

Chordate Medical Holding AB (publ)

Year-End Report

JANUARY-DECEMBER 2023

CHORDATE
MEDICAL



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Year-End Report 2023

Summary of the period October–December 2023

- Net turnover was SEK 481,597 (20,347)
- Cash flow from operating activities amounted to SEK -7,501,648 (-6,126,772)
- Profit/loss after financial items was SEK -9,842,912 (-8,078,967)
- Profit/loss after tax was SEK -9,842,912 (-8,078,967)
- Earnings per share were SEK -0.04 (-0.05)

Summary of the period January–December 2023

- Net turnover was SEK 976,281 (108,517)
- Cash flow from operating activities amounted to SEK -27,263,296 (-24,979,043)
- Profit/loss after financial items was SEK -29,186,675 (-27,942,965)
- Profit/loss after tax was SEK -29,186,675 (-27,942,965)
- Earnings per share were SEK -0.13 (-0.18)
- The Board proposes that no dividend be paid for the 2023 financial year

Chordate Medical in brief

Chordate Medical Holding AB (publ) is a medical technology company that has developed, patented and received CE marking for Ozilia®, a neuromodulation and drug-free treatment technology for chronic migraine and chronic rhinitis. The treatment has a proven effect according to a recent clinical study and is marketed in select markets in the EU and the Middle East. Chordate Medical is listed on NASDAQ First North Growth Market Stockholm (ticker: CMH). Read more at www.chordate.com.

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Chordate Medical Holding AB (publ)

CIN 556962-6319

Significant events during the quarter

▸ **Chordate Medical signed an agreement with Kalqyl for report monitoring and commissioned analyses.**

The collaboration includes independent monitoring of the Company and its market potential with a valuation scenario from a potential buyer's perspective. 10/12/2023

▸ **Chordate presented Ozilia® and the migraine study PM007 at Deutsche Schmerzkongress,**

an annual congress for the German Pain Physicians Association with approximately 3,500 members that was held October 18–21 in Mannheim. 10/20/2023

▸ **Chordate obtained registration of the trademark Ozilia® in the EU from the EUIPO (EU Intellectual Property Office) in trademark classes 9 and 10.**

The Company is now proceeding with applications in other suitable countries based on the priority period allowed by the registration. 10/27/2023

▸ **Chordate's clinical post-market study PM010 for the migraine treatment Ozilia® was started.**

PM010 is an open observational study for 200 patients at up to 15 clinics in the UK, Germany, Italy and Israel with a 12-month of follow-up. 11/10/2023

▸ **Chordate entered into an agreement for the installation of equipment and consumables for the Ozilia treatment for chronic migraine.**

The agreement was reached through the Company's marketing consultants in Germany. The customer is a private specialist clinic in Hamburg. 11/27/2023

▸ **Chordate contracted MEDSWAN MEDICAL SUPPLIES L.L.C, Dubai**

as a market expert in the United Arab Emirates (UAE) for the introduction of the Company's product Ozilia to the UAE market. 11/28/2023

▸ **Chordate announced that the first patient had been included in the Company's open pilot study PM009.**

The study will evaluate the effectiveness of Ozilia in the preventive treatment of patients with chronic migraine who do not respond to treatment with CGRP inhibitors and other migraine medications. 12/04/2023

▸ **Chordate announced that the first seven patients had been included in the Company's post-market study PM010.**

The seven patients were enrolled in the study at neurology clinics in Hull, Glasgow, Frankfurt, Essen and Jerusalem. 12/21/2023

▸ **The Board of Chordate Medical Holding AB (publ) resolved to carry out a rights issue of units, consisting of shares and warrants, with preferential rights for the Company's existing shareholders.**

12/22/2023

▸ **Chordate announced that the Company entered into an agreement with Vator Securities AB regarding the service as a Certified Adviser.**

Vator Securities was appointed as Certified Adviser (CA) on December 29, 2023. 12/27/2023

Significant events after the reporting period

▸ **The analysis firm Kalqyl published a new company analysis of Chordate Medical.**

Kalqyl bases the analysis on the perspective of a potential buyer of Chordate. 1/24/2024

▸ **Communiqué from the extraordinary general meeting of Chordate with a resolution on the new issue of units in a rights issue.**

1/26/2024

▸ **Chordate signed an agreement with another clinic for the Ozilia treatment for chronic migraine.**

The client is a specialist clinic in Munich, and Chordate's market consultants in Germany handled the processing. 1/30/2024

▸ **Chordate announced that the European Patent Office has granted Chordate's patent application EP 20163024.1 from 2020.**

The patent application pertains to the Company's treatment technique Ozilia, especially targeting chronic migraine. 2/02/2024

▸ **Chordate's Board announced the outcome of the rights issue of units that was announced on December 22, 2023.**

The issue was subscribed to a total of approximately 55.0 percent, which initially provides the Company with approximately SEK 23.0 million before issue costs. 2/20/2024

Breakthrough in several markets and strengthened cash via new issue

During 2023, we reached many important milestones. The decisive results of the migraine study were presented at several international congresses and could be used as strong support for our marketing after the mid-year mark. Furthermore, during the year we achieved breakthroughs in our key markets Germany and Saudi Arabia. After the end of the period, a rights issue was carried out that brought the Company approximately SEK 23.0 million before issue costs, which we are now using to further increase sales work and come closer to our strategic goal.

- Several market breakthroughs
- Strong interest in Ozilia and study results at several scientific congresses
- First patients included in two new studies
- Launch of Ozilia in the United Arab Emirates
- Cash was strengthened in February 2024 by approximately SEK 23 million before costs

Several market breakthroughs

At the beginning of May, our new distributor in Saudi Arabia, Janin Medical, received its first key order for equipment and supplies for the treatment method Ozilia® for chronic rhinitis. The customer was the private healthcare company Nahdi Care Clinics, which has four hospitals located in the country's second-largest city, Jeddah. Janin Medical is also driving the process of securing market authorization for the migraine indication.

A first agreement with a clinic in Germany at the end of November was followed by another at the beginning of 2024. It is very satisfying to be able to tick off a breakthrough in one of the markets we are focusing on. This is another important step toward the goal of building up a volume of returning patients at a number of clinics as regular customers.

Strong interest in Ozilia at several congresses

During the fourth quarter, we continued to exhibit and present Ozilia at several international fairs and congresses such as European Headache Congress in Barcelona and Deutsche Schmerz-kongress in Mannheim. The many leads we have brought home from these marketing efforts clearly show that awareness of Ozilia is starting to establish itself at very satisfactory levels.

The primary results from the PM007 migraine study were presented for the first time at the American Headache Society's congress in Austin, Texas, in June and then also at International Headache Congress in Seoul in September. The scientific article with the results that will be published in the near future will be an extremely important tool for us in our continued sales efforts.



Anders Weilandt, CEO

First patients included in two studies

The Company's two active studies PM010 and PM009 included the first patients at the end of the year. PM010 is an after-market study, which is part of the regulatory requirement for the migraine product's CE marking, but it is also very important as a basis for treating doctors about how often the treatment needs to be given to different types of patients.

The pilot study PM009 aims to evaluate the effect of Ozilia in the preventive treatment of patients with chronic migraine who do not respond to treatment with CGRP inhibitors and other migraine medications. PM009 is an exploratory study with a possible potential upside for the Company.

Launch in the United Arab Emirates

At the end of November, the Company contracted MEDSWAN MEDICAL SUPPLIES L.L.C, Dubai as a market expert in the United Arab Emirates (UAE) for the introduction of the Company's product Ozilia on the UAE market.

Strengthened cash after rights issue

The rights issue that was carried out in January 2024 was subscribed to approximately 55 percent and brought the Company approximately SEK 23 million before issue costs, and if all issued warrants in series TO 8 are fully exercised, Chordate Medical may receive additional issue proceeds in the fall of 2024. With the improved cash flow, we can now finance the continued market and sales work. The support for the Company's path toward an exit is a clear indication of the strength of Chordate's offer, and I would like to thank all our shareholders for the support and confidence shown in the issue.

Focus in 2024

- Continue to increase the number of clinic installations in focus markets
- Market authorization in Saudi Arabia, United Arab Emirates, USA and China
- Additional markets may be added to the list
- Continue to inform the major players in the neurology market about the Company's successes

Kista, March 2024
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.¹ 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.² A distinction is normally drawn between episodic migraine, which occurs occasionally, and chronic migraine. People who have more than 15 days of headache per month, of which more than eight days with migraine for more than three months, are defined as chronic migraine patients.³ Scientific literature estimates that between 1–2 percent of the world's population suffers from chronic migraine.⁴

Migraine in healthcare

The under-diagnosis of migraine 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.⁵

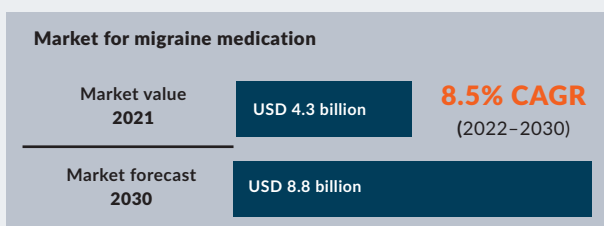
Current treatment strategies are often regarded as being insufficiently effective and having considerable side effects. New treatment methods are therefore desirable in order to better fulfill the therapeutic need in patients who suffer from migraines. There is a growing interest in neuromodulation as a treatment for migraine. 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.⁶ Every million people in Europe lose approximately 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.⁷

Market size



Source: Polaris market research, October 2022

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 8.8 billion in 2030, an average annual growth (CAGR) of around 8,5 percent. North America is expected to remain the largest market, followed by Europe.⁸ Current treatments leave a large number of patients undertreated, and up to 85 percent of people with migraine report negative aspects of living with migraine (hopelessness, depression, not being understood).⁹ 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.

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

² Katsarava, Zaza et al. "Defining the differences between episodic migraine and chronic migraine." *Current pain and headache reports* vol. 16,1 (2012): 86–92. doi:10.1007/s11916-011-0233-z.

³ <https://viss.nu/kunskapsstod/varpprogram/migran-hos-vuxna>.

⁴ Burch RC, Buse DC, Lipton RB. Migraine: Epidemiology, Burden, and Comorbidity. *Neuro Clin*. 2019 Nov;37(4):631–649. doi: 10.1016/j.ncl.2019.06.001. Epub 2019 Aug 27. PMID: 31563224.

⁵ Khan, S. Schoenen, J. Ashina, M. *Cephalalgia* 2015, Vol.34(5) 382–91.

⁶ 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.

⁷ Value of Treatment 2017, European Brain Council (EBC) "The Economic Cost of Brain disorders in EU".

⁸ Polaris market research, October 2022.

⁹ Martelletti, Paolo et al. "My Migraine Voice survey: a global study of disease burden among individuals with migraine for whom preventive treatments have failed." *The Journal of Headache and Pain* Vol. 19,1 115. 27 Nov. 2018.

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 Ozilia® treatment for migraine.

A COMPARISON OF DIFFERENT TREATMENT ALTERNATIVES FOR MIGRAINE

ALTERNATIVE TREATMENTS	DESCRIPTION	ADVANTAGES	DISADVANTAGES
Over-the-counter painkillers	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 drug-induced headache from too much use
Anti-inflammatory medication	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
Triptans	A group of medication substances that work by triggering a contraction of the blood vessels in the head. One with the onset of migraine attacks. Triptans are for acute use at the start of or during a migraine attack. There are a number of different substances in the triptan group, including sumatriptan, which is also available in a generic form.	Generic Acute for migraine	Risk of drug-induced headache from too much use
Beta blockers	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.
CGRP medications	A relatively new group of medications that have been developed specially for migraine. GRP 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 – USD 7,000 per year.	Used as preventive treatment	Expensive
Botox	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
Ozilia®	Chordate is the sole provider of Ozilia® treatment for migraine. The action mechanism is assumed to be stimulation of the autonomous nervous system in the nostril and surrounding structures in the face.	Few unexpected side effects Used as prevention treatment cost effectively	Treatment must only be administered by a doctor or nurse following a medical exam

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.¹⁰ 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.¹¹

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 society¹² 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 Ozilia® treatment for rhinitis.

¹⁰ Hellings PW, 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

¹¹ Nationalencyklopedin, Malmquist, J, Isacson, S-O, Folksjukdomar

¹² 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
Ozilia®	Chordate is the sole provider of Ozilia® treatment for rhinitis. The action mechanism is assumed to be stimulation of the autonomous nervous system in the nostril and surrounding structures in the face.	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 (Ozilia®), 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.¹³ 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 Ozilia® 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 size¹⁴

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.

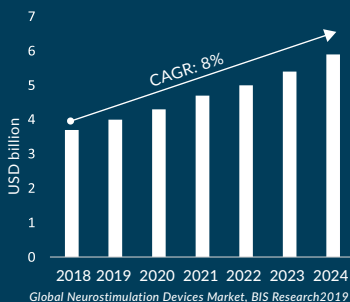
The market for neurostimulation products can be split into different sub-groups, with the following categorization into sub-segments (based on application): chronic pain treatment, audiology, neurological diseases, urinary and gastric disorders, mental illness and other.

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.

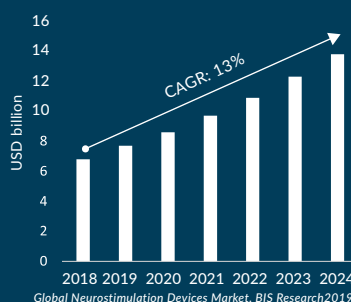
¹³ Global Neurostimulation Devices Market, BIS Research 2019

¹⁴ *ibid*

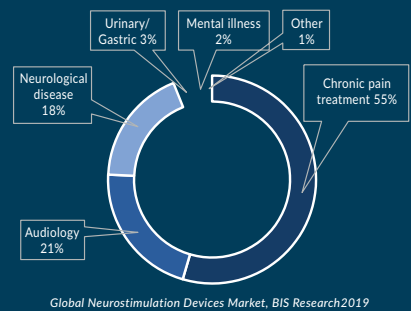
Global market chronic pain relief, 2018-2024



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, through distributors to clinics and hospitals in our primary markets. 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 codes.

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, 2023, 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 October–December 2023 amounted to 232,416,507.

LARGEST SHAREHOLDERS AS AT DECEMBER 31, 2023	12/31/2023	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 *	10,667,924	4.6%
Bevaclean	10,518,750	4.5%
Henrik Rammer	6,664,798	2.9%
Nordnet Pensionsförsäkring AB *	5,505,766	2.4%
Tiven GmbH with related parties	4,759,798	2.0%
Carsten Johansen	3,999,996	1.7%
Other	109,692,381	47.2%
Total	232,416,507	100.0%

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 1,491,923.

The General Meeting resolved on May 11, 2023, on a directed issue of another 5,500,000 warrants that are intended for use in two long-term incentive programs.

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

Warrants - outstanding Group & Parent Company	Number	Exercise price	Subscription period	Capital infusion*	Share capital**
TO Series 2021:1	5,500,000	2.49	Nov 1-30, 2025	18,673,481	899,926
TO Series 2023/25:1	4,000,000	0.25	Nov 1-30, 2025	2,685,264	1,288,926
TO Series 2023/25:2	1,500,000	0.25	Nov 1-30, 2025	1,006,974	483,347
Total	11,000,000			22,440,000	2,866,923

* Capital, before issue expenses, raised for the Company if all warrants are exercised

** Increase in share capital if all warrants are exercised



Financial information

Net sales

Net sales October–December 2023 amounted to SEK 481,597 compared to SEK 20,347 during the corresponding period last year. For the period January–December 2023, net turnover was SEK 976,281 compared to SEK 108,517 during the corresponding period last year.

Change in inventories and equipment

The recorded value of inventories on December 31, 2023, was SEK 1,770,921 (1,365,885).

Profit/loss

Profit/loss after tax for October–December 2023 amounted to SEK -9,842,912 (-8,078,967) for the Group and SEK -6,298,107 (-6,106,177) for the Parent Company. Consolidated profit/loss includes depreciation/amortization and impairment of tangible and intangible assets of SEK -612,767 (-612,767). Profit/loss after tax for January–December 2023 amounted to SEK -29,186,675 (-27,942,965) for the Group and SEK -26,646,741 (-24,218,196) for the Parent Company. Consolidated profit/loss includes depreciation/amortization and impairment of tangible and intangible assets of SEK -2,453,243 (-2,453,243).

The Parent Company's profit/loss for October–December contains an impairment loss on the shares in subsidiaries of SEK 5,000,000 (5,000,000). For the period January–December, the impairment is SEK 24,000,000 (21,000,000). 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

Cash flow from operating activities in 2023 was SEK -27,263,296 (-24,979,043), of which -405,036 (-193,401) was an increase in inventory. Investments in production tools and product development amounted to -1,157,965 (389,492). Cash flow from financing activities consisted of a new issue of SEK 33,200,456 (65,206).

As at December 31, 2023, consolidated total cash and bank balances amounted to 8,455,210 (3,676,015)

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 rights issue carried out in January 2024 was subscribed to approximately 55 percent and brought the Company approximately SEK 23 million before issue costs, and if all issued warrants series TO 8 are fully exercised, Chordate Medical could receive additional issue proceeds in the fall of 2024. With the improved cash flow, we can now finance the continued market and sales work.

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 October–December amounted to SEK -0.04 (-0.05) calculated on a weighted average of 232,416,507 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 has 3 employees (3) as per December 31, 2023, 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

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 2023 and the 2022 Annual Report.

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.

Transactions with related parties

CEO Anders Weilandt owns Amix AB, which until December 21, 2023, was a shareholder of Symbioteq AB, whose subsidiary Key2 Compliance AB performs ongoing consultancy services for the Company and Group within Quality Assurance, Regulatory Affairs and Clinical Development. Anders Weilandt was a member and chair of the Board of Symbioteq AB and its subsidiaries until December 21, 2023. 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, respectively, with direct reporting to the Company's 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 12/31/2023

Board of Directors	Shares	Warrants
Henrik Rammer, Chair	6,664,798	350,000
Tommy Hedberg, (and through related parties)	12,399,852	225,000
Gunilla Lundmark	0	350,000
Caroline Lundgren Brandberg, (and through related parties)	19,043,519	225,000
Otto Skolling	0	350,000
Senior executives		
Anders Weilandt, CEO	1,000,000	4,500,000
Jan Hermansson, CSO	500,000	1,500,000
Jan Lindberg, CTO	49,577	1,500,000
Niklas Lindecrantz, CFO	175,306	500,000

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 the 2022 Annual Report for Chordate Medical Holding AB (publ). 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

2024

Annual Report	April 12
Annual General Meeting	May 15
Interim Report Q1	May 24
Interim Report Q2	August 30
Interim Report Q3	November 22

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, or ordered via info@chordate.com.

For more information, please contact:

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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, March 22, 2024

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



Condensed Consolidated Income Statement

	10/1/2023- 12/31/2023	10/1/2022- 12/31/2022	1/1/2023- 12/31/2023	1/1/2022- 12/31/2022
Operating income				
Net turnover	481,597	20,347	976,281	108,517
Work performed by the company for its own use and capitalized	169,455	0	770,598	0
Other operating income	23,188	20,308	177,445	55,437
	674,240	40,655	1,924,324	163,954
Operating expenses				
Raw materials and consumables	-344,361	-16,814	-437,696	-74,455
Other external expenses	-6,684,008	-5,608,693	-21,096,351	-19,833,301
Personnel expenses	-3,018,368	-1,854,821	-7,389,915	-5,669,442
Depreciation/amortization and impairment of tangible and intangible assets	-612,767	-613,311	-2,453,243	-2,453,243
Other operating expenses	-21,576	-24,790	-118,692	-157,632
	-10,681,080	-8,118,429	-31,495,897	-28,188,073
Net operating profit/loss	-10,006,840	-8,077,774	-29,571,573	-28,024,119
Profit/loss from financial investments				
Interest expenses and similar items	163,928	-1,193	384,898	81,154
	163,928	-1,193	384,898	81,154
Net profit/loss after financial items	-9,842,912	-8,078,967	-29,186,675	-27,942,965
NET PROFIT/LOSS FOR THE PERIOD	-9,842,912	-8,078,967	-29,186,675	-27,942,965

Consolidated Statement of Financial Position

	12/31/2023	12/31/2022
ASSETS		
Fixed assets		
Intangible fixed assets		
Capitalized development expenditure	4,115,275	4,560,923
Patents and trademarks	4,198,058	5,174,934
	8,313,334	9,735,857
Tangible fixed assets		
Equipment, tools, fixtures and fittings	793,554	675,448
	793,554	675,448
Financial fixed assets		
Rent deposits	90,740	81,600
	90,740	81,600
Total fixed assets	9,197,628	10,492,905
Current assets		
Inventories		
Raw materials and consumables	366,287	656,475
Finished goods and goods for resale	1,404,634	709,410
	1,770,921	1,365,885
Current receivables		
Accounts receivable	211,446	20,347
Other current receivables	1,439,708	1,159,219
Prepaid expenses and accrued income	880,564	1,926,288
	2,531,718	3,105,854
Cash and bank balances	8,455,210	3,676,015
Total current assets	12,757,850	8,147,754
TOTAL ASSETS	21,955,478	18,640,660
EQUITY AND LIABILITIES		
Equity		
Share capital	58,104,127	39,428,095
Other contributed capital	273,669,400	259,144,975
Other capital & net profit/loss for the year	-316,686,988	-287,500,314
	15,086,539	11,072,757
Total equity	15,086,539	11,072,757
Current liabilities		
Accounts payable	2,881,266	3,513,421
Other current liabilities	693,898	1,300,690
Accrued expenses and deferred income	3,293,775	2,753,792
	6,868,939	7,567,903
TOTAL EQUITY AND LIABILITIES	21,955,478	18,640,660

Consolidated Statement of Changes in Equity

	Share capital	Other contrib- uted capital	Other capital	Profit/loss for the year	Total equity
Opening balance as at 1/1/2022	39,428,095	259,079,769	-237,791,073	-21,766,276	38,950,517
<i>Comprehensive profit/loss for January–December 2022</i>					
Net profit/loss for the period	0	0	0	-27,942,965	-27,942,965
Total reported loss for the period	0	0	0	-27,942,965	-27,942,965
Net profit/loss from previous year	0	0	-21,766,276	21,766,276	0
Ongoing new issue	0	50,206	0	0	50,206
New share issues	0	15,000	0	0	15,000
Closing balance as at 12/31/2022	39,428,095	259,144,975	-259,557,349	-27,942,965	11,072,757
<hr/>					
Opening balance as at 1/1/2023	39,428,095	259,144,975	-259,557,349	-27,942,965	11,072,757
<i>Comprehensive profit/loss for January–December 2023</i>					
Net profit/loss for the period	0	0	0	-29,186,675	-29,186,675
Total reported loss for the period	0	0	0	-29,186,675	-29,186,675
Net profit/loss from previous year	0	0	-27,942,965	27,942,965	0
New share issues	18,676,032	14,524,425	0	0	33,200,457
Closing balance as at 12/31/2023	58,104,127	273,669,400	-287,500,314	-29,186,675	15,086,539

Consolidated Statement of Cash Flows

	10/1/2023- 12/31/2023	10/1/2022- 12/31/2022	1/1/2023- 12/31/2023	1/1/2022- 12/31/2022
Operating activities				
Net profit/loss after financial items	-9,842,912	-8,078,967	-29,186,675	-27,942,965
Adjustment for non-cash flow items	612,767	613,311	2,453,243	2,453,243
	-9,230,145	-7,465,657	-26,733,432	-25,489,722
Cash flow from change in working capital				
Change in inventories	-28,858	-215,646	-405,036	-193,401
Change in current receivables	-799,841	-1,418,802	574,136	-1,752,743
Change in current liabilities	2,557,196	2,973,334	-698,964	2,456,823
Cash flow from operating activities	-7,501,648	-6,126,772	-27,263,296	-24,979,043
Investing activities:				
Investments in tangible fixed assets	-334,884	-389,492	-378,227	-389,492
Investments in financial fixed assets	16,320	0	-9,140	0
Investments in intangible fixed assets	-169,455	0	-770,598	0
Cash flow from investing activities	-488,019	-389,492	-1,157,965	-389,492
Financing activities:				
New share issue	0	50,206	33,200,456	65,206
Cash flow from financing activities	0	50,206	33,200,456	65,206
Cash flow for the period	-7,989,667	-6,466,058	4,779,195	-25,303,330
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	16,444,878	10,142,073	3,676,015	28,979,345
CASH AND CASH EQUIVALENTS AT END OF PERIOD	8,455,210	3,676,015	8,455,210	3,676,015

CONSOLIDATED PLEDGED ASSETS AND CONTINGENT LIABILITIES

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

Parent Company Income Statement

	10/1/2023- 12/31/2023	10/1/2022- 12/31/2022	1/1/2023- 12/31/2023	1/1/2022- 12/31/2022
Operating income				
Net turnover	150,000	150,000	600,000	600,000
Other operating income	0	0	0	0
	150,000	150,000	600,000	600,000
Operating expenses				
Other external expenses	-823,561	-731,064	-2,856,346	-3,292,972
Personnel expenses	-798,036	-525,791	-781,568	-525,902
	-1,621,597	-1,256,855	-3,637,914	-3,818,874
Net operating profit/loss	-1,471,598	-1,106,855	-3,037,914	-3,218,874
Profit/loss from financial investments				
Profit/loss from participations in group companies	-5,000,000	-5,000,000	-24,000,000	-21,000,000
Interest expenses and similar items	173,491	678	391,173	678
	-4,826,509	-4,999,322	-23,608,827	-20,999,322
Net profit/loss after financial items	-6,298,107	-6,106,177	-26,646,741	-24,218,196
Tax for the year	0	0	0	0
NET PROFIT/LOSS FOR THE PERIOD	-6,298,107	-6,106,177	-26,646,741	-24,218,196

Parent Company Balance Sheet

	12/31/2023	12/31/2022
ASSETS		
Fixed assets		
Financial fixed assets		
Participations in group companies	52,247,911	52,247,911
	52,247,911	52,247,911
Total fixed assets	52,247,911	52,247,911
Current receivables		
Receivables from group companies	7,162,512	6,412,512
Other current receivables	151,037	302,925
Prepaid expenses and accrued income	362,273	1,318,561
	7,675,822	8,033,998
Cash and bank balances	7,570,034	2,131,252
Total current assets	15,245,856	10,165,250
TOTAL ASSETS	67,493,767	62,413,161
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital	58,104,127	39,428,095
	58,104,127	39,428,095
Non-restricted equity		
Share premium reserve	273,669,400	259,144,975
Accumulated profit/loss	-239,041,054	-214,822,858
Net profit/loss for the year	-26,646,741	-24,218,196
	7,981,605	20,103,921
Total equity	66,085,732	59,532,016
Current liabilities		
Accounts payable	213,730	940,365
Other current liabilities	5,615	703,750
Accrued expenses and deferred income	1,188,690	1,237,030
	1,408,035	2,881,145
TOTAL EQUITY AND LIABILITIES	67,493,767	62,413,161

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
Opening balance as at 1/1/2022	39,428,095	259,079,769	-192,398,914	-22,423,944	83,685,006
<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	0	50,206	0	0	50,206
New share issues	0	15,000	0	0	15,000
Closing balance as at 12/31/2022	39,428,095	259,144,975	-214,822,858	-24,218,196	59,532,016
Opening balance as at 1/1/2023	39,428,095	259,144,975	-214,822,858	-24,218,196	59,532,016
<i>Comprehensive profit/loss for January–December 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	-26,646,741	-26,646,741
New share issues	18,676,032	14,524,425	0	0	33,200,457
Closing balance as at 12/31/2023	58,104,127	273,669,400	-239,041,054	-26,646,741	66,085,732

PARENT COMPANY CASH FLOW STATEMENT

	10/1/2023- 12/31/2023	10/1/2022- 12/31/2022	1/1/2023- 12/31/2023	1/1/2022- 12/31/2022
Operating activities				
Net profit/loss after financial items	-6,298,107	-6,106,177	-26,646,741	-24,218,196
Adjustment for non-cash flow items	5,000,000	5,000,000	24,000,000	21,000,000
	-1,298,107	-1,106,177	-2,646,741	-3,218,196
Cash flow from change in working capital				
Change in current receivables	-525,275	-1,624,542	358,176	-2,126,264
Change in current liabilities	515,024	1,936,209	-1,473,110	1,444,202
Cash flow from operating activities	-1,308,358	-794,510	-3,761,674	-3,900,258
Financing activities:				
Shareholder contributions made	-5,000,000	-5,000,000	-24,000,000	-21,000,000
New share issue	0	50,206	33,200,456	65,206
Cash flow from financing activities	-5,000,000	-4,949,794	9,200,456	-20,934,794
Cash flow for the period	-6,308,358	-5,744,304	5,438,782	-24,835,052
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	13,878,392	7,875,556	2,131,252	26,966,304
CASH AND CASH EQUIVALENTS AT END OF PERIOD	7,570,034	2,131,252	7,570,034	2,131,252



CHORDATE
MEDICAL

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