

Chordate Medical Holding AB (publ)

Interim Report

JULY- SEPTEMBER 2023

CHORDATE
MEDICAL



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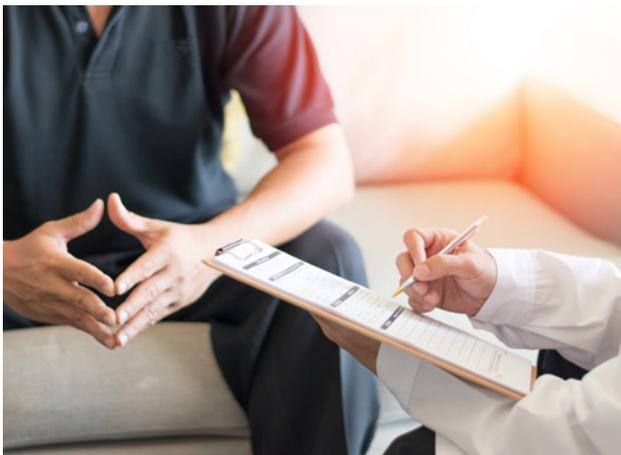
Disclaimer

This Interim Report has been translated into English solely for the convenience of the international reader. In the event of conflict or inconsistency between the terms used in the Swedish original version of the report and the English version, the Swedish version shall prevail, as the Swedish version constitutes the sole official document.

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Interim Report july–september 2023

Summary of the period July–September 2023

- Net turnover was SEK 210,947 (0)
- Cash flow from operating activities was SEK -4,961,395 (-5,623,481)
- Profit/loss after financial items was SEK -4,938,361 (-6,139,836)
- Profit/loss after tax was SEK -4,938,361 (-6,139,836)
- Earnings per share were SEK -0.02 (-0.04)

Summary of the period January–September 2023

- Net turnover was SEK 494,684 (88,170)
- Cash flow from operating activities was SEK -19,761,647 (-18,852,271)
- Profit/loss after financial items was SEK -19,343,762 (-19,481,497)
- Profit/loss after tax was SEK -19,343,762 (-19,481,497)
- Earnings per share were SEK -0.08 (-0.12)

Chordate Medical in brief

Chordate Medical Holding AB (publ) is a medical technology company that for the past ten years has developed, patented and received CE marking for a new neuromodulation treatment technology for chronic migraine and chronic nasal congestion (rhinitis). 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

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Significant events during the quarter

- ▶ **During the German Migraine and Headache Society's congress in Berlin, Dr. Tim P. Jürgens also presented a case study from Chordate's migraine study 7/3/2023**

The case involved a 45-year-old woman whose days with migraines decreased significantly, from 18 to 8 days per month, with the help of Ozilia™. The positive effect of the Ozilia™ treatment lasted four months without further treatment sessions.

- ▶ **The results from Chordate Medical's migraine study PM007 will be presented at ICH2023 in Seoul 8/9/2023**

Chordate will present the Ozilia™ migraine treatment at the International Headache Congress, IHC 2023, that will be held September 14–17, 2023, in Seoul, Korea. Dr. Hoffman, one of the coordinating principal investigators for PM007, will present the results of the study in a poster presentation. Chordate will also be present as an exhibitor during the congress.

- ▶ **The principal investigators from Chordate Medical's migraine study 007 submitted the complete study results as a manuscript for publication in one of the three most prominent journals within the migraine field. 8/21/2023**

- ▶ **Chordate Medical introduces new trademark for Migraine Treatment: Ozilia™ – Your Migraine Relief 9/11/2023**

During the International Headache Congress in Seoul from September 14 to 17, Chordate Medical is introducing the new brand Ozilia™ Migraine for the company's migraine treatment. Ozilia™ Migraine replaces K.O.S as the brand name in all markets where Chordate is active.

Significant events after the reporting period

- ▶ **Chordate Medical trains neurologists in Liverpool – initiating the introduction of Ozilia™ Migraine 10/10/2023**

During a neurology symposium with around 60 participants at The Walton Centre NHS Foundation Trust in Liverpool October 6–7, Chordate Medical conducted a separate training on the company's treatment method, Ozilia™ Migraine (formerly K.O.S).

- ▶ **Chordate Medical has 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™ (formerly K.O.S) and the migraine study PM007 at the Deutsche Schmerzkongress from October 18 to 21 in Mannheim, an annual congress for the German Pain Physicians Association with approximately 3,500 members. 2023-10-20**

- ▶ **Chordate Medical has obtained the registration of the trademark Ozilia® in the EU from 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. 2023-10-27**



International interest and new brand name

The third year of the quarter marked the start of the fall's series of scientific congresses where we also launched the new brand name Ozilia™ that now replaces K.O.S on all markets where the treatment is offered. The period started with a poster presentation at the International Headache Congress in Seoul of the results from our crucial migraine study PM007. Ozilia™ was mentioned by several other lecturers as a potentially valuable alternative when medication is not appropriate or desirable.

- ▶ Study results presented at IHC2023 in Seoul
- ▶ Submission of article manuscript for PM007
- ▶ Presentation in Berlin of case study from the migraine study
- ▶ Launch of new brand name Ozilia™
- ▶ New commission analysis

Study results presented at IHC2023 in Seoul

After the first presentations in Austin and Berlin in July, the clinical study results from PM007 were also presented to basically the global leaders in migraine care, research and the industry at the International Headache Congress in Seoul September 14–17. This was the first time Chordate exhibited at an international level, which clearly indicated that Ozilia™ is viewed as a relevant medicine-free alternative and knowledge about our treatment technique was properly disseminated among key congress participants. We were able to connect with valuable new contacts in both Europe and the USA that have the potential to lead the development of our business in an interesting direction.

Presentation in Berlin of case study from the migraine study

Dr. Tim Jürgens presented a case study from the migraine study PM007 at The German Migraine and Headache Society congress on June 30 in Berlin. The case study described one of the patients in the study with a headache that was very difficult to treat. After treatment with Ozilia™, the patient showed a sharp reduction in the number of migraine episodes, from 18 to 8 days. The positive effect lasted for four months without further treatment sessions.

This is a single case with a remarkable effect. Given that the patient had few functional medical alternatives due to other illnesses, the report shows the value of Ozilia™ as an alternative when other existing treatments are ineffective.

Article submitted for PM007

The authors of the PM007 study announced that they had submitted a manuscript to a prominent scientific journal at the end of August.

After publication, the article will be a valuable tool in our marketing and sales effort. Published results are also a necessary basis for success in various reimbursement processes.

Launch of new brand name Ozilia™

Our treatment is now marketed under the name Ozilia™ or Ozilia™ Migraine. The new brand name is the next step in the rollout and commercialization of the treatment on our key markets. The name has been warmly received, with special attention given to the fact that it is a female name since around 70 percent of migraine patients are women.

New commission analysis

Of more than 900 listed companies in Sweden, it is estimated that one-third offer so-called commission analyses to facilitate the assessment of the company for its owners and stakeholders. Chordate is now ordering a commission analysis from Kalqyl for the same reason. We are taking steps toward the long-term goal of being able to offer our owners a bid from an international actor who is interested in adding our technology to their product portfolio. The value of the company should then theoretically be the same as the value that the buyer sees in marketing and selling the technology where it is active, often globally. We assume in principle that such hypothetical bids reasonably should constitute part of the theoretical value for the technology, but not all of it. Traditional equity or corporate analysis is often based on present value calculations of unrestricted cash flow; in other words, the value in the new few years of the profit that a business can generate itself that is not needed for some other activity in the business. The analysis principle, which is the most common and in most cases the proper tool, becomes problematic when the strategy in the company that is being analyzed instead is about showing a value in a buyer's assessment—where the technology can have a much larger value for another party than what the company itself can achieve through profit generation from its own sales.

We have therefore signed an agreement for a commissioned analysis from Kalqyl, which we, like most other small companies, will pay for. Kalqyl and other analysis firms conduct and publish their analyses at their own risk and independent from the client to preserve their reputation, which for them is crucial for their existence.

We make the assessment that Kalqyl has the capacity and interest to perform a strategy-based analysis and publish it as part of the basis for the market's assessment of Chordate.

Focus during the rest of the year

During the last part of the year, work will continue in our focus markets Finland, Germany, the UK, Italy, (Israel, unfortunately temporarily halted) and Saudi Arabia. The list of prospective clients is growing, and we are approaching our targets on several points. Marketing is in the form of exhibitions at specialist congresses:

- ▶ IHC2023, Seoul, South Korea, 9/14–17
- ▶ Deutscher Schmerzkongress 2023, Mannheim, 10/18–21
- ▶ Neurologdagarna 2023, Helsinki, Finland, 11/1–3
- ▶ EHC2023, Barcelona, 12/6–9

Kista, October 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.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. 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 world²⁾

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.

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

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

³⁾ 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

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

⁵⁾ Global Data Healthcare report (September 2017)

Social cost of migraines

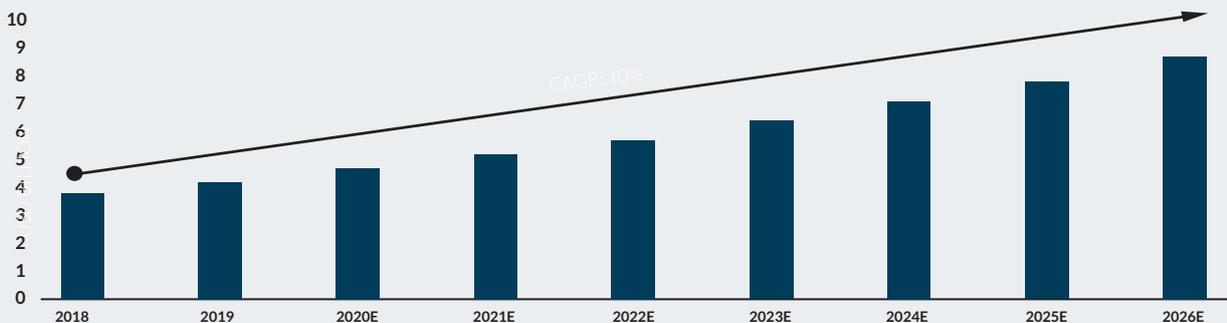
It is estimated that British society loses 25 million productive days from work or school each year due to migraines. Absence due to migraines alone is estimated to cost GBP 2.25 billion a year in the UK, calculated on the basis of the 25 million days lost.³ Every million people in Europe lose approximately 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.⁴

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 undertreated; 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.

GLOBAL MIGRAINE MARKET, MEDICATION, 2018–2026



Source: Global Data Healthcare report (September 2017)

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 medication 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

TREATMENT ALTERNATIVES	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 medication-induced headaches from overuse
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. 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
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. 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
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 preventive treatment cost-effective	Treatment must only be performed by a doctor or nurse after 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.⁶ 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.⁷⁾

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 society⁸⁾ 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.

⁶⁾ 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

⁷⁾ Nationalencyklopedin, Malmquist, J. Isacson, S-O, Folksjukdomar

⁸⁾ Hellgren, 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 reduction in symptoms in the short term 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 may 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 implanted.⁹ 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 size¹⁰

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

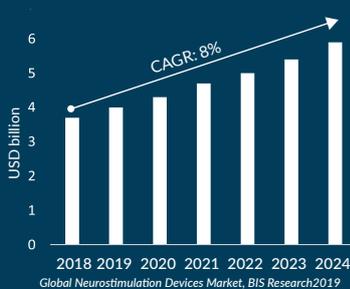
The market for neurostimulation products can be split into different sub-groups, with the following categorization into sub-segments (based on application): chronic pain treatment, audiology, neurological diseases, urinary and gastric disorders, mental illness and other.

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.

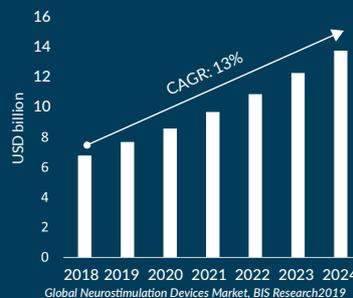
⁹ Global Neurostimulation Devices Market, BIS Research 2019

¹⁰ *ibid*

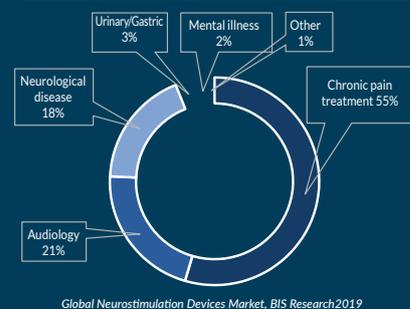
Global market chronic pain relief, 2018–2024



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 Saturday, September 30, 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 July-September 2023 amounted to 232,416,507.

LARGEST SHAREHOLDERS AS AT SEPTEMBER 30, 2023	9/30 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 *	10,805,173	4.6%
Bevaclean	10,518,750	4.5%
Henrik Rammer	6,664,798	2.9%
Nordnet Pensionsförsäkring AB *	5,822,945	2.5%
Tiven GmbH with related parties	4,759,798	2.0%
Carsten Johansen	3,999,996	1.7%
Other	109,237,953	47.0%
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 1,375,000.

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	3.13	Nov 1 - 30, 2025	17,215,000	1,375,000
TO Series 2023/2025:1	4,000,000	0.68	Nov 1 - 30, 2025	2,720,000	1,000,000
TO Series 2023/2025:2	1,500,000	0.68	Nov 1 - 30, 2025	1,020,000	375,000
Total	11,000,000			20,955,000	2,750,000

* 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 July–September 2023 amounted to SEK 210,947 compared to SEK 0 during the corresponding period last year. For the period January–September 2023, net turnover was SEK 494,684 compared to SEK 88,170 during the corresponding period last year.

Change in inventories and equipment

The recorded value of inventories on Saturday, September 30, 2023, was SEK 1,742,063 (1,150,239).

Profit/loss

Profit/loss after tax for July–September 2023 amounted to SEK -4,938,361 (-6,139,836) for the Group and SEK -6,092,600 (-6,092,371) for the Parent Company. Consolidated profit/loss includes depreciation/amortization and write-downs of tangible and intangible assets of SEK -613,311 (-613,311). Profit/loss after tax for January–September 2023 amounted to SEK -19,343,762 (-19,481,497) for the Group and SEK -20,348,634 (-18,112,019) for the Parent Company. Consolidated profit/loss includes depreciation/amortization and write-downs of tangible and intangible assets of SEK -1,840,476 (-1,839,932).

The Parent Company's profit/loss for July–September contains an impairment loss on the shares in subsidiaries of SEK 6,000,000 (6,000,000). For the period January–September, the impairment loss is SEK 19,000,000 (16,000,000). 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 Saturday, September 30, 2023, consolidated total cash and bank balances amounted to 16,444,878 (10,142,073)

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 July–September amounted to SEK -0.02 (-0.04) 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 had 3 employees (3) as at Saturday, September 30, 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

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 9/30/2023

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)	7,420,271	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 Chordate Medical Holding AB (publ)'s 2022 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

2024

Year-End Report	February 29
Annual Report	April 12
Annual General Meeting	May 17
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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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, November 1, 2023

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



Condensed Consolidated Income Statement

	7/1/2023- 9/30/2023	7/1/2022- 9/30/2022	1/1/2023- 9/30/2023	1/1/2022- 9/30/2022	1/1/2022- 12/31/2022
Operating income					
Net turnover	210,947	0	494,684	88,170	108,517
Work performed by the company for its own use and capitalized	327,540	0	601,143	0	
Other operating income	147,008	11,912	154,256	35,126	55,437
	685,495	11,912	1,250,084	123,296	163,954
Operating expenses					
Raw materials and consumables	-29,461	0	-93,334	-57,642	-74,455
Other external expenses	-3,977,210	-4,483,579	-14,412,343	-13,842,104	-19,833,301
Personnel expenses	-1,139,564	-1,031,892	-4,371,547	-3,814,621	-5,669,442
Depreciation/amortization and write-downs of tangible and intangible assets	-613,311	-613,311	-1,840,476	-1,839,932	-2,453,243
Other operating expenses	-26,471	-57,875	-97,116	-132,841	-157,632
	-5,786,016	-6,186,657	-20,814,816	-19,687,140	-28,188,073
Net operating profit/loss	-5,100,521	-6,174,745	-19,564,732	-19,563,844	-28,024,119
Profit/loss from financial investments					
Interest expenses and similar items	162,159	34,909	220,970	82,347	81,154
	162,159	34,909	220,970	82,347	81,154
Net profit/loss after financial items	-4,938,361	-6,139,836	-19,343,762	-19,481,497	-27,942,965
NET PROFIT/LOSS FOR THE PERIOD	-4,938,361	-6,139,836	-19,343,762	-19,481,497	-27,942,965

Consolidated Statement of Financial Position

	9/30/2023	9/30/2022	12/31/2022
ASSETS			
Fixed assets			
Intangible fixed assets			
Capitalized development expenditure	4,249,882	4,864,985	4,560,923
Patents and trademarks	4,442,277	5,419,153	5,174,934
	8,692,159	10,284,138	9,735,857
Tangible fixed assets			
Equipment, tools, fixtures and fittings	523,157	350,986	675,448
	523,157	350,986	675,448
Financial fixed assets			
Rent deposits	107,060	81,600	81,600
	107,060	81,600	81,600
Total fixed assets	9,322,376	10,716,724	10,492,905
Current assets			
Inventories			
Raw materials and consumables	304,985	441,313	656,475
Finished goods and goods for resale	1,437,078	708,926	709,410
	1,742,063	1,150,239	1,365,885
Current receivables			
Accounts receivable	234,266	45,457	20,347
Other current receivables	850,779	848,114	1,159,219
Prepaid expenses and accrued income	646,832	793,481	1,926,288
	1,731,877	1,687,052	3,105,854
Cash and bank balances	16,444,878	10,142,073	3,676,015
Total current assets	19,918,818	12,979,364	8,147,754
TOTAL ASSETS	29,241,193	23,696,088	18,640,660
EQUITY AND LIABILITIES			
Equity			
Share capital	58,104,127	39,428,095	39,428,095
Other contributed capital	273,669,400	259,079,769	259,144,975
Other capital & net profit/loss for the year	-306,844,076	-279,023,846	-287,500,314
	24,929,451	19,484,018	11,072,757
Total equity	24,929,451	19,484,018	11,072,757
Current liabilities			
Accounts payable	2,027,435	1,596,151	3,513,421
Other current liabilities	433,860	511,870	1,300,690
Accrued expenses and deferred income	1,850,448	2,104,049	2,753,792
	4,311,743	4,212,069	7,567,903
TOTAL EQUITY AND LIABILITIES	29,241,193	23,696,088	18,640,660

Consolidated Statement of Changes in Equity

	Share capital	Other contributed 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	38,950,516
<i>Comprehensive profit/loss for January–September 2022</i>					
Net profit/loss for the period	0	0	0	-19,481,497	-19,481,497
Total reported loss for the period	0	0	0	-19,481,497	-19,481,497
Net profit/loss from previous year	0	0	-21,766,276	21,766,276	0
New share issues	0	15,000	0	0	15,000
Closing balance as at 9/30/2022	39,428,095	259,094,769	-259,557,349	-19,481,497	19,484,018
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
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–September 2023</i>					
Net profit/loss for the period	0	0	0	-19,343,762	-19,343,762
Total reported loss for the period	0	0	0	-19,343,762	-19,343,762
Net profit/loss from previous year	0	0	-27,942,965	27,942,965	0
Ongoing new issue	0	0	0	0	0
New share issues	18,676,032	14,524,425	0	0	33,200,456
Closing balance as at 9/30/2023	58,104,127	273,669,400	-287,500,313	-19,343,762	24,929,451

Consolidated Statement of Cash Flows

	7/1/2023- 9/30/2023	7/1/2022- 9/30/2022	1/1/2023- 9/30/2023	1/1/2022- 9/30/2022	1/1/2022- 12/31/2022
Operating activities					
Net profit/loss after financial items	-4,938,361	-6,139,836	-19,343,762	-19,481,497	-27,942,965
Adjustment for non-cash flow items	613,311	613,311	1,840,476	1,839,932	2,453,243
	-4,325,051	-5,526,525	-17,503,286	-17,641,565	-25,489,722
Cash flow from change in working capital					
Change in inventories	-8,424	-48,186	-376,178	22,245	-193,401
Change in current receivables	359,567	245,739	1,373,977	-333,941	-1,752,743
Change in current liabilities	-987,487	-294,509	-3,256,160	-899,011	2,456,823
	-4,961,395	-5,623,481	-19,761,647	-18,852,271	-24,979,043
Investing activities:					
Investments in tangible fixed assets	-3,937	0	-43,343	0	-389,492
Investments in financial fixed assets	-16,320	0	-25,460	0	0
Investments in intangible fixed assets	-327,540	0	-601,143	0	0
	-347,797	0	-669,946	0	-389,492
Financing activities:					
Borrowings	0	0	0	0	0
Amortization of loans	0	0	0	0	0
New share issue	0	0	33,200,456	15,000	65,206
	0	0	33,200,456	15,000	65,206
Cash flow for the period	-5,309,192	-5,623,481	12,768,863	-18,837,272	-25,303,329
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	21,754,070	15,765,554	3,676,015	28,979,345	28,979,345
CASH AND CASH EQUIVALENTS AT END OF PERIOD	16,444,878	10,142,073	16,444,878	10,142,073	3,676,015

CONSOLIDATED PLEDGED ASSETS AND CONTINGENT LIABILITIES

	9/30/2023	9/30/2022	12/31/2022
Group, TSEK			
Pledged assets	None	None	None
Contingent liabilities	None	None	None

Parent Company Income Statement

	7/1/2023- 9/30/2023	7/1/2022- 9/30/2022	1/1/2023- 9/30/2023	1/1/2022- 9/30/2022	1/1/2022- 12/31/2022
Operating income					
Net turnover	150,000	150,000	450,000	450,000	600,000
Other operating income	0	0	0	0	0
	150,000	150,000	450,000	450,000	600,000
Operating expenses					
Other external expenses	-405,696	-521,514	-2,032,784	-2,561,908	-3,292,972
Personnel expenses	-200	-111	16,468	-111	-525,902
	-405,896	-521,625	-2,016,316	-2,562,019	-3,818,874
Net operating profit/loss	-255,896	-371,625	-1,566,316	-2,112,019	-3,218,874
Profit/loss from financial investments					
Profit/loss from participations in group companies	-6,000,000	-6,000,000	-19,000,000	-16,000,000	-21,000,000
Interest expenses and similar items	163,296	0	217,682	0	678
	-5,836,704	-6,000,000	-18,782,318	-16,000,000	-20,999,322
Net profit/loss after financial items	-6,092,600	-6,371,625	-20,348,634	-18,112,019	-24,218,196
Tax for the year	0	0	0	0	0
NET PROFIT/LOSS FOR THE PERIOD	-6,092,600	-6,371,625	-20,348,634	-18,112,019	-24,218,196

Parent Company Balance Sheet

	9/30/2023	9/30/2022	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	52,247,911	52,247,911
Total fixed assets	52,247,911	52,247,911	52,247,911
Current receivables			
Receivables from group companies	6,975,012	6,225,012	6,412,512
Other current receivables	50,561	91,352	302,925
Prepaid expenses and accrued income	124,974	93,092	1,318,561
	7,150,547	6,409,456	8,033,998
Cash and bank balances	13,878,392	7,875,556	2,131,252
Total current assets	21,028,939	14,285,012	10,165,250
TOTAL ASSETS	73,276,850	66,532,923	62,413,161
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	58,104,127	39,428,095	39,428,095
	58,104,127	39,428,095	39,428,095
Non-restricted equity			
Share premium reserve	273,669,400	259,079,769	259,144,975
Accumulated profit/loss	-239,041,054	-214,807,858	-214,822,858
Net profit/loss for the year	-20,348,634	-18,112,019	-24,218,196
	14,279,712	26,159,892	20,103,921
Total equity	72,383,839	65,587,987	59,532,016
Current liabilities			
Accounts payable	205,375	276,500	940,365
Other current liabilities	0	0	703,750
Accrued expenses and deferred income	687,636	668,436	1,237,030
	893,011	944,936	2,881,145
TOTAL EQUITY AND LIABILITIES	73,276,850	66,532,923	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–September 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	-18,112,019	-18,112,019
New share issues	0	15,000	0	0	15,000
Closing balance as at 9/30/2022	39,428,095	259,094,769	-214,822,858	-18,112,019	65,587,987
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	0	0	0	0
New share issues	0	65,206	0	0	65,206
Closing balance as at 12/31/2022	39,428,095	259,144,976	-214,822,857	-24,218,196	59,532,016
Opening balance as at 1/1/2023	39,428,095	259,144,976	-214,822,857	-24,218,196	59,532,016
<i>Comprehensive profit/loss for January–September 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	-20,348,634	-20,348,634
New share issues	18,676,032	14,524,425	0	0	33,200,457
Closing balance as at 9/30/2023	58,104,127	273,669,400	-239,041,054	-20,348,634	72,383,839

PARENT COMPANY CASH FLOW STATEMENT

	7/1/2023- 9/30/2023	7/1/2022- 9/30/2022	1/1/2023- 9/30/2023	1/1/2022- 9/30/2022	1/1/2022- 12/31/2022
Operating activities					
Net profit/loss after financial items	-6,092,600	-6,371,625	-20,348,634	-18,112,019	-24,218,196
Adjustment for non-cash flow items	6,000,000	6,000,000	19,000,000	16,000,000	21,000,000
	-92,600	-371,625	-1,348,634	-2,112,019	-3,218,196
Cash flow from change in working capital					
Change in current receivables	-45,184	307,857	883,452	-501,722	-2,126,264
Change in current liabilities	-268,476	-552,652	-1,988,134	-492,007	1,444,202
Cash flow from operating activities	-406,260	-616,420	-2,453,316	-3,105,747	-3,900,258
Financing activities:					
Shareholder contributions made	-6,000,000	-6,000,000	-19,000,000	-16,000,000	-21,000,000
Borrowings	0	0	0	0	0
Amortization of loans	0	0	0	0	0
New share issue	0	0	33,200,456	15,000	65,206
Cash flow from financing activities	-6,000,000	-6,000,000	14,200,456	-15,985,000	-20,934,794
Cash flow for the period	-6,406,260	-6,616,420	11,747,140	-19,090,748	-24,835,052
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	20,284,652	14,491,976	2,131,252	26,966,304	26,966,304
CASH AND CASH EQUIVALENTS AT END OF PERIOD	13,878,392	7,875,556	13,878,392	7,875,556	2,131,252

