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## Chordate Medical carries out a rights issue of units of approximately SEK 41.8 million

The Board of Directors of Chordate Medical Holding AB (publ) ("Chordate Medical" or the "Company") has today, subject to subsequent approval by the extraordinary general meeting in the Company on 26 January 2024, resolved to carry out a rights issue of units, consisting of shares and warrants, with preferential rights for the Company's existing shareholders (the "Rights Issue"). The Rights Issue is mainly intended to finance (i) market registration and product versions, (ii) supporting clinical studies, (iii) market strategy activities and (iv) other working capital. In connection with the Rights Issue, the Company has received subscription undertakings of approximately SEK 10.7 million, corresponding to approximately 25.7 per cent of the Rights Issue. Furthermore, the Company has received guarantee commitments of approximately SEK 12.3 million, corresponding to approximately 29.3 per cent of the Rights Issue, which, in aggregate, is covered by subscription undertakings and guarantee commitments of approximately SEK 23.0 million in total, corresponding to approximately 55.0 per cent of the Rights Issue. In the Rights Issue, one (1) existing share entitles to subscription of one (1) unit where each unit consists of two (2) shares and one (1) warrant series TO 8. The subscription price is SEK 0.18 per unit. Provided that the Rights Issue is fully subscribed, Chordate Medical will receive initial proceeds of approximately SEK 41.8 million before issue costs. The Rights Issue is subject to approval by the extraordinary general meeting on 26 January 2024. Notice to the extraordinary general meeting will be published through a separate press release. Due to the Rights Issue, the Board of Directors of Chordate Medical has resolved to postpone the publication of the year-end report for 2023, from 29 February 2024 to 22 March 2024.

*"During the fall, Chordate has successfully taken steps forward in the Company's commercial progress, continued to present the Company's impressive study and its results. Chordate has also initiated the pilot study PM009 and the post market surveillance study PM010 with renowned specialist clinics. Our treatment for migraine, Ozilia, is attracting great interest where we are receiving clear signals of purchase interest from relevant customers. Awareness of the treatment is also beginning to establish itself at very satisfactory levels. The need for Ozilia as a drug-free treatment alternative for migraine is evident. Chordate has now entered the final phase of building value in the company for a potential exit. The Board of Directors, our employees and I truly appreciate the support of our investors and look forward to taking the next exciting step in the company's development.",* says Anders Weilandt, CEO of Chordate Medical.

### **Background and reasons**

Chordate Medical Holding AB (publ) is a Swedish company that, through its wholly owned subsidiary Chordate Medical AB, develops, sells and markets Ozilia® (formerly K.O.S, Kinetic Oscillation Stimulation), a patented and CE-marked nerve stimulation technology for the treatment of chronic migraine and chronic rhinitis.

Ozilia® is a preventive and drug-free treatment of chronic migraine and chronic rhinitis. Several clinical studies have together reported few unexpected side effects. The Company's study, PM007, evaluated the effect of treatment with Ozilia® compared with placebo as a monthly reduction in the number of headache days with moderate to severe intensity. 132 patients at nine clinics in Germany and Finland were included. The primary endpoint showed a significant difference in mean headache days of -2.23 days ( $p=0.013$ ) among patients receiving active treatment compared to placebo treatment. The completed study results provide support for marketing activities, such as customer meetings and working with early reimbursement solutions from public payers or private health insurance, in the migraine markets where the Company has chosen to operate, and in the ongoing work with the Company's FDA application.

The market for treatments for migraine is larger than the market for treatments for rhinitis, which is why success in the migraine area is a significant step in Chordate Medical's exit strategy (sale of the Company), which consists of three parts:

- **Broad patent portfolio** – Chordate Medical has 74 granted patents grouped into 9 patent families covering various inventions in 24 markets and 2 additional patent applications are filed.
- **Invest in scientific evidence** – The second part of the strategy is to produce scientifically based evidence of the treatment's clinical efficacy for the two indications.
- **Proof of concept** – The third part is to show early market penetration in selected markets to demonstrate the value of the technology.

The Board of Directors makes the assessment that the existing working capital is not sufficient to conduct operations in the coming twelve-month period. To finance the Company and accelerate the work towards an exit (sale of the Company), primarily through continued investments in the migraine market with the latest study results as a starting point, the Board of Directors has decided to carry out the Rights Issue.

Provided that the Rights Issue is fully subscribed, the Company will initially receive approximately SEK 41.8 million before issue costs, which are expected to amount to approximately SEK 5.7 million. The net proceeds from the Rights Issue thus amount to approximately SEK 36.2 million. The Rights Issue is mainly intended to finance (i) market registration and product versions, (ii) supporting clinical studies, (iii) market strategy activities and (iv) other working capital.

In November 2024, the Company may receive additional proceeds if the warrants of series TO 8 issued in the Rights Issue are exercised for subscription of shares. Upon full subscription and full exercise of all warrants of series TO 8 within the framework of the issued units, the Company may receive an additional capital contribution of approximately SEK 34.9 million, based on a maximum subscription price of SEK 0.15. The proceeds from the exercise of warrants of series TO 8 are primarily intended to finance (i) market registration and product versions, (ii) supporting clinical studies, (iii) market strategy activities and (iv) other working capital.

### **Terms and conditions of the Rights Issue**

The Board of Directors has today, subject to approval by the extraordinary general meeting on 26 January 2024, resolved to carry out the Rights Issue by issuing a maximum of 232,416,507 units. The right to subscribe for units with preferential rights shall vest in those who are registered as shareholders in the Company on the record date, 31 January 2024, whereby one (1) existing share entitles to one (1) unit right and one (1) unit right entitle to subscription of one (1) unit consisting of two (2) shares and one (1) warrant of series TO 8. In total, the Rights Issue comprises a maximum of 464,833,014 shares and a maximum of 232,416,507 warrants of series TO 8. The subscription price is SEK 0.18 per unit corresponding to a subscription price of SEK 0.09 per share, which means that Chordate Medical, provided that the Rights Issue is fully subscribed, initially will receive approximately SEK 41.8 million before issue costs and excluding the additional proceeds that may be received upon exercise of the warrants that are issued in the Rights Issue. The warrants are issued free of charge. Subscription of units with or without preferential rights shall take place during the period 2 February 2024 – 16 February 2024. Unit rights that are not utilized during the subscription period will become invalid and lose their value. Trading in unit rights is expected to take place on Nasdaq First North Growth Market during the period 2 February 2024 – 13 February 2024.

One (1) warrant of series TO 8 entitles the rights to subscribe for one (1) new share in the Company to a subscription price corresponding to seventy (70) per cent of the volume weighted average price of the Company's share during the period from and including 16 October 2024 up to and including 29 October 2024, however not lower than the shares' quota value and not more than SEK 0.15. Subscription of shares by exercise of warrants will take place during the period from and including 4 November 2024 up to and including 18 November 2024.

If not all units are subscribed for by exercise of unit rights, allotment of the remaining units shall be made within the highest amount of the Rights Issue: firstly, to those who have subscribed for units by exercise of unit rights (regardless of whether they were shareholders on the record date or not) and who have applied for subscription of units without exercise of unit rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of unit rights that each and every one of those, who have applied for subscription of units without exercise of unit rights, have exercised for subscription of units; secondly, to those who have subscribed for units in the Rights Issue without exercise of unit rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of units the

subscriber in total has applied for subscription of units; and thirdly, to those who have provided underwriting commitments with regard to subscription of units, in proportion to such underwriting commitments. To the extent that allotment in any section above cannot be done pro rata, allotment shall be determined by drawing of lots.

### **Change of share capital and number of shares as well as dilution**

The Board of Directors will, inter alia, propose to the extraordinary general meeting on 26 January 2024 that the share capital shall be reduced with SEK 37,186,641.12, from SEK 58,104,126.75 to SEK 20,917,485.63. This reduction will mean that the quota value per share is reduced from SEK 0.25 to SEK 0.09.

Upon full subscription in the Rights Issue, the number of shares in the Company will increase by a maximum of 464,833,014 shares from 232,416,507 to 697,249,521 and the share capital will increase by a maximum of SEK 41,834,971.26 from SEK 20,917,485.63 to SEK 62,752,456.89 (calculated on the new quota value following the contemplated share capital decreases proposed by the Board of Directors to the extraordinary general meeting on 26 January 2024). For existing shareholders not participating in the Rights Issue this will entail, upon full subscription, a dilution effect of approximately 66.7 per cent of the votes and capital of the Company.

In the event all warrants series of TO 8 are fully exercised to subscribe for new shares in the Company, the number of shares will increase by an additional 232,416,507 shares to a total of 929,666,028 shares. This corresponds to a dilution from the warrants of an additional maximum of 25.0 per cent.

The total dilution in the event the Rights Issue is exercised in full and all warrants of series TO 8 are fully subscribed and all warrants of series TO 8 are exercised for the subscription of new shares, thus amounts to 75.0 per cent.

### **Subscription undertakings and guarantee commitments**

Chordate Medical has received subscription undertakings from certain existing shareholders as well as members of the Board of Directors and executive management, amounting to a total of approximately SEK 10.7 million, corresponding to approximately 25.7 per cent of the Rights Issue. No remuneration is paid for submitted subscription undertakings. The Company has also entered into agreements with a number of external investors regarding guarantee commitments of a total of approximately SEK 12.3 million, corresponding to approximately 29.3 per cent of the Rights Issue. Cash compensation is paid according to the guarantee agreements of fifteen (15) per cent of the guaranteed amount, corresponding to approximately SEK 1.8 million in total, or twenty (20) per cent of the guaranteed amount in the form of newly issued units in the Company, on the same terms and conditions as in the Rights Issue, however the subscription price per unit shall correspond to the volume weighted average price for the Company's share on Nasdaq First North Growth Market during the subscription period in the Rights Issue (i.e. 2 February 2024 – 16 February 2024) multiplied by two (2), but never lower than the subscription price in the Rights Issue or the quota value of the shares multiplied by two (2).

In aggregate, the Rights Issue is covered by subscription undertakings and guarantee commitments of approximately SEK 23.0 million, corresponding to approximately 55.0 per cent of the Rights Issue.

In order to enable issue of units as guarantee remuneration to the guarantors who choose to receive guarantee remuneration in the form of newly issued units, the Board of Directors has proposed that the extraordinary general meeting on 26 January 2024, which, among other things, is proposed to resolve on the approval of the Rights Issue, reductions of the share capital and amendment of the articles of association, also resolves to authorize the Board of Directors to resolve on the issue of such units to the guarantors.

### Lock-up undertakings

In connection with the Rights Issue, all board members and senior executives with shareholdings in Chordate Medical have undertaken towards Vator Securities AB, with customary exceptions, not to sell or carry out other transactions with the same effect as a sale without, in each individual case, first having obtained a written approval from Vator Securities AB. The decision to give such written consent is decided by Vator Securities AB and an assessment is made in each individual case. Granted consent can depend on both individual and business reasons. The lock-up undertakings only apply to the shares that are held before the Rights Issue and the lock-up period lasts 180 days after the announcement of the Rights Issue.

### Preliminary timetable for the Rights Issue

26 January 2024	Extraordinary general meeting
29 January 2024	Estimated day for publication of prospectus
29 January 2024	Last day of trading including the right to receive unit rights
30 January 2024	First day of trading excluding the right to receive unit rights
31 January 2024	Record date for participation in the Rights Issue
2 February – 13 February 2024	Trading in unit rights on Nasdaq First North Growth Market
2 February – 16 February 2024	Subscription period
2 February 2024 – Until the Rights Issue is registered by the Swedish Companies Registration Office	Trading in paid subscribed units (Sw. "BTU")

Around 20 February 2024

Publication of outcome in the  
Rights Issue

### **Extraordinary general meeting**

The Board of Directors' resolution on the Rights Issue is subject to approval by the extraordinary general meeting on 26 January 2024. The resolution on the Rights Issue is subject to and conditional upon that the extraordinary general meeting also resolves to reduce the share capital and to amend the articles of association in accordance with the Board of Directors' proposal to the extraordinary general meeting. Notice to the extraordinary general meeting will be published through a separate press release.

### **Prospectus**

Full terms and conditions and instructions for the Rights Issue as well as other information about the Company will be presented in the prospectus that the Company expects to publish around 29 January 2024 (the "**Prospectus**").

### **Advisers**

Vator Securities acts as financial adviser and Wistrand Advokatbyrå acts as legal adviser to the Company in connection with the Rights Issue. Vator Securities also acts as issuer agent in connection with the Rights Issue.

### **Year-end report for 2023**

Due to the Rights Issue, the Board of Directors of Chordate Medical has resolved to postpone the publication of the year-end report for 2023, from 29 February 2024 to 22 March 2024.

### **IMPORTANT INFORMATION**

The information in this press release does not contain or constitute an offer to acquire, subscribe or otherwise trade in shares, warrants or other securities in Chordate Medical. No action has been taken and measures will not be taken to permit a public offering in any jurisdictions other than Sweden. Any invitation to the persons concerned to subscribe for units in Chordate Medical will only be made through the Prospectus that Chordate Medical estimates to publish on or around 29 January 2024 on Chordate Medical's website, [www.chordate.com](http://www.chordate.com). The upcoming approval of the Prospectus by the Swedish Financial Supervisory Authority shall not be regarded as an approval of the Company's shares, warrants or any other securities. This release is not a prospectus in accordance with the definition in the Prospectus Regulation (EU) 2017/1129 ("**Prospectus Regulation**") and has not need approved by any regulatory authority in any jurisdiction. This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in shares, warrants or other securities in Chordate Medical. In order for investors to fully understand the potential risks and benefits associated with a decision to participate in the Rights Issue, any investment decision should only be made based on the information in the Prospectus. Thus, investors are encouraged to review the Prospectus in its entirety.

The information in this press release may not be released, distributed or published, directly or indirectly, in or into the United States of America, Australia, Belarus, Canada, Hong Kong, Japan, New Zealand, Russia, Singapore, South Africa, South Korea, Switzerland or any other jurisdiction in which such action would be unlawful or would require registration or any other measures than those required by Swedish law. Actions in violation of these restrictions may constitute a violation of applicable securities laws. No shares, warrants or other securities in Chordate Medical have been registered, and no shares, warrants or other securities will be registered, under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities legislation of any state or other jurisdiction in the United States of America and no shares or other securities may be offered, sold or otherwise transferred, directly or indirectly, in or into the United States of America, except under an available exemption from, or in a transaction not subject to, the registration requirements under the Securities Act and in compliance with the securities legislation in the relevant state or any other jurisdiction of the United States of America.

Within the European Economic Area ("**EEA**"), no public offering of shares, warrants or other securities ("**Securities**") is made in other countries than Sweden. In other member states of the EU, such an offering of Securities may only be made in accordance with the Prospectus Regulation. In other member states of the EEA which have implemented the Prospectus Regulation in its national legislation, any offer of Securities may only be made in accordance with an applicable exemption in the Prospectus Regulation and/or in accordance with an applicable exemption under a relevant national implementation measure. In other member states of the EEA which have not implemented the Prospectus Regulation in its national legislation, any offer of Securities may only be made in accordance with an applicable exemption under national law.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" (within the meaning of the United Kingdom version of the EU Prospectus Regulation (2017/1129/ EU) which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018) who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); (ii) high net worth entities etc. falling within Article 49(2)(a) to (d) of the Order; or (iii) such other persons to whom such investment or investment activity may lawfully be made available under the Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

This press release may contain forward-looking statements which reflect the Company's current view on future events and financial and operational development. Words such as "*intend*", "*will*", "*expect*", "*anticipate*", "*may*", "*believe*", "*plan*", "*estimate*" and other expressions which imply indications or predictions of future development or trends, and which are not based on historical

facts, are intended to identify forward-looking statements. Forward-looking statements inherently involve both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements do not guarantee future results or development and the actual outcome could differ materially from the forward-looking statements.

This information, the opinions and the forward-looking statements included in this press release are only applicable as of this date and may change without any notice thereof. Chordate Medical does not undertake to publish any updates or amendments of forward-looking statements, future events or similar circumstances other than what is required by applicable legislation.

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**About Chordate**

Chordate Medical Holding AB (publ) is a medical technology company that has developed, patented and CE-marked Ozilia® Migraine (formerly K.O.S), a neuromodulation and drug-free treatment technology for chronic migraine and chronic rhinitis. The treatment has clinically proven efficacy according to a recent study, and is marketed in Finland, Germany, the UK, Italy, Israel, and the Gulf region. Chordate Medical is listed on Nasdaq First North Growth Market Stockholm (ticker: CMH). Read more at [www.chordate.com](http://www.chordate.com)

The company's Certified Adviser on Nasdaq First North Growth Market Stockholm is Västra Hamnen Corporate Finance AB.

*N.B. The English text is an in-house translation of the original Swedish text. Should there be any disparities between the Swedish and the English text, the Swedish text shall prevail.*

*This information is information that Chordate Medical Holding is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2023-12-22 18:30 CET.*

**Attachments**

[Chordate Medical carries out a rights issue of units of approximately SEK 41.8 million](#)