



# CHORDATE MEDICAL HOLDING AB

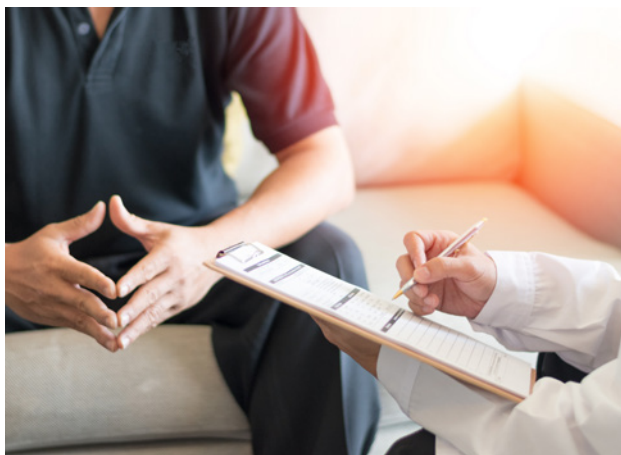
YEAR-END REPORT | 2022





## TABLE OF CONTENTS

Summary of the period Oct–Dec 2022	3
Chordate Medical in brief	3
Significant events	4
Comments from CEO Anders Weilandt	5
Migraine	7
Chronic rhinitis	9
The market for neurostimulation	10
About Chordate – the Company	11
Financial information and other	13
Condensed Consolidated Income Statement	16
Consolidated Statement of Financial Position	17
Consolidated Statement of Changes in Equity	18
Consolidated Statement of Cash Flows	19
Consolidated Pledged Assets and Contingent Liabilities	19
Parent Company Income Statement	20
Parent Company Balance Sheet	21
Parent Company Statement of Changes in Equity	22
Parent Company Cash Flow Statement	23



Chordate Medical Holding AB (publ)  
CIN 556962-6319

## YEAR-END REPORT 2022

### Summary of the period October–December 2022

- Net turnover was SEK 20,347 (403,257)
- Cash flow from operating activities amounted to SEK -6,126,772 (-5,331,784)
- Profit/loss after financial items was SEK -8,078,967 (-7,191,338)
- Profit/loss after tax was SEK -8,078,967 (-7,191,338)
- Earnings per share were SEK -0.05 (-0.05)

### Summary of the period January–December 2022

- Net turnover was SEK 108,517 (882,046)
- Cash flow from operating activities amounted to SEK -24,979,043 (-20,336,340)
- Profit/loss after financial items was SEK -27,942,965 (-21,766,276)
- Profit/loss after tax was SEK -27,942,965 (-21,766,276)
- Earnings per share were SEK -0.18 (-0.19)

### Chordate Medical in brief

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

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## SIGNIFICANT EVENTS DURING THE QUARTER

▶ **Chordate Medical launches market introduction of migraine treatment in Finland 10/6/2022**

Chordate has engaged a market expert in Finland to introduce the company's product K.O.S for preventive migraine treatment on the Finnish market.

▶ **Statistical significance confirmed in final analysis of Chordate's PM007 multicenter clinical study of the K.O.S technology for preventive treatment of chronic migraine 11/3/2022**

▶ **The Board of Directors of Chordate Medical proposed a rights issue of approximately 51.3 MSEK 11/17/2022**

▶ **Chordate Medical entered into agreement with one of Saudi Arabia's leading medical device companies, Janin Medical Company 12/14/2022**

Janin will become the exclusive distributor in the Kingdoms of Saudi Arabia and Bahrain for both the migraine and rhinitis indications as of the turn of the year 2022/2023.

▶ **Chordate Medical announced that the distributor for the Italian market, Ve.Di.Se, has announced the intent to increase its holding in Chordate by a multiple in connection with the upcoming rights issue. 12/20/2022**

## SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

▶ **Chordate Medical announced that the European Patent Office intends to grant Chordate's patent application EP 17168265.1 from 2017. 1/5/2023**

The patent application relates to further development of the Company's treatment technology for primarily chronic migraine, Kinetic Oscillation Stimulation, K.O.S.

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

▶ **Chordate Medical carried out a directed set-off share issue to underwriters in the completed rights issue 1/18/2023**

▶ **Chordate Medical's joint venture submitted application for product registration in China 2/21/2023**

## MORE AND MORE PARTS FALL INTO PLACE IN THE STRATEGIC PLAN

When I look back at 2022, the obvious high point is that our migraine study was completed and undeniably demonstrates that K.O.S is an effective and safe alternative for preventive treatment of chronic migraine. This is the single most important milestone in Chordate's history and marks that we have now entered the final phase in building value in the Company prior to a successful exit.

- The migraine study has been delivered – strong significant results.
- Agreements with market experts for introduction of K.O.S in Germany, Israel and Finland.
- Agreement with one of Saudi Arabia's leading medical device companies for neurology.
- Reinforced cash position due to the outcome of the rights issue, which generated SEK 37.3 million before expenses in January 2023.

In 2023, focus will be on marketing and sales to deliver in accordance with the announced strategic plan. The goal is to show that we can build market shares on one or several of the selected markets (proof-of-concept) since this is a crucial step toward a successful exit for our shareholders.

### New agreements set the stage for more market launches

During the second half of 2022, we took key steps forward with three new agreements with consultants for market penetration in Germany, Israel and Finland (and one agreement in the UK signed in February 2022). Equally important is the distributor agreement in December 2022 with Janin Medical Company in Saudi Arabia. Together with Janin and its existing position in the neurology segment, we can continue to move our K.O.S position forward in the region, and we are one step closer to proof of concept.

### Complete results from the migraine study will be presented in the spring

In August 2022, we completed our crucial clinical study on chronic migraine. It would be hard to overemphasize the importance of the statistically significant results from the subgroup analysis that were announced in September. We have now delivered on what may be the most important of our interim goals for an exit, which already gives us access to the market with a sought-after alternative to medicinal treatment. Because it is important for the Company's value for the complete study to be published in a well-respected scientific journal, we must wait until such an article is approved for publication before we can announce the results in their entirety.

In addition, we are starting another two planned migraine studies. PM009 is an open pilot study to evaluate the efficacy of K.O.S in the preventive treatment of chronic migraine on patients not responding to treatment with CGRP inhibitors. This open pilot study is being conducted at King's College in London with three to four referring clinics assisting with recruitment of suitable subjects for the study. PM010 is an



Anders Weilandt, CEO

open clinical post-market surveillance study to follow long-term performance and safety of K.O.S in patients with chronic migraine during regular clinical treatment. The study will recruit 200 patients and be conducted at approximately 15 clinics in three to four European countries. The follow-up is 12 months.

### Additional patent and continued work to receive marketing authorization in the USA

In June 2022, the US Patent Office granted our third US patent for headache treatment in the USA. The intellectual property rights defense for our technology as support for our continued business development is one of the Company's core values. The project for marketing authorization for K.O.S from the US Food and Drug Administration (FDA) is progressing in parallel.

### Marketing authorization for rhinitis indication in China

The project work with Nanos Medical for product registration of K.O.S in China continued in 2022, and the submission of an application for marketing authorization for the rhinitis indication was started after the start of the new year. What is left in the project is fully dependent on the answer Nanos receives from the Chinese regulatory authority's review work, so the scope cannot currently be assessed.

### Financing

The rights issue conducted in December 2022 was subscribed to approximately 73 percent and raised approximately SEK 37.3 million for the Company before expenses. With the improved cash position, we can now finance the continued market and sales work. The show of support for the Company's journey toward an exit from our shareholders is a clear rating of the strength of Chordate's offer, in particular given the current climate on the stock exchange and the state of the global economy. The implementation plan will naturally be adjusted by the outcome of the issue.

### Focus 2023

- Sales and marketing on select markets for proof of concept
- Projects for marketing authorization in the USA and China
- The studies PM009 and PM010

Kista, February 2023  
Anders Weilandt, CEO





## MIGRAINE MARKET

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

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

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

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

### Impact on life quality

Migraines are regarded as the cause of 2.9 percent of the “quality years” of life lost due to associated disability, and migraines are the primary cause of disability among all neurological disorders. The estimated amount of time spent suffering from a migraine (that is to say, experiencing an attack) during the average migraine patient's life is 5.3 per cent.<sup>3)</sup>

### 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 per year in Great Britain, based on 25 million lost days. For each million of the population in Europe, it is estimated that around 400,000 days from work or school are lost each year to migraines alone, and the estimated total cost of headache disorders exceeds EUR 100 billion per year in Europe, including the cost of care and the loss of production.<sup>4)</sup>

### Market size<sup>5)</sup>

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 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 side effects and that is not based on medication will provide significant value to the market participants currently investing in the neuromodulation segment.

### Treatment alternatives

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 KOS treatment for migraine. See the table on the next page.

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”

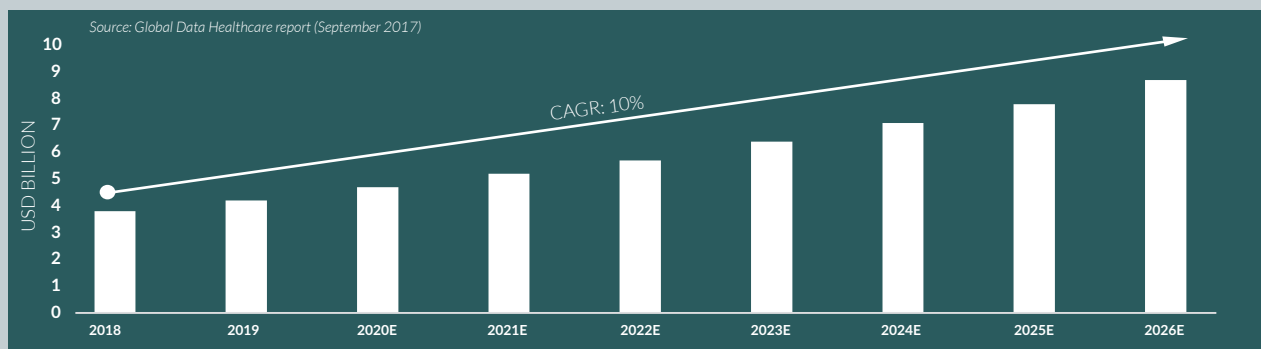
5) Global Data Healthcare report (September 2017)

\*Quality-adjusted life years (QALY) are a measure that make it possible to compare different medical approaches. The idea is based on not only taking into consideration how many extra years each medical approach can give but also the quality of these years. A healthy person is considered to have the value 1, and a dead person the value of 0. One year of good health corresponds to 1 QALY. (WIKIPEDIA)

### A COMPARISON OF DIFFERENT TREATMENT ALTERNATIVES FOR MIGRAINE

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

### GLOBAL MIGRAINE MARKET, MEDICATION, 2018–2026





## RHINITIS MARKET

Chronic nasal congestion (rhinitis) is a condition that a person can have despite not having a cold, an allergy or an infection. It is sometimes called non-allergic rhinitis and affects approximately 200 million people throughout the world<sup>6)</sup>. Of these, approximately half suffer from what is called idiopathic rhinitis, which more or less means rhinitis "without any other explanation."

The problem is considered to be a common complaint that has a negative effect on the quality of life in the form of breathing difficulties, which can contribute to further problems such as a dry mouth, snoring and impaired speech ability.<sup>7)</sup> The symptoms are often mistakenly considered to be signs of a common cold. All in all, this means that millions of people suffer unnecessarily, unaware of their diagnosis and of Chordate's simple and effective treatment that can increase well-being in the long term. At the same time, the costs to society<sup>8)</sup> associated with other types of treatment, reduced work capacity and sick leave could be significantly reduced.

### Market size

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<sup>9)</sup> around the world suffer from non-allergic rhinitis. This further implies that idiopathic rhinitis, which is the one Chordate is targeting, can constitute around half of these.

### Alternative treatments

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

TREATMENT ALTERNATIVES	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 Readily available 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, is 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	The effect wears off after a few years Risk of losing sense of smell Limited number of treatments
KOS	KOS (Kinetic Oscillation Stimulation) is based on neuromodulation that in simple terms is a low-frequency vibrating nose catheter. It has been shown to stimulate the autonomous nervous system. The effect is an improved air passage in the nose with a long-term effect <sup>10)</sup> .	Few unexpected side effects	Treatment must only be performed by a doctor or nurse after a medical examination

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

9) 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

10) Summary of TVRSS mean absolute value from baseline to week 24 — Per Protocol Population from study PRO03/Clinical Investigation Report

## THE MARKET FOR NEUROSTIMULATION

### The market for neurostimulation products<sup>11)</sup>

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 (KOS), to stimulate the nerves in the mucous membranes in the nose. Neurostimulation has the ability to change many people's lives. It provides an alternative 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 around 90 percent of the sales of medical devices for neurostimulation refer to implants. The remainder refer to neurostimulation through external simulators, and it is to this segment that Chordate's products belong. Since Chordate's treatment is used in the nostrils, it is considered to be minimally invasive.

Most neurostimulation treatments target chronic pain, which also applies to Chordate's KOS treatment for migraine. Today, different types of neurostimulation are used for a long list of other symptoms, including impaired hearing, neurological diseases, urinary and gastrointestinal disorders, and mental illness.

Many of the larger medtech and pharma companies are investing heavily in the development of neurostimulation treatment methods, and the research is continuously advancing. Large investments have been made in recent years, and both pharma companies and biotech companies such as Boston Scientific, Abbott, GSK, Medtronic and Alphabet have invested in both basic research and startups in the area.

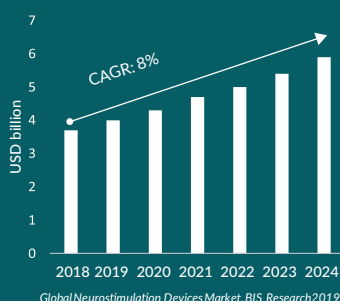
### Market size<sup>12)</sup>

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

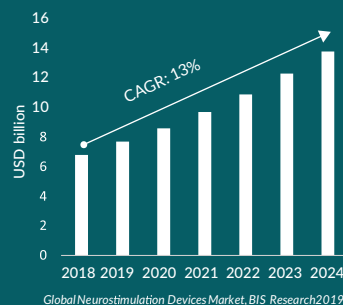
The market for neurostimulation products can be split into different sub-groups, with the following categorization into sub-segments (based on application): chronic pain treatment, audiology, neurological diseases, urinary and gastric disorders, mental illness and other.

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

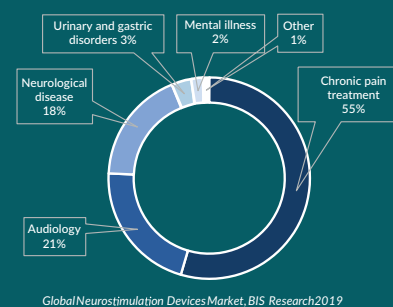
Global market chronic pain relief, 2018–2024



Global market neurostimulation, 2018–2024



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



11) Global Neurostimulation Devices Market, BIS Research 2019  
12) ibid

## THE COMPANY

### Mission statement

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

### Business and revenue model

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

### Products

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

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

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

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

### The share and ownership structure

Chordate Medical Holding AB (publ) is listed on NASDAQ First North Growth Market (ticker: CMH). On December 31, 2022, the total number of issued shares was 157,712,380 (157,312,380).

The Company has one share class. All shares carry equal entitlement to a share of the Company's assets and profits. The share's quota value (share capital divided by the number of shares) is SEK 0.25. The average number of shares during the period January–December 2022 amounted to 157,712,380.

<b>LARGEST SHAREHOLDERS AS AT DECEMBER 31, 2022</b>	<b>12/31 2022</b>	<b>Share of votes &amp; capital</b>
HAWOC Investment AB	17,000,000	10.8%
Isak Brandberg AB and related parties	14,242,456	9.0%
Sifonen AB	12,493,169	7.9%
Tommy Hedberg	7,515,063	4.8%
Försäkringsaktiebolaget Avanza Pension *	7,543,755	4.8%
Henrik Rammer	6,664,798	4.2%
Bevaclean	6,375,000	4.0%
Tiven GmbH with related parties	4,759,798	3.0%
Nordnet Pensionsförsäkring AB*	2,102,558	1.3%
David Nyman	2,000,000	1.3%
Other	77,015,783	48.8%
<b>Total</b>	<b>157,712,380</b>	<b>100.0%</b>

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

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





### Convertibles and warrants

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

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

Warrants - outstanding	Number	Exercise price	Subscription period	Capital infusion	Share capital
<b>Group &amp; Parent Company</b>					
TO Series 2021:1	5,500,000	3.40	Nov 1 - 30, 2025	18,700,000	1,375,000
<b>Total</b>	<b>5,500,000</b>			<b>14,025,000</b>	<b>1,375,000</b>



## FINANCIAL INFORMATION

### Net sales

Net sales October–December 2022 amounted to SEK 20,347 compared to SEK 403,257 during the corresponding period last year. Net sales January–December 2022 amounted to SEK 108,517 compared to SEK 882,046 last year.

### Change in inventories and equipment

The recorded value of inventories on December 31, 2022, was SEK 1,365,885 (1,172,484). An increase of SEK 193,401 compared to one year earlier.

### Profit/loss

Profit/loss after tax for October–December 2022 amounted to SEK -8,078,967 SEK (-7,191,338) for the Group and SEK -6,106,177 (-7,219,599) for the parent company. Consolidated profit/loss includes depreciation/amortization and write-downs of tangible and intangible fixed assets of SEK -613,311 (-613,311). The Parent Company's profit/loss contains an impairment loss on the shares in the subsidiary of SEK 5,000,000 (6,000,000). 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. For FY 2022, consolidated profit/loss was SEK -27,942,965 (21,766,276) with depreciation/amortization and write-downs of tangible and intangible assets of SEK -2,453,243 (1,541,059), and the parent company's profit/loss for FY 2022 was SEK -24,218,196 (22,423,944) with a write-down of shares in subsidiaries of SEK 21,000,000 (20,000,000).

### Cash and bank balances

As at December 31, 2022, consolidated total cash and bank balances amounted to 3,676,015 (28,979,345).

### Group structure

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

### Financing

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

### Earnings per share

Earnings per share during the period January–December amounted to SEK -0.18 (-0.19) calculated on a weighted average of 157,712,380 shares (115,388,044). The number of shares at the end of the period amounted to 157,712,380 shares (157,712,380).

### Organization

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

## RISKS AND UNCERTAINTY FACTORS

### Financial risks

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

The Company has never been profitable. Chordate has a primary goal to grow and expand in the future. This phase is expected to generate costs and can 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. This risks forcing the Company to limit its operations or, ultimately, shut down its operations completely.

The conditions for available financing can have a negative impact on the Company's operations and shareholders' rights. If the Company chooses to raise additional financing by issuing shares or share-related securities, shareholders who choose not to participate will suffer due to dilution effects. Any debt-based financing, if available to the Company, could also contain conditions that risk limiting the Company's flexibility, which could have a significantly negative impact on its

operations, financial position and result. If the Company successfully secures additional financing as needed, however, this could mean that the Company's future actual capital needs will differ from the Board of Director's initial calculations. There is a risk that incorrect estimates of Chordate's future capital needs will have a negative impact on the Company's operations, financial position and earning.

### 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.

### Transactions with related parties

Anders Weilandt, through his own company, is owner, Board Member and Board Chair of Symbiotiq 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 Key-2Compliance 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 12/31/2022

Board of Directors	Shares	Warrants
Henrik Rammer, Chair	6,664,798	0
Tommy Hedberg, (and though related parties)	7,515,063	0
Gunilla Lundmark	0	0
Caroline Lundgren Brandberg, (and through related parties)	7,420,271	0
<b>Senior executives</b>		
Anders Weilandt, CEO	600,000	2,500,000
Jan Hermansson, CSO	268,384	750,000
Jan Lindberg, CTO	29,258	750,000
Niklas Lindecrantz, CFO	106,250	250,000

### Review by auditors

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

### Principles for the preparation of the interim report

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

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

### Forthcoming financial statements for 2023

Annual Report 2022	March 30
Interim Report Q1	May 25
Interim Report Q2	August 31
Interim Report Q3	November 23

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

### For more information, please contact:

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

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

Kista, February 28, 2023

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







## CONDENSED CONSOLIDATED INCOME STATEMENT

	10/1/2022- 12/31/2022	10/1/2021- 12/31/2021	1/1/2022- 12/31/2022	1/1/2021- 12/31/2021
<b>Operating income</b>				
Net turnover	20,347	403,257	108,517	882,046
Work performed by the company for its own use and capitalized	0		0	1,301,184
Other operating income	20,308	6,073	55,437	498,497
	<b>40,655</b>	<b>409,330</b>	<b>163,954</b>	<b>2,681,727</b>
<b>Operating expenses</b>				
Raw materials and consumables	-16,814	-41,391	-74,455	-258,068
Other external expenses	-5,608,693	-4,935,021	-19,833,301	-16,462,688
Personnel expenses	-1,854,821	-1,962,029	-5,669,442	-6,116,812
Depreciation/amortization and write-downs of tangible and intangible assets	-613,311	-613,311	-2,453,243	-1,541,059
Other operating expenses	-24,790	-24,890	-157,632	-44,490
	<b>-8,118,429</b>	<b>-7,576,642</b>	<b>-28,188,073</b>	<b>-24,423,117</b>
<b>Net operating profit/loss</b>	<b>-8,077,774</b>	<b>-7,167,312</b>	<b>-28,024,119</b>	<b>-21,741,390</b>
<b>Profit/loss from financial investments</b>				
Interest expenses and similar items	-1,193	-24,026	81,154	-24,886
	<b>-1,193</b>	<b>-24,026</b>	<b>81,154</b>	<b>-24,886</b>
<b>Net profit/loss after financial items</b>	<b>-8,078,967</b>	<b>-7,191,338</b>	<b>-27,942,965</b>	<b>-21,766,276</b>
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>-8,078,967</b>	<b>-7,191,338</b>	<b>-27,942,965</b>	<b>-21,766,276</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	12/31/2022	12/31/2021
<b>ASSETS</b>		
<b>Fixed assets</b>		
<b>Intangible fixed assets</b>		
Capitalized development expenditure	4,560,923	5,777,169
Patents and trademarks	5,174,934	6,151,810
	<b>9,735,857</b>	<b>11,928,980</b>
<b>Tangible fixed assets</b>		
Equipment, tools, fixtures and fittings	675,448	546,077
	<b>675,448</b>	<b>546,077</b>
<b>Financial fixed assets</b>		
Rent deposits	81,600	81,600
	<b>81,600</b>	<b>81,600</b>
<b>Total fixed assets</b>	<b>10,492,905</b>	<b>12,556,656</b>
<b>Current assets</b>		
<b>Inventories</b>		
Raw materials and consumables	656,475	426,934
Finished goods and goods for resale	709,410	745,550
	<b>1,365,885</b>	<b>1,172,484</b>
<b>Current receivables</b>		
Accounts receivable	20,347	221,425
Other current receivables	1,159,219	830,202
Prepaid expenses and accrued income	1,926,288	301,484
	<b>3,105,854</b>	<b>1,458,129</b>
<b>Cash and cash equivalents</b>	<b>3,676,015</b>	<b>28,979,345</b>
<b>Total current assets</b>	<b>8,147,754</b>	<b>31,609,958</b>
<b>TOTAL ASSETS</b>	<b>18,640,660</b>	<b>44,061,597</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	39,428,095	39,428,095
Other contributed capital	259,144,975	259,079,769
Other capital & net profit/loss for the year	-287,500,314	-259,557,348
	<b>11,072,757</b>	<b>38,950,517</b>
<b>Total equity</b>	<b>11,072,757</b>	<b>38,950,517</b>
<b>Current liabilities</b>		
Accounts payable	3,513,421	2,052,929
Other current liabilities	1,300,690	729,261
Accrued expenses and deferred income	2,753,792	2,328,890
	<b>7,567,903</b>	<b>5,216,098</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>18,640,660</b>	<b>44,061,597</b>



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Other contributed capital	Other capital	Net profit/loss for the year	Total equity
<b>Opening balance as at 1/1/2021</b>	<b>27,201,458</b>	<b>236,229,878</b>	<b>-218,032,194</b>	<b>-19,758,879</b>	<b>25,640,265</b>
<i>Comprehensive profit/loss for January–December 2021</i>					
Net profit/loss for the period	0	0	0	-21,766,276	-21,766,276
<b>Total reported loss for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-21,766,276</b>	<b>-21,766,276</b>
Net profit/loss from previous year	0	0	-19,758,879	19,758,879	0
New share issues	12,226,637	22,849,891	0	0	35,076,528
<b>Closing balance as at 12/31/2021</b>	<b>39,428,095</b>	<b>259,079,769</b>	<b>-237,791,073</b>	<b>-21,766,276</b>	<b>38,950,517</b>
<b>Opening balance as at 1/1/2022</b>	<b>39,428,095</b>	<b>259,079,769</b>	<b>-237,791,073</b>	<b>-21,766,276</b>	<b>38,950,516</b>
<i>Comprehensive profit/loss for January–December 2022</i>					
Net profit/loss for the period	0	0	0	-27,942,965	-27,942,965
<b>Total reported loss for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-27,942,965</b>	<b>-27,942,965</b>
Net profit/loss from previous year	0	0	-21,766,276	21,766,276	0
Ongoing new issue		50,206			50,206
New share issues	0	15,000	0	0	15,000
<b>Closing balance as at 12/31/2022</b>	<b>39,428,095</b>	<b>259,144,975</b>	<b>-259,557,349</b>	<b>-27,942,965</b>	<b>11,072,757</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

	10/1/2022- 12/31/2022	10/1/2021- 12/31/2021	1/1/2022- 12/31/2022	1/1/2021- 12/31/2021
<b>Operating activities</b>				
Net profit/loss after financial items	-8,078,967	-3,719,371	-27,942,965	-21,766,276
Adjustment for non-cash flow items	613,311	309,249	2,453,243	1,541,059
	<b>-7,465,657</b>	<b>-3,410,122</b>	<b>-25,489,722</b>	<b>-20,225,217</b>
<b>Cash flow from change in working capital</b>				
Change in inventories	-215,646	-113,425	-193,401	-442,581
Change in current receivables	-1,418,802	-160,084	-1,647,725	796,149
Change in current liabilities	2,973,334	1,519,752	2,351,805	-464,691
<b>Cash flow from operating activities</b>	<b>-6,126,772</b>	<b>-5,331,784</b>	<b>-24,979,043</b>	<b>-20,336,340</b>
<b>Investing activities:</b>				
Investments in tangible fixed assets	-389,492	0	-389,492	0
Investments in financial fixed assets	0	0	0	0
Investments in intangible fixed assets	0	0	0	-1,301,184
<b>Cash flow from investing activities</b>	<b>-389,492</b>	<b>0</b>	<b>-389,492</b>	<b>-1,301,184</b>
<b>Financing activities:</b>				
Borrowings	0	0	0	7,125,000
Amortization of loans	0	-7,125,000	0	-7,125,000
New share issue	50,206	33,785,934	65,206	35,076,528
<b>Cash flow from financing activities</b>	<b>50,206</b>	<b>26,660,934</b>	<b>65,206</b>	<b>35,076,528</b>
<b>Cash flow for the period</b>	<b>-6,466,058</b>	<b>21,329,150</b>	<b>-25,303,330</b>	<b>13,439,004</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>10,142,073</b>	<b>7,650,195</b>	<b>28,979,345</b>	<b>15,540,341</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>3,676,015</b>	<b>28,979,345</b>	<b>3,676,015</b>	<b>28,979,345</b>

## CONSOLIDATED PLEDGED ASSETS AND CONTINGENT LIABILITIES

	12/31/2022	12/31/2021
Group, TSEK		
Pledged assets	None	None
Contingent liabilities	None	None

## PARENT COMPANY INCOME STATEMENT

	10/1/2022- 12/31/2022	10/1/2021- 12/31/2021	1/1/2022- 12/31/2022	1/1/2021- 12/31/2021
<b>Operating income</b>				
Net turnover	150,000	150,000	600,000	600,000
Other operating income	0	0	0	74,605
	<b>150,000</b>	<b>150,000</b>	<b>600,000</b>	<b>674,605</b>
<b>Operating expenses</b>				
Other external expenses	-731,064	-823,039	-3,292,972	-2,551,991
Personnel expenses	-525,791	-510,729	-525,902	-510,728
	<b>-1,256,855</b>	<b>-1,333,768</b>	<b>-3,818,874</b>	<b>-3,062,719</b>
<b>Net operating profit/loss</b>	<b>-1,106,855</b>	<b>-1,183,768</b>	<b>-3,218,874</b>	<b>-2,388,114</b>
<b>Profit/loss from financial investments</b>				
Profit/loss from participations in group companies	-5,000,000	-6,000,000	-21,000,000	-20,000,000
Interest expenses and similar items	678	-35,831	678	-35,830
	<b>-4,999,322</b>	<b>-6,035,831</b>	<b>-20,999,322</b>	<b>-20,035,830</b>
<b>Net profit/loss after financial items</b>	<b>-6,106,177</b>	<b>-7,219,599</b>	<b>-24,218,196</b>	<b>-22,423,944</b>
<b>Tax for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>-6,106,177</b>	<b>-7,219,599</b>	<b>-24,218,196</b>	<b>-22,423,944</b>



## PARENT COMPANY BALANCE SHEET

	12/31/2022	12/31/2021
<b>ASSETS</b>		
<b>Fixed assets</b>		
<b>Financial fixed assets</b>		
Participations in group companies	52,247,911	52,247,911
	<b>52,247,911</b>	<b>52,247,911</b>
<b>Total fixed assets</b>	<b>52,247,911</b>	<b>52,247,911</b>
<b>Current receivables</b>		
Receivables from group companies	6,412,512	5,662,512
Other current receivables	302,925	147,722
Prepaid expenses and accrued income	1,318,561	97,500
	<b>8,033,998</b>	<b>5,907,734</b>
<b>Cash and cash equivalents</b>	<b>2,131,252</b>	<b>26,966,304</b>
<b>Total current assets</b>	<b>10,165,250</b>	<b>32,874,038</b>
<b>TOTAL ASSETS</b>	<b>62,413,161</b>	<b>85,121,949</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
<b>Restricted equity</b>		
Share capital	39,428,095	39,428,095
	<b>39,428,095</b>	<b>39,428,095</b>
<b>Non-restricted equity</b>		
Share premium reserve	259,144,975	259,079,769
Accumulated profit/loss	-214,822,858	-192,398,914
Net profit/loss for the year	-24,218,196	-22,423,944
	<b>20,103,921</b>	<b>44,256,911</b>
<b>Total equity</b>	<b>59,532,016</b>	<b>83,685,006</b>
<b>Current liabilities</b>		
Accounts payable	940,365	240,755
Other current liabilities	703,750	269,976
Accrued expenses and deferred income	1,237,030	926,212
	<b>2,881,145</b>	<b>1,436,943</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>62,413,161</b>	<b>85,121,949</b>

## PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

	Restricted equity	Non-restricted equity	Non-restricted equity	Non-restricted equity	
	Share capital	Share premium reserve	Accumulated profit/loss	Net profit/loss for the year	Total equity
<b>Opening balance as at 1/1/2021</b>	<b>27,201,458</b>	<b>236,229,877</b>	<b>-173,968,556</b>	<b>-18,430,359</b>	<b>71,032,422</b>
<i>Comprehensive profit/loss for January–December 2021</i>					
Appropriation of profit/loss from previous year	0	0	-18,430,359	18,430,359	0
Net profit/loss for the period	0	0	0	-22,423,944	-22,423,944
New share issues	12,226,637	22,849,891	0	0	35,076,528
<b>Closing balance as at 12/31/2021</b>	<b>39,428,095</b>	<b>259,079,769</b>	<b>-192,398,914</b>	<b>-22,423,944</b>	<b>83,685,006</b>
<b>Opening balance as at 1/1/2022</b>	<b>39,428,095</b>	<b>259,079,769</b>	<b>-192,398,914</b>	<b>-22,423,944</b>	<b>83,685,006</b>
<i>Comprehensive profit/loss for January–December 2022</i>					
Appropriation of profit/loss from previous year	0	0	-22,423,944	22,423,944	0
Net profit/loss for the period	0	0	0	-24,218,196	-24,218,196
Ongoing new issue		50,206			50,206
New share issues	0	15,000	0	0	15,000
<b>Closing balance as at 12/31/2022</b>	<b>39,428,095</b>	<b>259,144,975</b>	<b>-214,822,858</b>	<b>-24,218,196</b>	<b>59,532,016</b>

## PARENT COMPANY CASH FLOW STATEMENT

	10/1/2022- 12/31/2022	10/1/2021- 12/31/2021	1/1/2022- 12/31/2022	1/1/2021- 12/31/2021
<b>Operating activities</b>				
Net profit/loss after financial items	-6,106,177	-7,219,599	-24,218,196	-22,423,944
Adjustment for non-cash flow items	5,000,000	6,000,000	21,000,000	20,000,000
	<b>-1,106,177</b>	<b>-1,219,599</b>	<b>-3,218,196</b>	<b>-2,423,944</b>
<b>Cash flow from change in working capital</b>				
Change in current receivables	-1,624,542	-259,737	-2,126,264	16,476
Change in current liabilities	1,936,209	408,817	1,444,202	-203,916
<b>Cash flow from operating activities</b>	<b>-794,510</b>	<b>-1,070,519</b>	<b>-3,900,258</b>	<b>-2,611,384</b>
<b>Financing activities:</b>				
Shareholder contributions made	-5,000,000	-6,000,000	-21,000,000	-20,000,000
Borrowings		0		7,125,000
Amortization of loans		-7,125,000		-7,125,000
New share issue	50,206	33,785,934	65,206	35,076,528
<b>Cash flow from financing activities</b>	<b>-4,949,794</b>	<b>20,660,934</b>	<b>-20,934,794</b>	<b>15,076,528</b>
<b>Cash flow for the period</b>	<b>-5,744,304</b>	<b>19,590,415</b>	<b>-24,835,052</b>	<b>12,465,144</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>7,875,556</b>	<b>7,375,889</b>	<b>26,966,304</b>	<b>14,501,160</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>2,131,252</b>	<b>26,966,304</b>	<b>2,131,252</b>	<b>26,966,304</b>



