com)

Västra Hamnen Corporate Finance AB is Chordate Medical Holding's Certified Adviser. Email: [ca@vhcorp.se](mailto:ca@vhcorp.se)  
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## SIGNIFICANT EVENTS DURING THE QUARTER

### ▶ Chordate granted new patent by the European Patent Office 1/5/2023

The European Patent Office intends to grant Chordate's patent application that relates to further development of the Company's treatment technology for primarily chronic migraine, Kinetic Oscillation Stimulation, K.O.S.

### ▶ Chordate's rights issue was subscribed to approximately 72 percent 1/11/2023

A total of 73,384,127 shares were subscribed; thus, the rights issue was subscribed to approximately 72 percent. Through the rights issue, Chordate Medical raised approximately SEK 36.7 million before issue expenses.

### ▶ Chordate's joint venture company submits application for product registration in China 2/21/2023

Chordate Medical and Nanos Medical's joint venture company Changyong Medical Technology Co. has submitted an application for product registration in China for the K.O.S treatment for chronic rhinitis.

### ▶ Saudi Food and Drug Authority approves Janin Medical as Chordate's Authorized Representative in KSA 2/24/2023

The Saudi Food and Drug Authority (SFDA) has approved the application for registration of Janin Medical Company as the company's Authorized Representative in KSA. This means, among other things, that Chordate can restart customer deliveries.

### ▶ 11 Italian clinics now offer the K.O.S treatment for chronic rhinitis 2/27/2023

Chordate's Italian distributor Ve.Di.Se. Hospital S.P.A. now has installations offering K.O.S treatment for chronic rhinitis in eleven clinics around the country, from Tradate and Verona in the north to Bari in the south. At the same time, Vedise's is continuing to work with the introduction in Italy of K.O.S as a treatment for chronic migraine as well.

## SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

### ▶ The American Headache Society has accepted a presentation of the final results of the PM007 study at the AHS congress in June 4/13/2023

The primary results from the migraine study PM007 have been published in the form of an abstract on the American Headache Society's (AHS) website. The results confirm the abstract with subgroup results from the German part of PM007 that was presented at the Migraine Trust International Symposium 2022 in London in September last year.

### ▶ Chordate received rhinitis order from private hospital chain in Jeddah 5/3/2023

Chordate Medical has received an initial order for equipment and supplies for the treatment method K.O.S for chronic rhinitis via the company's distributor in Saudi Arabia, Janin Medical. The customer is the private healthcare company Nahdi Care Clinics, which has four hospitals located in the country's second largest city, Jeddah.

### ▶ NHS gives ethical approval for Chordate's new migraine study 5/5/2023

The ethics committee of the National Health Service in the UK has approved the study design for Chordate Medical's upcoming migraine study PM009, which aims to evaluate the efficacy of K.O.S in the preventive treatment of chronic migraine on patients not responding to treatment with monoclonal antibodies targeting the CGRP pathway.

### ▶ New investigator-initiated study on chronic rhinitis showed positive results with K.O.S treatment 5/12/2023

The investigator-initiated study "The effect of single kinetic oscillation stimulation treatment on nonallergic rhinitis" from the University of Helsinki was published in March 2023. The results show that Chordate's K.O.S treatment provides patients with non-allergic rhinitis with a subjective symptom improvement for at least one year, thus possibly decreasing the need for invasive treatment methods.

## INCREASED ACTIVITY ON SEVERAL KEY MARKETS

From the start of the year through May 2023, we have seen increased activity on all key markets, both from us and from potential and existing customers. We recently received a breakthrough order in Saudi Arabia for the rhinitis treatment, British NHS approved the design of our pending migraine study, 11 clinics in Italy are now offering K.O.S treatment for chronic rhinitis, and the American Headache Society's (AHS) scientific conference in June accepted the study results from PM007 for presentation in a lecture format. In addition, we started the year with a rights issue that was subscribed to approximately 72 percent, which shows continued strong confidence from our shareholders.

- Abstract with completed study results from the migraine study accepted for presentation in lecture format at AHS.
- Yet another step on the path to product registration in China.
- New patent granted by the European Patent Office—reinforces the company's position on the market.
- Cash reinforced by SEK 37.3 million before expenses following the rights issue.

### Several successes in Saudi Arabia

At the end of February, the Saudi Food and Drug Authority approved Janin Medical as our authorized representative in the country. Since then, we have received a breakthrough order for rhinitis systems from the private healthcare company Nahdi-Care Clinics for the first of their four clinics, and our distributor Janin Medical is simultaneously pursuing registration for marketing authorization for the migraine indication. While we wait for this authorization, Janin's sales staff are busy increasing the number of rhinitis installations in both private and public clinics that are on our target list.

### AHS has accepted the migraine study for presentation

The primary results from migraine study PM007—"Kinetic Oscillation Stimulation (K.O.S) for the preventive treatment of chronic migraine: results from a randomized-controlled trial"—were published as an abstract on the AHS website in April. Dr. Jan Hoffmann, Kings College, will present the study's results at the AHS congress in Austin, Texas, in mid-June this year.

This is very important for us; only select scientific works are invited for presentation in lecture form, which we can only interpret to mean that the scientific committee at AHS has judged the material to be very interesting.

### Key advancement on the Chinese market

In February, our Chinese joint venture company Changyong Medical Technology Co. submitted an application for product registration in China for the K.O.S treatment for chronic rhinitis. This is a key step forward toward entry into the Chinese market.



Anders Weilandt, CEO

### Another patent reinforces our market position

The European Patent Office approved at the beginning of the year another patent application regarding development of the K.O.S treatment. Continuing to expand the patent portfolio makes it more difficult for a potential competitor to enter our market and enables exclusive access to the market, which is a pillar in the ownership value the company is building.

### Focus during the rest of the year

We are continuing to follow up on the established sales and marketing plan in our select markets, with a special focus on the migraine area.

Kista, May 2023  
Anders Weilandt, CEO



## MIGRAINE MARKET

Migraine is a neurological syndrome which, according to the WHO, is the third most common and seventh most disabling health condition in the world.<sup>1</sup> From the scientific literature, the Company estimates that 6–8 percent of men and 15–18 percent of women in Europe and America are diagnosed with migraines annually. A distinction is normally drawn between episodic migraine, which occurs occasionally, and chronic migraine. Individuals who experience headaches more than 15 days a month, and migraines more than 8 of these days, are defined as chronic migraine patients. Scientific literature shows that between 110 and 170 million people across the world suffer from chronic migraine, and they are treated in daily life by clinics specializing in neurology and headaches, which provide a very clear indication of where the market is.

### Migraine across the world<sup>2)</sup>

The under-diagnosis of these patients is significant as it is estimated that approximately 50 per cent of episodic migraine and 60 per cent of chronic migraine are not correctly diagnosed.

Current treatment strategies are often regarded as being insufficiently effective and having considerable side effects. New treatment methods are therefore desirable in order to better fulfill the therapeutic need in patients who suffer from migraines. There is a growing interest in neuromodulation as a treatment, primarily for headaches. That the autonomic nervous system (ANS) is involved in migraines is regarded as likely given the symptoms commonly associated with attacks: nausea, teariness, nasal congestion, runny nose, etc. ANS plays an important role when the causes of migraines are described in medical literature.

### Social cost of migraines

It is estimated that British society loses 25 million productive days from work or school each year due to migraines. Absence due to migraines alone is estimated to cost GBP 2.25 billion a year in the UK, calculated on the basis of the 25 million days lost.<sup>3</sup> Every million people in Europe lose expenses 400,000 days from work or school each year to migraines alone, and the estimated total cost of headache disorders exceeds EUR 100 billion a year in Europe, including healthcare and loss of production.<sup>4</sup>

### Market size

Chronic migraine is primarily treated with medication and to a lesser extent with Botox injections, among other things. The sale of medication is expected to grow strongly and amount to USD 8.7 billion in 2026, an annual growth of around 10 percent in the seven largest markets (7MM: the seven largest markets in terms of turnover are USA, Japan, Germany, Italy, France, UK, Spain). The USA continues to dominate the market with a share of 77 percent of total sales for 2026, followed by Germany (5.6 percent) and Italy (5.2 percent) within 7MM.

Current treatments leave a large number of patients under-treated; many of the medications, for both acute and preventive treatment, are ineffective with a large number of patients. In addition to this, many of these medications are not suitable for patients with certain medical conditions. Chordate's assessment is that an effective migraine treatment with few unexpected side effects and that is not based on medication will provide significant value to the market participants currently investing in the neuromodulation segment.

<sup>1)</sup> Steiner TJ et al. Migraine: The Seventh Disabler, *Journal of Headache and Pain*: 14 January 2013

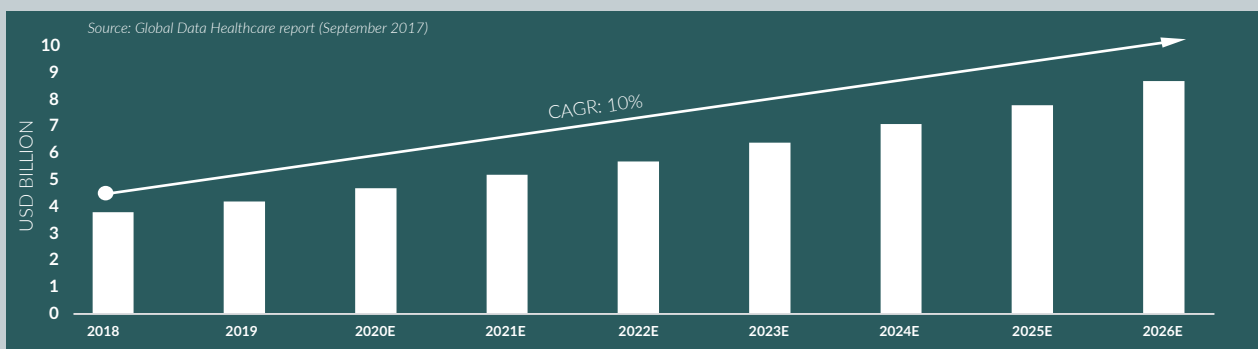
<sup>2)</sup> Khan, S., Schoenen, J., Ashina, M., *Cephalalgia* 2015, Vol.34(5) 382-91

<sup>3)</sup> Steiner TJ et al. The prevalence and disability burden of adult migraine in England and their relationships to age, gender and ethnicity, *Cephalalgia*. 2003; 23(7):519-27

<sup>4)</sup> Value of Treatment 2017, European Brain Council (EBC) "The Economic Cost of Brain disorders in EU"

<sup>5)</sup> Global Data Healthcare report (September 2017)

## GLOBAL MIGRAINE MARKET, MEDICATION, 2018–2026



### Alternative treatments

Migraine is treated primarily with medication, and there is a clear treatment ladder from lighter to heavier medications. But there also other treatments that do not require medication. A big problem with migraine medicine is

that no treatment works for all patients, and some medications can become less effective over time. Chordate is the sole provider of K.O.S treatment for migraine.

### A COMPARISON OF DIFFERENT TREATMENT ALTERNATIVES FOR MIGRAINE

TREATMENT ALTERNATIVES	DESCRIPTION	ADVANTAGES	DISADVANTAGES
<b>Over-the-counter painkillers</b>	Come in many variants, based on acetylsalicylic acid, paracetamol or ibuprofen as the active ingredient. Several recognized brands, including Treo, Alvedon and Ipren.	Generic. Relatively safe to use in acute situations for migraine	Only alleviation Risk of medication-induced headaches from overuse
<b>Anti-inflammatory medication</b>	Reduces the formation of harmful prostaglandins that arise in inflammations and can be used for short-term treatment. The active substances include naproxen, diclofenac or ketoprofen and are available under the brands Naproxen, Voltaren or Orudis.	Generic Acute for migraine	May irritate the gastric mucosa Can cause gastric catarrh/ulcer
<b>Triptans</b>	A group of medication substances that work by triggering a contraction of the blood vessels in the head. An expansion in the blood vessels in the head region is often associated with the start of migraine attacks. Triptans are for acute use at the start of or during a migraine attack. There are number of different substances in the triptan group, including sumatriptan, which is also available in a generic form.	Generic Acute for migraine	Risk of medication-induced headaches from overuse
<b>Beta blockers</b>	Primarily known as a heart medicine, but also prescribed for migraine since they block receptors from stress hormones that are secreted following a signal from the sympathetic nervous system. Reducing sensitivity to stress lowers the heartbeat and blood pressure, which can lead to reduced migraine symptoms.	Used as preventive treatment	Low blood pressure, dizziness, cold hands/feet. Depression. Fatigue.
<b>CGRP medications</b>	A relatively new group of medications that have been developed specially for migraine. CGRP stands for Calcitonin Gene-Related Peptide and is a substance that is released during migraine attacks. The medication works by blocking the CGRP receptor, thus blocking the pain signals to the brain. They are used prophylactically as an injection every month or quarter. The cost of the medication for one year of treatment is assumed in some markets to be around USD 6,000–7,000 per year.	Used as preventive treatment	Expensive
<b>Botox</b>	Botox is a muscle-relaxant. It is administered by injecting the medication just under the skin at 31–39 specific places on the head and neck with the aim of impacting specific nerve ends. The treatment normally takes half an hour at the most and is performed every three months. The price for the treatment is relatively high. According to data, global Botox sales as a migraine treatment amount to more than USD 0.5 billion per year.	Used as preventive treatment	Expensive. Treatment must only be performed by specialist doctors
<b>K.O.S</b>	Chordate is the sole provider of K.O.S treatment for migraine. The action mechanism for the treatment is to influence the autonomous nervous system by stimulating nerve cells in the nostril.	Few unexpected side effects Used as preventive treatment cost-effective	Treatment may only be performed by a doctor or nurse after a medical examination



## RHINITIS MARKET

Chronic nasal congestion (rhinitis) is a condition that a person can have despite not having a cold, an allergy or an infection. The condition is called, among other things, non-allergic rhinitis. The prevalence of non-allergic rhinitis is not particularly well mapped, in part since there is no international consensus on diagnostic criteria. An academic compilation has still made the assessment that more than 200 million people around the world suffer from non-allergic rhinitis.<sup>6</sup> This further implies that idiopathic rhinitis, which means rhinitis *without other explanation* and is the one Chordate primarily targets, can constitute around half of these. Chordate's priority markets in the rhinitis market include Italy and Saudi Arabia. The problem is considered to be a common complaint that has a negative effect on the quality of life in the form of breathing difficulties, which can contribute to further problems such as a dry mouth, snoring and impaired speech ability.<sup>7</sup>

The symptoms are often mistakenly considered to be signs of a common cold. All in all, this means that millions of people suffer unnecessarily, unaware of their diagnosis and of Chordate's simple and effective treatment that can increase well-being in the long term. At the same time, the costs to society<sup>8</sup> associated with other types of treatment, reduced work capacity and sick leave could be significantly reduced.

### Alternative treatments

Treatment of chronic nasal congestion consist primarily of nose sprays or surgery. The major problem with both of these alternatives is that they have a limited impact and adverse side effects. Chordate is the sole provider of KOS treatment for rhinitis.

<sup>6</sup> Hellings P.W., et al., Non-allergic rhinitis: Position paper of the European Academy of Allergy and Clinical Immunology. *Allergy European Journal of Allergy and Clinical Immunology*, May 2017

<sup>7</sup> Nationalencyklopedin, Malmquist, J. Isacson, S-O, *Folksjukdomar*

<sup>8</sup> Helligren, J. Cervin, A. Nordling, S. Bergman, A. Cardell, L.O, *Allergic rhinitis and the common cold high cost to society*, *European Journal of Allergy and Clinical Immunology*, November 2009

ALTERNATIVE TREATMENTS	DESCRIPTION	ADVANTAGES	DISADVANTAGES
Nose sprays	Often the first treatment rhinitis patients use. There are a number of products available over the counter. Some contain cortisone, which can reduce the swelling in the mucous membrane and a runny nose. Others can contain antihistamines, which are more common for treating allergies.	Fast short-term symptom reduction Easily accessible Simple	Poor/short-term effect High risk for medically induced rhinitis
Capsaicin	The substance that gives rise to perceived heat in food plants, for example chili, used as an ingredient in some nasal sprays. The substance has proven to be effective for some patients with idiopathic rhinitis who do not respond to other medications. The effect can last for several months.	Inexpensive No side effects Potential long-term effect (months)	Does not work for everyone
Surgery	Surgery is the treatment for rhinitis that has the longest impact. The lower nasal concha plays a major role in nasal congestion, and this is where patients with idiopathic rhinitis commonly have swelling. Surgical procedures aim to increase the volume in the airway by reducing the thickness of the mucous membrane. There are different types of surgery; some use radio frequencies and others use different methods of cutting or burning. The procedure is done under local anesthesia and can be performed relatively quickly.	Long-term effect Effective	The effect wears off after a few years Risk of losing sense of smell Limited number of treatments
K.O.S	K.O.S (Kinetic Oscillation Stimulation) is based on neuromodulation that in simple terms is a low-frequency vibrating nose catheter. It has been shown to stimulate the autonomous nervous system. The effect is an improved air passage in the nose with a long-term effect.	Few unexpected side effects	Treatment must only be performed by a doctor or nurse after a medical examination

## THE MARKET FOR NEUROSTIMULATION

Neurostimulation is one of the fastest growing medical areas and is defined as "a change in nerve activity through stimuli targeted at specific neurological areas in the body". This change can occur in several different ways, for example through electricity, magnetic fields or medicine. Chordate's method uses vibration, so-called Kinetic Oscillation Stimulation (K.O.S), to stimulate the nerves in the mucous membranes in the nose. Neurostimulation can be an alternative in some applications to long-term treatment with medication or where conventional medicines do not give the desired effect become problematic when used over a longer period of time as their effect tapers off, or there is an inability to continue to tolerate side effects.

Implanted stimulators are the most common form of neurostimulation, and about 90 percent of the sales of medical technology products for neurostimulation are implants.<sup>9</sup> The remainder is neurostimulation through external stimulators, and this is the segment to which Chordate's products belong. Since Chordate's treatment is used in the nostrils, it is considered to be minimally invasive.

Most neurostimulation treatments target chronic pain, which also applies to Chordate's KOS treatment for migraine. Today, different types of neurostimulation are used for a long list of other symptoms, including impaired hearing, neurological diseases, urinary and gastrointestinal disorders, and mental illness. Many of the larger medtech and pharma companies are investing heavily in the development of neurostimulation treatment methods, and the research is continuously advancing.

Large investments have been made in recent years, and both pharma companies and biotech companies such as Boston Scientific, Abbott, GSK, Medtronic and Alphabet have invested in both basic research and startups in the area.

### Market size<sup>10</sup>

The global market for neurostimulation products is estimated to amount to approximately USD 6.8 billion during 2018, and is expected to grow with a CAGR of 12.5% by 2024, which equals a growth of approximately USD 13.8 billion.

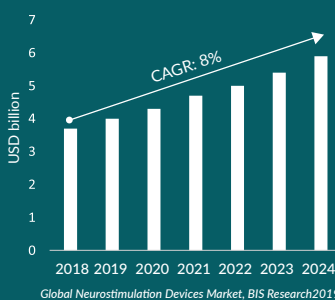
The market for neurostimulation products can be split into different sub-groups, with the following categorization into sub-segments (based on application): chronic pain treatment, audiology, neurological diseases, urinary and gastric disorders, mental illness and other.

Throughout 2018, chronic pain treatment accounted for the largest market share, approximately 54% of the total product market, which is the equivalent of approximately USD 3.7 billion, where a high incidence of chronic pain disorders, in combination with growing product use for pain treatment, are some of the most important factors in the segment's growth. The segment is expected to have annual average growth of 8% and in 2024 amount to around USD 6 billion.

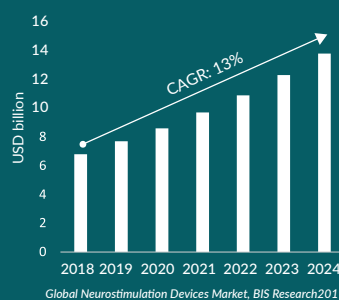
<sup>9</sup> Global Neurostimulation Devices Market, BIS Research 2019

<sup>10</sup> *ibid*

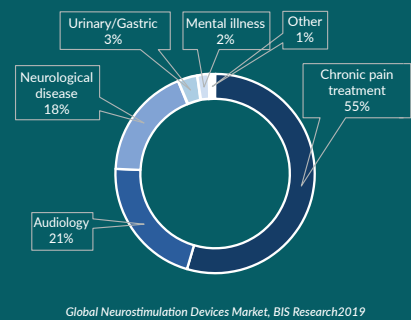
Global market chronic pain relief, 2018–2024



Global market neurostimulation, 2018–2024



Global market neurostimulation, broken down by area of use, 2018



## THE COMPANY

### Mission statement

Chordate's mission statement is twofold: to help people who suffer from chronic migraine to prevent severe headaches, and also to help people with chronic rhinitis/nasal congestion to breathe, sleep and speak better. Chordate offers a simple preventive treatment alternative without the side effect profile normally associated with medicinal treatments for migraines.

### Business and revenue model

Chordate sells its product system, including treatments, via distributors to clinics and hospitals in the markets that have been primarily selected. Chordate's earnings are based on two areas: system sales and payment per treatment, including disposable items. Sales are protected by an electronically coded pay-per-treatment model that is incorporated into the treatment unit. Each system installed is loaded electronically with the number of treatments requested and can be refilled after these treatments have been used. New treatments are loaded using a QR code that the customer scans into the system. The system will not work without the code.

### Products

The Company's product range is based on the CE-marked treatment units Chordate System S120 for rhinitis and S220 for migraine that are registered for the indications preventive treatment of chronic rhinitis and chronic migraine and use by patients who are aged 18 years or older. The treatment unit, so-called controller, contains advanced technology and software and is made by a supplier in Stockholm that is certified in accordance with the medical device standard for quality management and production, ISO 13485.

The catheter that is used in the treatment is identical for both the rhinitis and the migraine indication and is classified as a non-sterile single-use product. A new catheter is provided for each treatment. The catheters are manufactured in a controlled environment/clean room and are also made by suppliers in Sweden.

Through audits prescribed in the Company's quality management system, Chordate monitors both the final manufacturing subcontractor and certain suppliers of critical components.

All further development and product modifications are managed and monitored by Chordate before they are introduced into production.

### The share and ownership structure

Chordate Medical Holding AB (publ) is listed on NASDAQ First North Growth Market (ticker: CMH). On December 31, 2022, the total number of issued shares was 232,416,507 (157,312,380).

The Company has one share class. All shares carry equal entitlement to a share of the Company's assets and profits. The share's quota value (share capital divided by the number of shares) is SEK 0.25. The average number of shares during the period January–March 2023 amounted to 231,586,461.

LARGEST SHAREHOLDERS AS AT MARCH 31, 2023	03/31 2023	Share of votes & capital
HAWOC Investment AB	28,050,000	12.1%
Sifonen AB	21,113,723	9.1%
Isac Brandberg AB and related parties	19,043,519	8.2%
Tommy Hedberg	12,399,852	5.3%
Försäkringsaktiebolaget Avanza Pension *	11,125,846	4.8%
Bevaclean	10,518,750	4.5%
Henrik Rammer	6,664,798	2.9%
Nordnet Pensionsförsäkring AB *	5,813,265	2.5%
Tiven GmbH with related parties	4,759,798	2.0%
Carsten Johansen	3,999,996	1.7%
Other	108,926,960	46.9%
<b>Total</b>	<b>232,416,507</b>	<b>100.0%</b>

The number of shares listed above are listed in accordance with Euroclear's records with the following adjustments.

\* When compiling this list, the number of shares for pension insurance companies was calculated and reported above excluding holdings for individuals and companies in pension insurance companies that Chordate is aware of. If these holdings qualify among the top ten, they are included in the list.



**Convertibles and warrants**

There are no convertible loans, or similar, but the Extraordinary General Meeting on October 5, 2021, resolved on a directed issue of a maximum of 5,500,000 warrants with the aim of being used for a long-term incentive program. If fully subscribed, this could result in an increase in the share capital of at the most SEK 1,375,000.

See the table below and the table under the section Transactions with related parties for the holdings of senior executives.

Warrants - outstanding	Number	Exercise price	Subscription period	Capital infusion	Share capital
<b>Group &amp; Parent Company</b>					
TO Series 2021:1	5,500,000	3.13	Nov 1 - 30, 2025	18,700,000	1,375,000
<b>Total</b>	<b>5,500,000</b>			<b>14,025,000</b>	<b>1,375,000</b>



## FINANCIAL INFORMATION

### Net sales

Net sales January–March 2023 amounted to SEK 120,421 compared to SEK 68,633 during the corresponding period last year.

### Change in inventories and equipment

The recorded value of inventories on March 31, 2023, was SEK 1,718,436 (1,132,509).

### Profit/loss

Profit/loss after tax for January–March 2023 amounted to SEK -7,133,134 (-7,379,153) for the Group and SEK -7,729,203 (-8,256,808) for the Parent Company. Consolidated profit/loss includes depreciation/amortization and write-downs of tangible and intangible assets of SEK -613,311 (-613,311).

The Parent Company's profit/loss contains an impairment loss on the shares in the subsidiary of SEK 7,000,000 (7,000,000). This impairment loss does not affect consolidated profit/loss because it relates to impairment losses on shareholder contributions to cover losses in the subsidiary that are already included in consolidated profit/loss.

### Cash and bank balances

As at March 31, 2023, consolidated total cash and bank balances amounted to 28,156,404 (21,562,764)

### Group structure

Chordate Medical Holding AB (Publ.) is the Parent Company of the wholly owned and consolidated subsidiary Chordate Medical AB. The majority of the operations occur in the subsidiary, with the exception of the part of the operations that derive from the Parent Company's listing status as well as Group-wide activities and advisory and legal expenses. Ownership in the joint venture in Shanghai will be reported when Chordate Medical AB formally gains access to its ownership and as an associated company. This has not happened yet since we are waiting for our partner in the associated company to fulfill conditional terms of the contract.

### Financing

The Board of Directors makes the assessment that the current business plan has satisfactory financing within the planning horizon. In the event the expansion rate or the number of markets were to increase, the Board of Directors has a contingency plan for raising additional financing.

### Earnings per share

Earnings per share during the period January–March amounted to SEK -0.03 (-0.04), calculated on a weighted average of

231,586,461 shares (157,712,380). The number of shares at the end of the period amounted to 232,416,507 (157,712,380).

### Organization

The Company had 3 employees (3) as at December 31, 2022, and the average number of employees during the period was 3 (3). The Company's employees are its President/CEO, CTO and CSO. The CFO and other positions are hired consultants.

## RISKS AND UNCERTAINTY FACTORS

### Financial risks

Chordate will probably have a continued need to seek financing to be able to continue to develop its operations

Chordate's main goal is to be sold to an external buyer. If this strategy is not successful, an alternative may be to grow and expand in the future. However, Chordate does not currently generate any positive cash flows, which may lead to capital needs in the future. If the Company's expected revenue cannot be realized, there is a risk that the Company's future economic position will be impacted negatively. Chordate may also be forced to seek additional external financing to be able to continue its operations. Such financing can come from a third party or existing shareholders in public or private financing initiatives. There is a risk that it will not be possible to raise new capital when this is needed, that new capital cannot be raised on satisfactory terms, or that the capital raised is insufficient to finance operations in accordance with the established development plans and targets.

### Other risks

Through its business, Chordate is exposed to both operational and financial risks. The Company follows a continuous process for identifying current risks and being able to assess how these risks should be managed. The markets for the Company's products require scientific proof and adequate clinical efficacy and patient security.

The Company is active on markets that have great potential but where sales take time to develop, and public remuneration within health care is a long process without any guaranteed outcome.

For a more detailed description of the Company's risks and uncertainty factors, please refer to the prospectus presented in conjunction with the new share issue at the end of 2022 and the 2022 Annual Report.

### Transactions with related parties

Anders Weilandt, through his own company, is owner, Board Member and Board Chair of Symbioteq AB and all its subsidiaries, including Key2Compliance AB, which performs regular consulting services for the Company and the group within the areas of Quality Assurance, Regulatory Affairs and Clinical Development. To manage such a conflict of interest, matters relating to assignments from the Company to Key2Compliance AB have been delegated from Anders Weilandt to the company's CTO and CSO, with direct reporting to the chair of the Board of Directors. The holdings of the Board of Directors and senior executives in the company are presented in the following table.

### Ownership of the Board of Directors and senior executives in Chordate 3/31/2023

Board of Directors	Shares	Warrants
Henrik Rammer, Chair	6,664,798	0
Tommy Hedberg, (and through related parties)	12,399,852	0
Gunilla Lundmark	0	0
Caroline Lundgren Brandberg, (and through related parties)	7,420,271	0
<b>Senior executives</b>		
Anders Weilandt, CEO	1,000,000	2,500,000
Jan Hermansson, CSO	500,000	750,000
Jan Lindberg, CTO	49,577	750,000
Niklas Lindecrantz, CFO	175,306	250,000

### Review by auditors

The interim report has not been reviewed by the Company's auditors.

### Principles for the preparation of the interim report

The report has been prepared in accordance with the Annual Accounts Act and BFNAR 2012:1 Annual Report and Consolidated Accounts (K3).

For a comprehensive overview of the accounting principles, refer to Chordate Medical Holding AB (publ)'s 2021 Annual Report. The same accounting and valuation principles are applied in the Parent Company and the Group, other than that set out in the paragraph Notes regarding accounting and valuation principles specifically for the consolidated accounts.

### Forthcoming financial statements for 2023

Interim Report Q2	August 31
Interim Report Q3	November 23

The annual report and the interim reports will not be distributed to shareholders via email; after publication they can be downloaded from the website, [www.chordate.com](http://www.chordate.com), or ordered via [info@chordate.com](mailto:info@chordate.com).

### For more information, please contact:

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Henrik Rammer, Chair of the Board of Directors, tel: +46 (0)70 277 23 04

The Board of Directors and the CEO certify that the interim report provides an accurate overview of the Group's and the Parent Company's operations, position and earnings and describes the significant risks and uncertainty factors facing the Company. All forward-looking statements in this report are based on the Company's best assessment on the date of the report. Like for all forecasts about the future, such statements contain risks and uncertainties that can result in the actual outcome varying from the forecast.

Kista, May 25, 2023

*Chordate Medical Holding AB (publ)  
The Board of Directors and the CEO*



**CONDENSED CONSOLIDATED INCOME STATEMENT**

	1/1/2023- 3/31/2023	1/1/2022- 3/31/2022	1/1/2022- 12/31/2022
<b>Operating income</b>			
Net turnover	120,421	68,633	108,517
Other operating income	3,147	14,357	55,437
	<b>123,568</b>	<b>82,990</b>	<b>163,954</b>
<b>Operating expenses</b>			
Raw materials and consumables	-26,835	-54,390	-74,455
Other external expenses	-4,643,396	-5,473,233	-19,833,301
Personnel expenses	-1,915,657	-1,289,915	-5,669,442
Depreciation/amortization and write-downs of tangible and intangible assets	-613,311	-613,311	-2,453,243
Other operating expenses	-35,357	-40,488	-157,632
	<b>-7,234,556</b>	<b>-7,471,336</b>	<b>-28,188,073</b>
<b>Net operating profit/loss</b>	<b>-7,110,988</b>	<b>-7,388,346</b>	<b>-28,024,119</b>
<b>Profit/loss from financial investments</b>			
Interest expenses and similar items	-2,146	9,193	81,154
	<b>-2,146</b>	<b>9,193</b>	<b>81,154</b>
<b>Net profit/loss after financial items</b>	<b>-7,113,134</b>	<b>-7,379,153</b>	<b>-27,942,965</b>
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>-7,113,134</b>	<b>-7,379,153</b>	<b>-27,942,965</b>



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	3/31/2023	3/31/2022	12/31/2022
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible fixed assets</b>			
Capitalized development expenditure	4,256,862	5,473,108	4,560,923
Patents and trademarks	4,930,715	5,907,591	5,174,934
	<b>9,187,577</b>	<b>11,380,699</b>	<b>9,735,857</b>
<b>Tangible fixed assets</b>			
Equipment, tools, fixtures and fittings	610,418	481,046	675,448
	<b>610,418</b>	<b>481,046</b>	<b>675,448</b>
<b>Financial fixed assets</b>			
Rent deposits	90,740	81,600	81,600
	<b>90,740</b>	<b>81,600</b>	<b>81,600</b>
<b>Total fixed assets</b>	<b>9,888,735</b>	<b>11,943,346</b>	<b>10,492,905</b>
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials and consumables	413,144	432,480	656,475
Finished goods and goods for resale	1,305,292	700,029	709,410
	<b>1,718,436</b>	<b>1,132,509</b>	<b>1,365,885</b>
<b>Current receivables</b>			
Accounts receivable	56,461	127,169	20,347
Other current receivables	1,841,693	1,100,120	1,159,219
Prepaid expenses and accrued income	835,395	434,781	1,926,288
	<b>2,733,549</b>	<b>1,662,071</b>	<b>3,105,854</b>
<b>Cash and cash equivalents</b>	<b>28,156,404</b>	<b>21,562,764</b>	<b>3,676,015</b>
<b>Total current assets</b>	<b>32,608,389</b>	<b>24,357,343</b>	<b>8,147,754</b>
<b>TOTAL ASSETS</b>	<b>42,497,124</b>	<b>36,300,689</b>	<b>18,640,660</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	58,104,127	39,428,095	39,428,095
Other contributed capital	273,438,400	259,079,769	259,144,975
Other capital & net profit/loss for the year	-294,613,446	-266,936,502	-287,500,314
	<b>36,929,081</b>	<b>31,571,362</b>	<b>11,072,757</b>
<b>Total equity</b>	<b>36,929,081</b>	<b>31,571,362</b>	<b>11,072,757</b>
<b>Current liabilities</b>			
Accounts payable	2,298,476	2,369,757	3,513,421
Other current liabilities	401,705	751,177	1,300,690
Accrued expenses and deferred income	2,867,862	1,608,393	2,753,792
	<b>5,568,043</b>	<b>4,729,327</b>	<b>7,567,903</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>42,497,124</b>	<b>36,300,689</b>	<b>18,640,660</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Other contrib- uted capital	Other capital	Net profit/loss for the year	Total equity
<b>Opening balance as at 1/1/2022</b>	<b>39,428,095</b>	<b>259,079,769</b>	<b>-237,791,073</b>	<b>-21,766,276</b>	<b>38,950,517</b>
<i>Comprehensive income January–March 2022</i>					
Net profit/loss for the period	0	0	0	-7,379,154	-7,379,154
<b>Total reported loss for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-7,379,154</b>	<b>-7,379,154</b>
Net profit/loss from previous year	0	0	-21,766,275	21,766,275	0
New share issues	0	0	0	0	0
<b>Closing balance as at 3/31/2022</b>	<b>39,428,095</b>	<b>259,079,769</b>	<b>-259,557,349</b>	<b>-7,379,155</b>	<b>31,571,360</b>
<b>Opening balance as at 1/1/2022</b>	<b>39,428,095</b>	<b>259,079,769</b>	<b>-237,791,073</b>	<b>-21,766,276</b>	<b>38,950,516</b>
<i>Comprehensive profit/loss for January–December 2022</i>					
Net profit/loss for the period	0	0	0	-27,942,965	-27,942,965
<b>Total reported loss for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-27,942,965</b>	<b>-27,942,965</b>
Net profit/loss from previous year	0	0	-21,766,276	21,766,276	0
Ongoing new issue		50,206			50,206
New share issues	0	15,000	0	0	15,000
<b>Closing balance as at 12/31/2022</b>	<b>39,428,095</b>	<b>259,144,975</b>	<b>-259,557,349</b>	<b>-27,942,965</b>	<b>11,072,758</b>
<b>Opening balance as at 1/1/2023</b>	<b>39,428,095</b>	<b>259,144,975</b>	<b>-259,557,349</b>	<b>-27,942,965</b>	<b>11,072,758</b>
<i>Comprehensive income January–March 2023</i>					
Net profit/loss for the period	0	0	0	-7,113,134	-7,113,134
<b>Total reported loss for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-7,113,134</b>	<b>-7,113,134</b>
Net profit/loss from previous year	0	0	-27,942,965	27,942,965	0
Ongoing new issue		-50,206		0	-50,206
New share issues	18,676,032	14,343,631	0	0	33,019,663
<b>Closing balance as at 3/31/2023</b>	<b>58,104,127</b>	<b>273,438,400</b>	<b>-287,500,314</b>	<b>-7,113,134</b>	<b>36,929,081</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

	1/1/2023- 3/31/2023	1/1/2022- 3/31/2022	1/1/2022- 12/31/2022
<b>Operating activities</b>			
Net profit/loss after financial items	-7,113,134	-7,379,154	-27,942,965
Adjustment for non-cash flow items	613,311	613,311	2,453,243
	<b>-6,499,823</b>	<b>-6,765,843</b>	<b>-25,489,722</b>
<b>Cash flow from change in working capital</b>			
Change in inventories	-352,551	39,975	-193,401
Change in current receivables	372,305	-308,960	-1,752,743
Change in current liabilities	-1,999,860	-381,753	2,456,823
	<b>-8,479,928</b>	<b>-7,416,581</b>	<b>-24,979,043</b>
<b>Investing activities:</b>			
Investments in tangible fixed assets	0	0	-389,492
Investments in financial fixed assets	-9,140	0	0
Investments in intangible fixed assets	0	0	0
	<b>-9,140</b>	<b>0</b>	<b>-389,492</b>
<b>Financing activities:</b>			
Borrowings	0	0	0
Amortization of loans	0	0	0
New share issue	32,969,457	0	65,206
	<b>32,969,457</b>	<b>0</b>	<b>65,206</b>
<b>Cash flow for the period</b>	<b>24,480,389</b>	<b>-7,416,581</b>	<b>-25,303,329</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>3,676,015</b>	<b>28,979,345</b>	<b>28,979,345</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>28,156,404</b>	<b>21,562,764</b>	<b>3,676,015</b>

## CONSOLIDATED PLEDGED ASSETS AND CONTINGENT LIABILITIES

	3/31/2023	3/31/2022	12/31/2022
Group, TSEK			
Pledged assets	None	None	None
Contingent liabilities	None	None	None

**PARENT COMPANY INCOME STATEMENT**

	1/1/2023- 3/31/2023	1/1/2022- 3/31/2022	1/1/2022- 12/31/2022
<b>Operating income</b>			
Net turnover	150,000	150,000	600,000
Other operating income	0	0	0
	<b>150,000</b>	<b>150,000</b>	<b>600,000</b>
<b>Operating expenses</b>			
Other external expenses	-879,226	-1,406,808	-3,292,972
Personnel expenses	0	0	-525,902
	<b>-879,226</b>	<b>-1,406,808</b>	<b>-3,818,874</b>
<b>Net operating profit/loss</b>	<b>-729,226</b>	<b>-1,256,808</b>	<b>-3,218,874</b>
<b>Profit/loss from financial investments</b>			
Profit/loss from participations in group companies	-7,000,000	-7,000,000	-21,000,000
Interest expenses and similar items	23	0	678
	<b>-6,999,977</b>	<b>-7,000,000</b>	<b>-20,999,322</b>
<b>Net profit/loss after financial items</b>	<b>-7,729,203</b>	<b>-8,256,808</b>	<b>-24,218,196</b>
<b>Tax for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>-7,729,203</b>	<b>-8,256,808</b>	<b>-24,218,196</b>

## PARENT COMPANY BALANCE SHEET

	3/31/2023	3/31/2022	12/31/2022
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Financial fixed assets</b>			
Participations in group companies	52,247,911	52,247,911	52,247,911
	<b>52,247,911</b>	<b>52,247,911</b>	<b>52,247,911</b>
<b>Total fixed assets</b>	<b>52,247,911</b>	<b>52,247,911</b>	<b>52,247,911</b>
<b>Current receivables</b>			
Receivables from group companies	6,600,012	5,850,012	6,412,512
Other current receivables	968,793	360,390	302,925
Prepaid expenses and accrued income	198,178	85,184	1,318,561
	<b>7,766,983</b>	<b>6,295,586</b>	<b>8,033,998</b>
<b>Cash and cash equivalents</b>	<b>26,630,169</b>	<b>18,585,413</b>	<b>2,131,252</b>
<b>Total current assets</b>	<b>34,397,152</b>	<b>24,880,998</b>	<b>10,165,250</b>
<b>TOTAL ASSETS</b>	<b>86,645,063</b>	<b>77,128,909</b>	<b>62,413,161</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital	58,104,127	39,428,095	39,428,095
	<b>58,104,127</b>	<b>39,428,095</b>	<b>39,428,095</b>
<b>Non-restricted equity</b>			
Share premium reserve	273,438,400	259,079,769	259,144,975
Accumulated profit/loss	-239,041,053	-214,822,858	-214,822,858
Net profit/loss for the year	-7,729,203	-8,256,808	-24,218,196
	<b>26,668,144</b>	<b>36,000,102</b>	<b>20,103,921</b>
<b>Total equity</b>	<b>84,772,271</b>	<b>75,428,197</b>	<b>59,532,016</b>
<b>Current liabilities</b>			
Accounts payable	603,877	972,276	940,365
Other current liabilities	0	0	703,750
Accrued expenses and deferred income	1,268,916	728,436	1,237,030
	<b>1,872,793</b>	<b>1,700,712</b>	<b>2,881,145</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>86,645,063</b>	<b>77,128,909</b>	<b>62,413,161</b>

**PARENT COMPANY STATEMENT OF CHANGES IN EQUITY**

	Restricted equity	Non-restricted equity	Non-restricted equity	Non-restricted equity	
	Share capital	Share premium reserve	Accumulated profit/loss	Net profit/loss for the year	Total equity
<b>Opening balance as at 1/1/2022</b>	<b>39,428,095</b>	<b>259,079,768</b>	<b>-192,398,916</b>	<b>-22,423,944</b>	<b>83,685,006</b>
<i>Comprehensive income January–March 2022</i>					
Appropriation of profit/loss from previous year	0	0	-22,423,944	22,423,944	0
Net profit/loss for the period	0	0	0	-8,256,808	-8,256,808
New share issues	0	0	0	0	0
<b>Closing balance as at 3/31/2022</b>	<b>39,428,095</b>	<b>259,079,769</b>	<b>-214,822,858</b>	<b>-8,256,808</b>	<b>75,428,197</b>
<b>Opening balance as at 1/1/2022</b>	<b>39,428,095</b>	<b>259,079,769</b>	<b>-192,398,914</b>	<b>-22,423,944</b>	<b>83,685,006</b>
<i>Comprehensive profit/loss for January–December 2022</i>					
Appropriation of profit/loss from previous year	0	0	-22,423,944	22,423,944	0
Net profit/loss for the period	0	0	0	-24,218,196	-24,218,196
Ongoing new issue		50,206	0		50,206
New share issues	0	15,000	0	0	15,000
<b>Closing balance as at 12/31/2022</b>	<b>39,428,095</b>	<b>259,144,975</b>	<b>-214,822,858</b>	<b>-24,218,196</b>	<b>59,532,016</b>
<b>Opening balance as at 1/1/2023</b>	<b>39,428,095</b>	<b>259,144,975</b>	<b>-214,822,858</b>	<b>-24,218,196</b>	<b>59,532,016</b>
<i>Comprehensive income January–March 2023</i>					
Appropriation of profit/loss from previous year	0	0	-24,218,196	24,218,196	0
Net profit/loss for the period	0	0	0	-7,729,203	-7,729,203
New share issues	18,676,032	14,293,425	0	0	32,969,457
<b>Closing balance as at 3/31/2023</b>	<b>58,104,127</b>	<b>273,438,401</b>	<b>-239,041,052</b>	<b>-7,729,203</b>	<b>84,772,269</b>

**PARENT COMPANY CASH FLOW STATEMENT**

	1/1/2023- 3/31/2023	1/1/2022- 3/31/2022	1/1/2022- 12/31/2022
<b>Operating activities</b>			
Net profit/loss after financial items	-7,729,203	-8,256,808	-24,218,196
Adjustment for non-cash flow items	7,000,000	7,000,000	21,000,000
	<b>-729,203</b>	<b>-1,256,808</b>	<b>-3,218,196</b>
<b>Cash flow from change in working capital</b>			
Change in current receivables	267,015	-387,852	-2,126,264
Change in current liabilities	-1,008,352	263,769	1,444,202
<b>Cash flow from operating activities</b>	<b>-1,470,540</b>	<b>-1,380,891</b>	<b>-3,900,258</b>
<b>Financing activities:</b>			
Shareholder contributions made	-7,000,000	-7,000,000	-21,000,000
Borrowings	0	0	
Amortization of loans	0	0	
New share issue	32,969,457	0	65,206
<b>Cash flow from financing activities</b>	<b>25,969,457</b>	<b>-7,000,000</b>	<b>-20,934,794</b>
<b>Cash flow for the period</b>	<b>24,498,917</b>	<b>-8,380,891</b>	<b>-24,835,052</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>2,131,252</b>	<b>26,966,304</b>	<b>26,966,304</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>26,630,169</b>	<b>18,585,413</b>	<b>2,131,252</b>

