Annual Report 2024

Chordate Medical Holding AB (publ)

Annual Report

CONSOLIDATED ACCOUNTS 2024

CHORDATE MEDICAL

CHORDATE
MEDICAL

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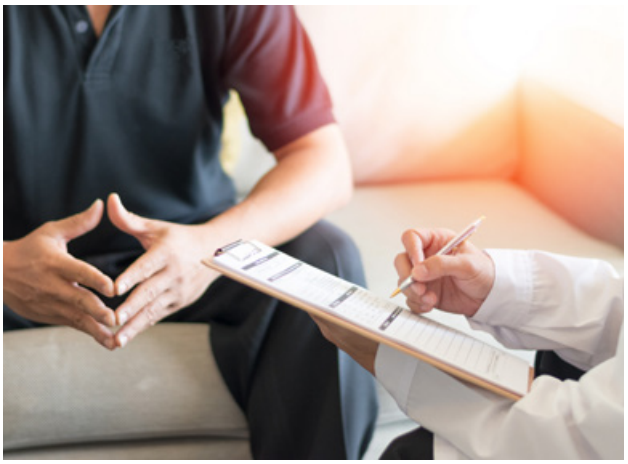
Chordate Medical Holding AB
Färögatan 33 | 164 51 Kista Sweden
Tel: +46 8 400 115 86 | Email: info@chordate.com | www.chordate.com



Chordate in brief

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

Certified Adviser: Vator Securities AB
Email: ca@vatorsec.se
Tel: +46 8 5800 6599

Chordate Medical Holding AB (publ)
CIN 556962-6319

The year in brief

Full year summary for 2024

- Net turnover was SEK 664,687 (976,281)
- Cash flow from operating activities was –24,407,728 (-27,263,296)
- Profit/loss after financial items was –27,253,583 (-29,186,675)
- Profit/loss after tax was –27,253,583 (-29,186,675)
- Earnings per share were SEK -27.96 (-0.13)

MULTI-YEAR REVIEW (SEK THOUSAND)

THE GROUP	2024	2023	2022	2021	2020
Net turnover	665	976	109	882	618
Net operating profit/loss	-27,445	-29,571	-28,024	-21,741	-19,421
Earnings per share	-27.96	-0.13	-0.18	-0.19	-0.32
Intangible fixed assets	7,898	8,313	9,736	11,928	11,909
Equity	9,195	15,087	11,073	38,951	25,640
Balance sheet total	17,530	21,955	18,641	44,062	31,216
Equity/assets ratio,%	52.5	68.7	59.4	88.4	82.1
Number of employees at the end of the financial year	3	3	3	3	3

Parent Company	2024	2023	2022	2021	2020
Net profit/loss for the year	-26,862	-26,647	-24,218	-22,424	-18,430
Balance sheet total	62,933	67,494	62,413	85,122	72,673
Equity	60,586	66,086	59,532	83,685	71,032
Equity/assets ratio (%)	96.3	97.9	95.4	98.3	97.7

Events during the financial year

• During the year, the marketing of Ozilia® migraine and rhinitis treatment continued, and Switzerland was added as a focus market with Neurolite AG the new distributor starting in June. At the same time, the UK market was removed. A clinical test was started at three clinics in Switzerland, and additional rhinitis installations were completed in Italy and Saudi Arabia. In October, the Saudi Food and Drug Authority (SFDA) issued market authorization for the migraine indication. During the same month, the marketing efforts for the migraine indication were introduced in Saudi Arabia.

• In October, the company's Board of Directors decided to initiate the final step in the long-term strategy, thus initiating the process to find an international buyer for the company. For this aim, Partner International GMbH (CH) was appointed to act as advisor of the implementation of the final step of the strategy.

• In March, the prestigious scientific journal *Cephalalgia Reports* published an Italian case report from Campus Bio-Medico in Rome regarding the treatment results for Ozilia® for chronic migraine.
The US magazine Wired wrote an article in October about neuromodulation as an emerging method for treating migraine. The article highlighted Chordate's work to develop the treatment method Ozilia®.

• The two clinical studies PM009 and PM010 began to recruit patients at the end of 2023. In September, satisfactory results were reported from the first data monitoring of the open post-market study of PM010. Recruitment continues in the PM009 study under ongoing data monitoring, which has not yet been reported.

• In February, the Company raised approximately SEK 23 million before issue costs through a rights issue of units that was subscribed to approximately 55 percent. Through the utilization of warrants of series TO 8 in the issue, the Company raised approximately SEK 3.1 million before issue costs in November.

• In April, Lago Kapital was named liquidity provider for trading in the Company's share.

• In August, a consolidation of the Company's shares (reverse split) was carried out, with 500 shares being consolidated into one new share.

• At the end of December, the Company's Board of Directors decided to convene an extraordinary general meeting to propose a rights issue of ordinary shares in units with preference shares as a new share class. The right issue was proposed to entail up to approximately SEK 22.1 million in new capital.

• The agreement regarding the Company's Chinese joint-venture Changyong Medical Technology Co. with Nanos Medical Shanghai automatically ended in December, since product registration in China for chronic rhinitis was not successfully achieved according to the time stipulated in the agreement.

• The European Patent Office granted another patent during the year. The US Patent Office granted the registration of a fourth patent in the USA. The Company now has 79 granted patents in 32 countries, grouped into nine patent families.

• The Japanese registration authority approved the brand Ozilia® in brand classes 9 and 10. The Company has previously had the trademark registered in the EU, China, and the United Kingdom. Active applications are ongoing in the United States and Brazil.

Events after the fiscal year

• In early January 2025, *Neurology* published the scientific article presenting the results from the key clinical study PM007 with Ozilia® treatment of chronic migraine. The strategic goal was thus met to produce evidence of the migraine treatment's clinical effect with very clear statistical significance.

• The right issue proposed by the Board of Directors in December was executed in February. The issue was subscribed to approximately 80 percent and raised the Company approximately SEK 17.7 million before issue costs. The preference share was admitted to trading on First North Growth Market in March 2025.

Market breakthrough and last step toward exit

In 2024, Chordate Medical Holding passed several significant milestones. We had a breakthrough in orders for our migraine treatment in both Germany and Saudi Arabia at the same time as Switzerland became a new focus market, and we also received our first order there. However, the largest event of the year was the initiation of the last step in our exit strategy through the appointment of Partner International Switzerland GmbH as an advisor to find an international buyer.

In January 2025, after the end of the period, the Company achieved yet another significant goal when the scientific article on the PM007 migraine study was published in the scientific journal *Neurology**. The publication confirms that the medical efficacy of the Ozilia treatment is on par with conventional drug-based alternatives for the preventive treatment of chronic migraine. We also conducted a successful rights issue through which the Company received approximately SEK 17.7 million before costs, which will be used in continued work to achieve an exit.

Switzerland new focus market, first order received

In mid-June, Chordate added Switzerland to its focus markets for the Ozilia treatment and signed an agreement with Neurolite AG to be the Company's distributor and regulatory representative in Switzerland and Liechtenstein. At the end of June, a first order was received with a value of approximately SEK 370,000.

We have been noting considerable interest in Ozilia in Switzerland for some time, and we have been engaged in discussions with a number of interested parties. This, combined with Switzerland's comparatively manageable decision-making processes for, among other things, obtaining insurance remuneration, makes Switzerland a very suitable focus market for the Company.

Breakthrough for the migraine treatment in Saudi Arabia and Germany

At the beginning of January, Chordate trained clinic staff and assisted in the initiation of treatment for the first three patients in Germany. At the end of January, we also signed an agreement with a second clinic in Germany. The Company's ambition for the German market is to eventually also establish individual insurance compensation for the treatment. This is a key step for being able to further scale up sales.

Anders Weilandt, CEO

At the end of September, we received the first order for two Ozilia systems for migraine from Saudi Arabia. Several weeks later, the Saudi Food and Drug Authority also approved our application for market authorization for the migraine indication with the product system Ozilia®Migraine.

* *Kinetic Oscillation Stimulation for the Preventive Treatment of Chronic Migraine, Hoffmann et. al., Neurology® 2025;104:e210220. doi:10.1212/WNL.0000000000210220*

Joint-venture agreement in Shanghai terminated

The Company's joint-venture agreement from 2018 with a partner in Shanghai automatically ended in December 2024 since product registration in China was not successfully achieved. Chordate has only contributed information to the partner's registration process and has not invested own funds in the joint-venture company. For Chordate, the project was an explorative attempt to create value on the market based on the Chinese patents that continue to remain in our possession.

Swiss advisor appointed to initiate exit process

In mid-October, the Company announced the Board of Director's resolution to appoint Partner International Switzerland GmbH as an advisor to find an international buyer for the business. This marked the initiation of the final step in the Company's strategy. Partner International is a group with offices in Switzerland, Canada, USA and Australia that over 24 years has built a strong reputation as an advisor in numerous international deals in licensing, partnerships, and corporate sales, focusing on the life sciences sector.

We have made significant progress in establishing clear market validation in our focus markets, and this work will continue at the same rate in parallel to Partner International working to find the best buyer for the business.

Strengthened cash after rights issue

The rights issue conducted in February 2025 was subscribed to approximately 80 percent and raised approximately SEK 17.7 million for the Company before deduction of issue costs. With the improved cash flow, we can now both pursue the ongoing exit process toward the desired outcome and finance the activities and measures we believe are necessary to achieve this. We are very pleased that the Company has continued to receive support from its owners on the way to the exit, and I would like to thank all of our shareholders for this and for the confidence they have shown in us.

Focus in 2025

- Pursue a successful exit process
- Increase the number of installations in the focus markets
- Implement the ongoing clinical studies according to plan

Kista, April 2025
Anders Weilandt, CEO

The Company today

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

Vision

Chordate wants to establish its technology on the international market for neuromodulation, and through marketing and clinical studies create evidence of financial viability so as to generate significant value for patients, customers and shareholders.

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.

Business and revenue model

Chordate's business model is based on direct sales in Sweden and sales via distribution partners in select international markets. The earnings model is based on two components: a system sale and a one-time payment per treatment, including the catheter.

The sale per treatment is 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.

CATHETER
Disposable product

CONTROL UNIT
Checks treatment
Ensures that valid treatment codes are used

HEADBAND
Holder for convenient catheter application

OZILIA® – CHORDATE'S PRODUCT

Since it was founded, Chordate has developed the Ozilia System, which originally was a product for the treatment of rhinitis.

The system consists of a catheter that is connected to a control unit. A balloon is mounted on the catheter, which is placed in the patient's nasal cavity and inflated with air. Using the control unit, a kinetic oscillating stimulation is then generated for ten minutes in each naval cavity. The system has a user-friendly design, and treatment takes about 20 minutes and can be performed by either a doctor or a nurse.

During the initial clinical studies with the Ozilia System for the treatment of rhinitis, some patients who also suffered from migraines noted that the number of migraine episodes and headache days decreased. Chordate thereafter started studies of patients with migraines, and in 2015 a pilot study of migraine patients was completed at four clinics in Sweden and showed promising clinical results. Additional clinical studies were thereafter conducted at the same time as the system was further developed and adapted specifically to the treatment of migraine. Today, Chordate has two product systems, the Ozilia System S120 for rhinitis and S220 for migraine. The systems are basically the same, but the air pressure, amplitude and frequency differ between them. Since 2023, the brand Ozilia® has been used for both systems.

For patients' comfort, and in order to hold the catheter in the proper position throughout the entire treatment, patients wear a fixture on their head. The treatment can be perceived as slightly uncomfortable at the start of the first treatment, but it is basically painless. For the patients who respond to the treatment, full effect is achieved within a few days after the initial treatment period for each indication. In addition to differences in the vibration frequency and air pressure, the treatment regimens for each indication differ.

For rhinitis, there are two initial treatments one month apart followed by annual follow-up treatments. For migraine, there are usually six initial weekly treatments followed by individually adapted follow-up treatments. Overall, a migraine patient requires 3–6 times more Ozilia treatments per year than a rhinitis patient.

Benefits of the Ozilia® treatment

- Medication-free treatment.
- Few unexpected side effects—the treatment takes place locally without the side effect profile usually associated with corresponding drug treatments.
- Possible to repeat as necessary—as no unexpected side effects have been reported, the treatment can be given on several occasions.
- Simple and cost-effective treatment method—since the treatment can be performed by a nurse after a routine medical examination.

STRATEGY

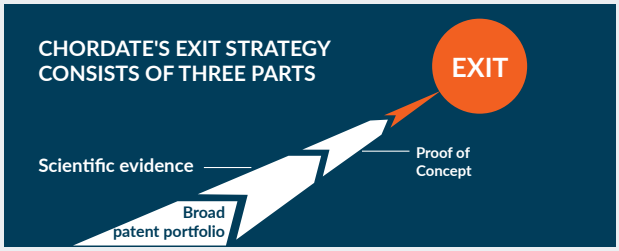
Chordate makes the assessment that there is a significant commercial potential for Ozilia within preventive treatment of migraine since it is a medication-free treatment with limited and passing side effects. Furthermore, migraine is a commonly occurring illness where there is a need for additional treatment methods that can supplement existing methods that in many cases only work for a small percentage of the patients or where the effect wears off over time.

Chordate has initiated the commercialization of Ozilia within migraine, and today the system is used in a limited number of clinics in Sweden, Germany, Italy, Saudi Arabia, and Switzerland. The Company makes the assessment that there is a clear interest in Ozilia and thus good opportunities for a wider launch of the product in Europe and on other international markets. As a company, Chordate has limited resources, and wider commercialization requires a larger organization and an increased international presence, which in turn requires access to financing. This is challenging given the current conditions on the stock market, the Company's market value, and the ownership profile.

The commercialization of Ozilia is most suitable for a larger company with established products and market channels. Chordate makes the assessment that there is a clear trend within the medtech industry where larger companies focus on marketing and sales and to a lesser extent dedicate resources to product development. This decrease in investment in product development has resulted in many companies in the industry relying on acquisitions of smaller companies to gain access to new products and strengthen their growth conditions. This trend has been described over the years in a series of industry analyses, e.g., from Deloitte[1].

As a product, Ozilia is fully developed, has regulatory approval and is at the start of its commercial validation, which leads Chordate to make the assessment that the product should an attractive opportunity for larger actors with business within migraine, neurostimulation or related areas. As a result, Chordate is pursuing a strategy with a focus on selling Ozilia and related activities to a larger actor.

It has been Chordate's goal for a long time to sell Ozilia. During the second half of 2024, the Company made the assessment that Ozilia had achieved sufficient maturity to initiate an active sale process, and in October 2024, Partner International Switzerland GmbH was retained to find an international buyer for the business.



[1] *https://www2.deloitte.com/content/dam/Deloitte/us/Documents/life-sciences-health- care/us-lshc-medtech-innovation.pdf*

MARKET OVERVIEW

Migraine market

Migraine is a neurological illness which, according to the WHO, is the third most common and seventh most disabling health condition in the world.[2] 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.[3] A distinction is normally drawn between episodic migraine, which occurs occasionally, and chronic migraine. Individuals who experience headaches more than fifteen days a month, and migraines more than eight of these days, are defined as chronic migraine patients.[4] The scientific literature estimates that between 1–2 percent of the world's population suffer from chronic migraine.[7]

Migraine across the world

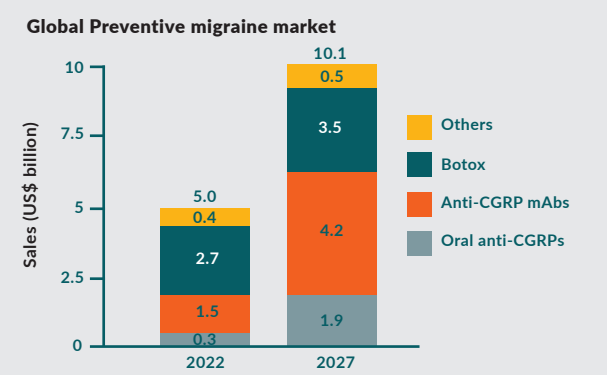
The under-diagnosis of migraine patients is significant as it is estimated that approximately 50 per cent of episodic migraine and 60 per cent of chronic migraine are not correctly diagnosed.[5]

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

Social cost of migraines

It is estimated that Europe is losing around 400,000 days from work or school 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.[6]

Market size



Chronic migraine is primarily treated with medication but also with Botox injections. Medication for migraines is broken down into acute use during a migraine episode and preventive medication that has a longer effect and long-term decrease in difficulty levels from headache and migraine episodes.

Global Botox sales in 2022 totaled USD 2.7 billion and are expected to increase to USD 3.5 billion in 2027. The same compilation states that the total global net sales for preventive migraine medication is estimated to be USD 5 billion in 2022 and is expected to grow to USD 10.1 billion in 2027.[7]

Botox treatment and the global net sales are directly comparable with Ozilia's potential since the treatments are performed at a clinic, take approximately 30 minutes, and need to be repeated on average once a quarter. The major advantages for Ozilia are that it has a much better side-effect profile, costs less, and eliminates the need for more than 30 injections to the face and head.

Chordate makes the assessment that an effective preventive migraine treatment with few unexpected side effects and that is not based on medication should have significant value in the segment.

[2] *Steiner TJ et al. Migraine: The Seventh Disabler, Journal of Headache and Pain: January 14, 2013.*
[3] *Katsarava, Zaza et al. "Defining the differences between episodic migraine and chronic migraine." Current pain and headache reports vol. 16,1 (2012): 86–92. doi:10.1007/s11916-011-0233-z.*
[4] *https://viss.nu/kunskapsstod/vardprogram/migran-hos-vuxna.*
[7] *Burch RC, Buse DC, Lipton RB. Migraine: Epidemiology, Burden, and Comorbidity. Neurol Clin. 2019 Nov;37(4):631–649. doi: 10.1016/j.ncl.2019.06.001. Epub 2019 Aug 27. PMID: 31563224.*
[5] *Khan, S. Schoenen, J. Ashina, M, Caphalalgia 2015, Vol.34(5) 382–91.*
[6] *Value of Treatment 2017, European Brain Council (EBC) "The Economic Cost of Brain Disorders in EU".*
[7] *Chaudhari, Kritika, Syed, Basharut A, "The pipeline and market for migraine drugs. Nature Reviews Drug Discovery, vol. 23, (2024) 246-247. doi: 10.1038/d41573-023-00182-x*

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 Ozilia treatment 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 use Acute 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 (over the counter) or Orudis (prescription).	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 amounts in some markets to around USD 6,000–7,000 per year.	Used as preventive treatment	Expensive Skin reaction at injection location
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. The treatment normally takes approximately half an hour and is performed every three months. The price of treatment amounts in some markets to approximately USD 3,000. According to public reporting, global net sales of Botox for migraine treatment amounted to USD 2.7 billion in 2022.	Used as preventive treatment	Expensive. Treatment must only be performed by specialist doctors
Ozilia®	Chordate is the sole provider of Ozilia treatment for migraine through Ozilia® Migraine. The action mechanism for the treatment is to influence the autonomous nervous system by stimulating nerve cells in the nostril.	Few unexpected side effects Used as preventive treatment Cost-effective	Treatment may only be performed by a doctor or nurse after a medical examination

Source: The Company

RHINITIS MARKET

Chronic nasal congestion (rhinitis) is a condition where a person can exhibit cold symptoms despite not having a cold, an allergy or an infection. Rhinitis 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.[8)]

The condition is called, among other things, non-allergic rhinitis. The prevalence of non-allergic rhinitis, and thus also the size of the market, 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.[9] 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.

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 associated with other types of treatment, reduced work capacity and sick leave could be significantly reduced.[10]

Treatment alternatives

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 a neuromodulating treatment like Ozilia for rhinitis.

Treatment alternatives	Description	Advantages	Disadvantages
Mucosal decongestant nose sprays	Often the first treatment rhinitis patients use. Contains cortisone, which can reduce the swelling in the mucous membrane and a runny nose.	Fast reduction in symptoms in the short term Readily available	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 Few 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®	Kinetic oscillation stimulation is based on neuromodulation that in simple terms is a low-frequency vibrating nose catheter. It has been shown to stimulate the autonomous nervous system. The effect is an improved air passage in the nose with a long-term effect.	Few unexpected side effects	Treatment may only be performed by a doctor or nurse after a medical examination

Source: The Company

[8] *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.*
[9] *Nationalencyklopedin, Malmquist. J. Isacsson. S-O, Folksjukdomar.*
[10] *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.*


More days
to *life*™

Board of Directors

According to Chordate's articles of association, the Board shall consist of a minimum of three (3) and a maximum of seven (7) members of the Board with a maximum of two (2) alternate members of the Board. The Board currently consists of five (5) members with no alternate members. All members of the Board are elected for the period until the end of the next Annual General Meeting. The next Annual General Meeting is scheduled for Wednesday, May 21, 2025.

The following is a list of the Company's Board members, senior officers and other senior executives, with information about their date of birth, position, education, experience, current roles in other companies and shareholdings in the Company. However, roles within the Company's Group are not specified. Shareholdings in the Company refer to their own and the holdings of related natural and legal persons in the Company. The Board is based in Stockholm Municipality.

Name	Position	Date of birth	Elected	Holdings in the Company as at 12/31/2024	Independent vis-à-vis the Company	Independent vis-à-vis senior executives	Independent vis-à-vis major shareholders
Otto Skolling	Chair of the Board of Directors	1961	2023	0 shares and 350,000 warrants	Yes	Yes	Yes
Tommy Hedberg (and through related parties)	Board member	1955	2014	100,999 shares and 225,000 warrants	Yes	Yes	Yes
Henrik Rammer	Board member	1974	2014	13,300 shares and 350,000 warrants	Yes	Yes	Yes
Gunilla Lundmark	Board member	1963	2017	0 shares and 350,000 warrants	Yes	Yes	Yes
Caroline Lundgren Brandberg (and through related parties)	Board member	1979	2021	99,670 shares and 225,000 warrants	Yes	Yes	Yes

Otto Skolling

Born 1961. Chair of the Board of Directors since 2024.

• Education & experience: A Master's degree in Chemical Engineering from the Swedish Royal Institute of Technology KTH in Stockholm. Otto Skolling has more than 30 years of experience in product development, business development and project management in the pharmaceutical and medical technology industry and has previously held management positions at, among others, Novozymes, Siemens Life Support Systems and Pharmacia & Upjohn. Otto has also been the chair of the Board of Volusense AS and a board member of Asarina Pharma AB, Bactaviva AB, Nanexa AB and Athera Biotechnologies AB.

• Other current roles: Otto Skolling is currently Chief Business Officer at Asarina Pharma AB and a Board member of Isles of Wines AB, Respinor AB (publ), Lipidor AB and Pharmor AB. He is also business development responsible for Nanexa AB and Dilafor AB.

• **Holdings: No shares in the Company and 350,000 warrants of series 2023/2025:2.**

Henrik Rammer

Born 1974. Board member since 2014.

• BSc from the London School of Economics. Henrik has many years of experience in private equity and has worked at Axcel Management AB from 2008 to 2013 and at Triton Advisers (Sweden) AB from 2002 to 2007. Today, Henrik works as a private investor in a number of other companies.

• Member of MYoroface AB, SnowSail Invest AB, Rammer Holding AB, RRMC AB, RRM Nordic Financial Services Acquistion AB, Domeject AB, chair of the Board of Homekey AB and RRM Sponsor AB and alternate member of Gunnbjorn AB.

• **Holdings: 13,300 shares in the Company and 350,000 warrants of series 2023/2025:2.**

Tommy Hedberg

Born 1955. Board member since 2014.

• Chemical Engineering degree course followed by a tertiary education in economics. Tommy was CEO of Atos Medical from 1998 to 2014 and a member of its Board of Directors from 2014 to 2016. Prior to this he also worked with sales and marketing at Atos Medical, where he started in 1990. Before Tommy started working at Atos Medical, he worked with sales and marketing at Medscand AB and Janssen Pharma AB. Tommy has previously been a Board member of Carponovum AB, M-V Arterica AB, and Cross Technology Solutions AB.

• Other current roles: Tommy currently has a number of other Board assignments in the life sciences sector. Tommy is a member and chair of the Board of Directors of C LindheXtend Aktiebolag. Tommy is also a member of Avidicare Holding AB, Askis AB and Neola Medical AB.

• **Holdings: 100,999 shares in the Company and 225,000 warrants of series 2023/2025:2.**

Gunilla Lundmark

Born 1963. Board member since 2017.

• Education & experience: Medical BSc and Executive MBA from Uppsala University. Gunilla is currently the CEO of Uppsala Universitet Invest AB. She has held leading positions in the life science sector for more than 25 years. Most recently, Gunilla was CEO of Pharmanest AB, where she led development from concept phase to commercialization. Prior to that, Gunilla was Deputy CEO of Q-Med AB. Gunilla was also a member of Linnéa Capital I AB, Strike Pharma AB, Uppsala-Gruppen Utbildning & Organisation Aktiebolag, Addbio AB and CombiGene AB and an alternate Board member of Chaine AB.

• Gunilla is a member of IPF – Institutet för Personal- och Företagsutveckling Aktiebolag, Uppsala University Projekt Aktiebolag, Uppsala Innovation Centre AB, Lipidor AB, Uppsala Universitet Research Intellectual Property AB and SampleFacts AB, and she is an alternate Board member of Uppsala-Gruppen Utbildning & Organisation Aktiebolag.

• Holdings: No shares in the Company and 350,000 warrants of series 2023/2025:2.

Caroline Lundgren Brandberg

Born 1979. Board member since 2021.

• MSc in Engineering Physics with an MSc from Uppsala University and an Executive MBA from Stockholm University. Caroline is a certified Board Member, Styrelseakademien. Caroline is currently Senior Sales Specialist Sustainability at the software technology company Stratsys, and has previously worked at Ericsson, among others, in various leading roles with a focus on sales and marketing. Caroline has previously been a Board Member of Viddget Holding AB. She also has a number of different directorships and advisory board roles, including at Stockholm University.

• Caroline is an alternate Board member of Just Management Euroclear Sweden AB

• Holdings: 99,670 shares in the Company (own holdings and through related parties) and 225,000 warrants of series 2023/2025:2.

SENIOR OFFICERS

Name	Position	Date of birth	Employed/ consultant since	Holding as at 12/31/2024
Anders Weilandt	CEO	1961	2017	18,000 shares and 4,500,000 warrants
Niklas Lindecrantz	CFO	1968	2017	1,463 shares and 500,000 warrants
Jan Hermansson	CSO & Medical Director	1956	2012	6,600 shares and 1,500,000 warrants
Jan Lindberg	CTO	1956	2012	397 shares and 1,500,000 warrants
Linda Lindberg	Director Q/A & Regulatory	1974	2023	0 shares and 0 warrants
Fredrik Lindgren	Process owner Catheter	1980	2021	0 shares and 250,000 warrants

Anders Weilandt

Born 1961. CEO since 2017 (and a Board member from 2014 to 2021).
• Medical electronics engineer. Executive MBA from the Copenhagen Business School. Between February 2011 and December 2016, Anders was CEO of Diabetes Tools Sweden AB. Prior to that, Anders was a Board member of Stille AB (publ) from 2004 to 2006, and then CEO from 2006 to 2009. During the period 2000–2006, Anders was CEO of Ascendia MedTech AB, and he has also been chair of the Board of Symbioteq AB with subsidiaries and a member of Neola Medical AB (publ).
• Other current roles: Including chair of the Board of Ascendia AB with subsidiaries and Isifer AB. Member of Amix Holding AB and Amix AB.

• Holdings: : 18,000 shares in the Company, 2,500,000 warrants of series 2021:1 and 2,000,000 warrants of series 2023/2025:1.

Niklas Lindecrantz

Born 1968. CFO since 2017.
• MSc in Finance from Stockholm University. Niklas is CFO for the Group since 2017. Niklas is and has held senior positions in a number of companies, primarily as CFO and finance manager.
• Other current roles: Founder and chair of the Board of Lati2d Consulting AB, Board Member of i L-z Consulting AB and Lzinvest AB, and alternate Board member of Hakeem Consulting AB. Part-time CFO, ETN AB with subsidiaries.

• Holdings: 1,463 shares in the Company, 250,000 warrants of series 2021:1, and 250,000 warrants of series 2023/2025:1.

Jan Hermansson

Born 1956. Clinical Research and Medical Director since 2012.
• Education & experience: Degree from the School of Dentistry, Karolinska Institute in Stockholm. Jan Hermansson is a dentist and has had a successful career with over 25 years' experience in the pharmaceutical industry. He has been Head of Division and held other senior positions at AstraZeneca AB between 2001 and 2010. From 1998 to 2001, Jan was Therapeutic Area Vice President at Pharmacia & Upjohn. From 1983 to 1998, he held a number of senior positions at Astra AB. Jan Hermansson also taught at the Dentistry College in Huddinge from 1981 to 1983.
• Other current roles: -

• Holdings: 6,600 shares in the Company, 750,000 warrants of series 2021:1 and 750,000 warrants of series 2023/2025:1.

Jan Lindberg

Born 1956. CTO since 2012.
• Education & experience: Engineering at the Swedish Royal Institute of Technology KTH in Stockholm. Jan Lindberg has a long and successful career in the medical technology sector. He held a number of senior positions at St. Jude Medical from 1988 to 2012, including as Head of Hardware Development and Group Head of Electronics Development. Prior to this he was a developer at Electrolux between 1985 and 1988 and at RIFA AB between 1981 and 1985. While studying he ran his own company from 1977 to 1981.
• Other current roles: -

• Holdings: 397 shares in the Company, 750,000 warrants of series 2021:1, and 750,000 warrants of series 2023/2025:1.

Linda Lindberg

Born 1974. Director of Quality Assurance & Regulatory Affairs sedan 2023.
• Education & experience: Linda Lindberg holds a Master of Science in Pharmaceutical Sciences from Uppsala University and a PhD in Cell and Molecular Biology from Karolinska Institutet. Linda Lindberg has extensive experience in product development in medtech and pharma, previously holding assignments with, among others, Sedana Medical AB, Astra Zeneca, GE Healthcare and Cepheid.
• Other current roles: -

• Holdings: No shares in the Company and no warrants.

Fredrik Lindgren

Born 1980. Process owner, Catheter sedan 2021.
• Fredrik Lindgren is a mechanical engineer with a focus on product development and development of production lines. He has worked as a consultant since 2010 with a focus on the medical technology industry and held longer assignment at, among others, AstraZeneca and Masimo Sweden AB. He was previously also active in sales and development for the Swedish manufacturing industry.
• Other current roles: Board member and CEO of InFront Medtech AB.

• Holdings: No shares in the Company, 250,000 warrants of series 2021:1, and 250,000 warrants of series 2023/2025:1.

The Board of Directors and the CEO of Chordate Medical Holding AB (publ) CIN 556962-6319 issue the following annual report and consolidated financial statements for the 2024 financial year.

The annual report has been prepared in Swedish kronor, SEK. Unless otherwise stated, all amounts are reported rounded up to the nearest krona (SEK). Figures in parentheses refer to the preceding year.

Management Report

Information about the business

Business activities

Chordate is a medical technology company that has developed, patented and CE-marked a product system for neurostimulation treatment for the indications chronic migraine and chronic nasal congestion (rhinitis). The treatment, which is based on the product system Ozilia System S120 and S220, is sold under the brand name Ozilia®. A treatment takes about 20 minutes and can be performed by either a doctor or a nurse. In May 2021, the Company received CE marking for the chronic migraine indication.

Vision

Chordate wants to establish its technology on the international market for neuromodulation, and through marketing and clinical studies create evidence of financial viability so as to generate significant value for patients, customers and shareholders.

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.

Business and revenue model

Chordate's business model is based on direct sales in Sweden and sales via distribution partners in select international markets. The earnings model is based on two components: a system sale and a one-time payment per treatment, including the catheter.

The sale per treatment is 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.

Company background

Through its wholly owned subsidiary, Chordate has conducted product development and business since 2005. The operative subsidiary Chordate Medical AB ("the Subsidiary") was formed on June 29, 2005, and on May 1, 2015, became a subsidiary of the Company; prior to this it was a subsidiary of Chordate Medical AG.

The operative subsidiary's name was originally Rhinomed AB, which was changed in January 2013 to Chordate Medical AB.

Chordate Medical Holding AB (publ) was founded in February 2014. Shortly thereafter, Chordate Medical AG (liquidated in December 2015) was acquired via a non-cash issue with shares in Chordate, upon which Chordate Medical Holding AB (publ) became the parent company in the group.

Products

The Company's product range is based on the CE-marked treatment units Ozilia 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 Sweden 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.

Significant events during the financial year

Due to the achievement of the strategic goals in establishing scientific evidence and the work with proof of concept in the focus markets, the Board of Directors decided to initiate the last strategic step toward finding an international buyer for the business. In October, the Company appointed Partner International GMbH (CH) to carry out this assignment.

With support from the very positive outcome of the PM007 study, the Company could initiate market development in its selected focus markets in the EU and the Middle East. Switzerland could be added through a distribution agreement with Neurolite AG at the same time as the UK was removed as a focus market. Through product registration of the migraine indication in Saudi Arabia in October, the introduction of Ozilia® migraine could be started on the market. This work continued by also opening Finland as a focus market based on the Finnish study clinics in PM007.

The European Patent Office granted the Company's patent application EP 20163024.1 from 2020. The US Patent Office granted the registration of the patent application US 17/942,912 from 2022, a fourth patent in the USA. The Company now has 79 granted patents in 32 countries, grouped into nine patent families.

The Japanese registration authority approved the brand Ozilia® in brand classes 9 and 10. The Company has previously had the trademark registered in the EU, China, and the United Kingdom. Active applications are ongoing in the United States and Brazil.

In February, the Company raised approximately SEK 23 million before issue costs through a rights issue of units that was subscribed to approximately 55 percent. Through the utilization of warrants of series TO 8 in the issue, the Company raised approximately SEK 3.1 million before issue costs in November.

To finance the continued strategic exit plan, the Company's Board of Directors decided at the end of December to convene an extraordinary general meeting to propose a rights issue consisting of ordinary shares in units with preference shares as a new share class.

Significant events after the end of the financial year

In early January 2025, ***Neurology*** published the scientific article presenting the results from the key clinical study PM007 with Ozilia® treatment of chronic migraine. The strategic goal was thus met to produce evidence of the migraine treatment's clinical effect with very clear statistical significance.

In February 2025, the Company raised approximately SEK 17.7 million before issue costs through the rights issue of units that was proposed by the Board of Directors in December. The right issue was subscribed to approximately 80 percent. The preference share was admitted to trading on First North Growth Market in March 2025.

Future development

Since the results from the PM007 study on preventive treatment of chronic migraine have now been published in the prestigious scientific journal *Neurology* in January 2025, the study's results form a foundation for the Company's marketing and work toward an exit, which will also continue in 2025.

The work to establish clear results from the market ambitions in the focus markets continues. The Company makes the assessment that it is probable that additional breakthroughs will be recorded in 2025. The Company may eventually open in additional selected markets, primarily with regard to the migraine indication.

The current primary focus on finding an international buyer for the business continues with the ambition of realizing such a transaction within the planning horizon.

Financing

With the contribution of SEK 17.7 million before expenses from the new issue, which was completed in February 2025, the Board of Directors deems there to be cash to adequately finance the current strategic plan for more than twelve months. For a more detailed description of the Financing aspect, see the FINANCIAL RISK section under **RISKS RELATED TO BUSINESS ACTIVITY AND INDUSTRY.**

Organization

The Company has 3 employees (3) as at December 31, 2024, and the average number of employees during the year was 2 (3). The Company's employees are its President/CEO, CTO and CSO. As at the end of December the CFO is a consultant.

The duties of the Board of Directors

The Board of Chordate has had 21 minuted meetings over the 2024 financial year. Issues addressed have been strategy, marketing, financing, annual and interim reports, information and communication. In addition to minuted meetings, the Chair of the Board and other Members of the Board have had continuous contact with the Company's CEO. The Board receives regular reports on the Company's financial position in accordance with special reporting instructions.

Corporate governance

Chordate is a Swedish public limited company. Corporate governance in the Company is based on Swedish law, including the Swedish Companies Act and the Annual Accounts Act, Nasdaq First North's regulations and internal rules and regulations. The Swedish Code of Corporate Governance ("the Code") applies to Swedish limited companies the shares of which are listed on a regulated market in Sweden, currently Nasdaq Stockholm and NGM Equity. Chordate is thus not covered by the Code. The Board has chosen not to apply the Code at present. The Company's shares are traded on First North, which is why the Company complies with First North's regulations and other such rules that apply to shares that are traded on First North.

The Company has its registered office in Stockholm

LARGEST SHAREHOLDERS AS AT DECEMBER 31, 2024	12/31/2024	Share of votes & capital
Sifonen AB	156,711	14.1%
HAWOC Investment AB	106,100	9.6%
Tommy Hedberg	100,999	9.1%
Isac Brandberg AB and related parties	99,670	9.0%
Bevaclean	46,538	4.2%
David Nyman	26,400	2.4%
Carsten Johansen	24,000	2.2%
Nordnet Pensionsförsäkring AB *	21,747	2.0%
Anders Weilandt	14,600	1.3%
Conny Holmström	13,330	1.2%
Other	498,381	45.0%
Total	**1,108,476**	**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 Choredate is aware of. If these holdings qualify among the top ten, they are included in the list.

The share and share capital

According to the Articles of Association and as resolved at the General Meeting on January 28, 2025, the share capital in Chordate shall be a minimum of SEK 6,000,000 and a maximum of SEK 24,000,000. The number of shares shall be a minimum of 2,000,000 and a maximum of 8,000,000. Registered share capital on the balance sheet date was SEK 11,084,760 divided into 1,108,476 shares with a quota value of SEK 10.0. The shares have been issued in accordance with the Swedish Companies Act and are issued in Swedish kronor. The Company has issued shares in two classes: ordinary shares and preference shares. All issued shares are fully paid up and freely transferable. After the issues registered on March 6, 2025, the number of shares amounts to 4,290,764, of which 2,699,620 are ordinary shares and 1,591,144 are preference shares, and the share capital amounts to SEK 17,163,056 with a quota value of SEK 4.0.

Chordate is connected to Euroclear's account-based securities system. All rights attaching to the share are assigned to the individual registered in the share register kept by Euroclear Sweden AB. The account operator is Euroclear Sweden AB. At a general meeting, each ordinary share is entitled to one (1) vote. Each preference share is entitled to one-tenth (1/10) of a vote. Shareholders normally have a preferential right to subscribe to new shares, warrants and convertible debt instruments in accordance with the Swedish Companies Act, unless the general meeting or the Board, with the authority of the general meeting, decides on an exception to the preferential rights of the shareholders.

All ordinary shares carry equal entitlement to a share of the Company's assets and profits. In the event of the liquidation of the Company, holders of ordinary shares are entitled to a share of the surplus in relation to the number of shares held by the shareholder. The preference share is subject to a redemption clause and entails in the event of (i) the Company's divestment of more than half of the shares in the wholly owned subsidiary Chordate Medical AB, CIN 556682-5062 ("the Operating Company"), (ii) the Company's or the Operating Company's divestment of the entire operations and assets and liabilities in the Operating Company, (iii) a bona fide offer for the Company (including the Operating Company) of which the Company becomes aware, or (iv) liquidation of the Operating Company or the Operating Company's bankruptcy (each such event a "Preference Dividend Event") entitlement to a distribution of a maximum of SEK 12 ("Preference Amount") per preference share with precedence over the ordinary shares. Otherwise, the preference shares are not entitled to any dividend or share of distribution.

Following a Preference Dividend Event, the Board of Directors can also decide on the redemption of preference shares instead of conducting a dividend. Furthermore, it will not be possible to pay dividends on ordinary shares until the Preference Amount has been paid in full to the holders of preference shares regardless of whether a Preference Dividend Event occurred or not. There is a risk that a Preference Dividend Event will not occur or that the Board of Directors will

not decide on redemption of preference shares and, as a result, there will be no dividends for holders of preference shares or ordinary shares. No public takeover bid has been submitted for the shares during the current or previous financial years. The rights, that according to the Articles of Association, are associated with the shares can only be changed in accordance with the provisions of the Swedish Companies Act.

Issue authorization and decision

The General Meeting of the Company held on May 15, 2024, resolved to authorize the Board of Directors to, on one or more occasions, during the period up to the next Annual General Meeting, with or without preferential rights for shareholders, decide on a new share issue, issue of convertible bonds, and warrants. It must be possible to make the issue decision for cash payment and/or with a provision for in kind or set-off payment or that subscription must be possible under other conditions. The terms of the issue shall be on market terms and the issue of shares, warrants and/or convertible bonds must be possible up to a volume corresponding to a total of at the most one-third (1/3) of the outstanding shares in the Company at any time.

Furthermore, the General Meeting on May 15, 2024, resolved to carry out a new issue of a maximum of 2,023,635 shares. The right to subscribe to shares was assigned to Vator Securities AB in deviation of the shareholders' preferential right. The reason for the deviation was to ensure that the total number of shares in the company was evenly divisible by five hundred (500) prior to the 1:500 consolidation of shares resolved by the general meeting. The shareholders whose holdings were not evenly divisible by five hundred (500) were offered at no cost a number of shares such that their holdings after the addition became evenly divisible by five hundred (500), so-called rounding upward.

The Extraordinary General Meeting held on January 28, 2025, resolved to conduct a new issue of at the most 1,847,460 units, which each unit consists of one ordinary share and one preference share.

Dividend

Dividends are determined by the Annual General Meeting following a proposal from the Board. The right to a dividend accrues to the individual registered in the share register kept by Euroclear on the record date determined by the General Meeting. All of the Company's shares are entitled to a dividend and there are no special restrictions for shareholders resident outside Sweden to receive dividends. Dividends are managed by Euroclear or, for nominee-registered holdings, in accordance with the procedures of the relevant nominee. If a shareholder cannot be reached through Euroclear, the shareholder retains their claim on the Company in respect of the amount of dividend, subject to a regulated limitation period. Upon the expiry of the limitation period, the full dividend amount accrues to the Company. Up to now the Company has not paid any dividend. There are also no guarantees that for any year a dividend will be proposed or determined for the Company. Chordate has not adopted any dividend policy.

Central securities repository

The shares in the Company are registered in a central securities register in accordance with the Financial Instruments Accounts Act (1998:1479). This register is maintained by Euroclear Sweden AB, Box 191, 101 23 Stockholm. No share certificates have been issued for the Company's shares. The ISIN code is SE0009495559 for Chordate's ordinary share and SE0023848619 for the preference share.

Share-based incentive program

On October 5, 2021, the Extraordinary General Meeting of the Company resolved to establish a long-term incentive program through its resolution regarding a directed share issue of a maximum of 5,500,000 warrants, series 2021:1 ("LTIP 2021"), which would entail an increase of the share capital of at most SEK 1,375,000 assuming full subscription. Each warrant is entitled to the subscription of one new share in the Company. The reason for not applying preferential shareholder rights is to introduce an incentive program through which current and future employees and consultants of the Company shall be able to become long-term owners, benefiting from and advocating for a positive value development in the Company's share over the period covered by the proposed program, and that the Company shall be able to retain and recruit competent and engaged staff.

Subscription of shares when exercising the warrants under LTIP 2021 can take place during the period November 1, 2025, through November 30, 2025. The exercise price per share is SEK 3.40 per share calculated before the issue in January, after which the exercise price is recalculated to SEK 3.134 per share and each option gives the right to subscribe for 1.085 shares. After the new issue in February 2024, the exercise price was recalculated to SEK 2.49 and the right to subscribe for 1.261 shares.

The Annual General Meeting held on May 11, 2023, resolved to conduct a new issue of 4,000,000 warrants of the series 2023/25:1 and 1,500,000 warrants of the series 2023/25:2. Subscription of shares when exercising the warrants under series 2023/25:1 and 2023/25:2 can take place during the period November 1, 2025, through November 30, 2025. The exercise price per share is SEK 0.68 per share calculated before the issue in February 2024, after which the exercise price is recalculated to SEK 0.25 per share and each option gives the right to subscribe to 2.685 shares. Beyond that, as at the date of this annual report, there are no other share-related incentive programs issued by the Company. Based on the existing number of shares and votes in the Company, LTIP 2021, series 2023/25:1 and 2023/25:2 together, when exercising all 11,000,000 warrants, entail a dilution corresponding to approximately 4.4 percent of the total number of outstanding shares and votes in the Company, subject to the recalculation of the number of shares that each warrant is entitled to subscribe to, and which may occur as a result of certain issues, etc. Comprehensive terms and conditions for the warrants are found on the Company's website.

RISKS RELATED TO BUSINESS ACTIVITY AND INDUSTRY

To some extent Chordate is dependent on the treatment being subsidized by public and private healthcare compensation systems in different countries. The absence of any such subsidy may adversely affect the future income of the Company

Chordate's future income is to some extent dependent on its products being subsidized via public and private healthcare compensation systems. Chordate's future revenue therefore could be affected by the design of such public and private healthcare compensation systems in different countries. The Company actively evaluates markets based on whether the Company's products can be expected to receive a subsidy. However, there is always a risk that the Company's products and its clinical evidence will not meet the requirements on subsidies via public and private healthcare compensation systems in different countries, which may result in lower or no subsidies for the Company's products. The rules for subsidies via public and private healthcare compensation systems can look different in different countries, and different requirements may be imposed on the Company's studies and products in order for them to be eligible for subsidies. For example, some countries may request more than one study as a basis for granting subsidies. Furthermore, there is a risk that an application for subsidy will be delayed due to reviewing authorities or insurance companies having different ideas about how different study results should be perceived and compared. The outcome of these risks may delay or adversely impact the Company's future sales due to the Company's products becoming more expensive for the Company's end customers. This may result in lower revenue and profitability, which may adversely impact the Company's operations, financial position and earnings.

Macroeconomic factors impact the market in which Chordate operates

Macroeconomic factors such as political instability, war and conflicts, and other political and economic external factors such as inflation and deflation, fluctuations in the interest rate, recession, trade barriers and economic trends are beyond the Company's control and can affect the market for medical technology products and services. For example, an economic downturn can lead to a decrease in the willingness of hospitals, patients, insurance companies and authorities to pay for the Company's products in existing or new markets and make it more difficult for the Company to enter into cooperation agreements with third parties regarding the development or delivery of input products. Furthermore, an economic downturn can also lead to the Company's clinical studies becoming more expensive and/or taking longer than the Company intended and the results from said studies therefore being delayed. This can negatively affect the Company's development opportunities, earning capacity and income.

The Company is exposed to great uncertainty regarding the pricing of product systems including disposable items

General trends for pricing of product systems including disposable items within Chordate's business areas are beyond the Company's control. In the event of a general rise in prices, there is a risk that the Company's costs for input goods will increase, while the Company may have limited opportunities to compensate for price increases in full from the Company's customers as these may be public actors. There is therefore a risk that the profit margin for Chordate's product system, including disposable items, may be lower than the Company's Board of Directors and management expect. There is a risk that such pricing events will have negative consequences by causing lower profit margin and profitability and thereby negatively impacting the Company's operations, financial position and performance.

Chordate conducts clinical trials that are associated with very high costs

Before a medical device can be launched on the market, safety and efficacy in the treatment of humans must be ensured for each individual indication, as demonstrated by clinical trials in humans. The results of such studies may be unforeseen and undesirable, and the Company's forecast costs related to such studies are therefore associated with great uncertainty. Unforeseen study results can also lead to concepts and studies requiring reconsideration, which means that new supplementary studies may need to be undertaken at significant cost, or that the studies must be discontinued completely. Unforeseen study results may delay or prevent the launch of products onto the market, if the authorities, or other decision-makers, decide that the Company's treatment does not meet established criteria. If the Company's studies are delayed or fail, this may mean increased costs as well as delayed revenue for Chordate and thereby have a significant adverse impact on the Company's operations, performance and financial position.

Currently, Chordate is conducting two smaller open observational studies. They are market support studies, the results of which are deemed to be able to support the Company's marketing in the event of positive results, but which, in the event of negative outcomes, cannot significantly burden the Company.

Chordate conducts business in areas where there are already established treatment methods, which means that competition can be viewed as high

There are established treatment methods within the indications that the Company's products intend to treat. There is also competing research and development regarding these indications. The Company may therefore be exposed to competition from a number of other companies with such initiatives, which could have greater financial resources than Chordate. The general research, development and

commercialization in the areas where the Company is active could also have a negative impact on the Company's ability to sell its products, as other methods or treatments may prove more advantageous. If the Company's products are outcompeted by similar products or products that prove to be superior, this will have a negative impact on the Company's anticipated revenue, and in the long run a negative impact on Chordate's financial position.

Should the Company lose any of its key personnel, this could delay or interrupt research projects, development or commercialization

Chordate has a limited organization and is highly dependent on certain key individuals to achieve success in the areas of both rhinitis and migraine. The Company's key personnel have extensive expertise and long experience in the Company's business area. If the Company were to lose any of its key personnel, specifically the CEO, Clinical Research & Medical Director or CTO, this could delay or cause an interruption in the studies, other development or further commercialization. There is also a risk that Chordate will not be able to attract or retain qualified personnel, or that this will not be possible on satisfactory terms for the Company. There is also a risk that the confidentiality and non-compete clauses contained in the employment contracts of key personnel are not adequate or applicable, which could mean reduced protection of the Company's trade secrets. Should Chordate lose any or all of its key personnel, whether to a competitor or not, this could adversely impact the future development of the Company.

FINANCIAL RISK

In the longer term, Chordate may need to seek financing to continue to develop its operations

The Company has historically had limited revenue that has been lower than the Company's costs. The Company has therefore financed its operations through external capital procurement. Chordate is building up the value in the business via (i) an extensive patent portfolio, (ii) stable scientific evidence from clinical studies, and (iii) successful sales in a number of select markets with the aim of successfully selling the Company to an international actor in the medtech or pharma industries or to another acquirer. Through the new issue at the start of the year, the Company has ensured working capital to be able to continue the operations for the next 12 months. If the Company's expected forecasts cannot be realized or if it is not possible to sell the Company, the Company could need to raise additional financing in the longer term. Such financing can come in such a case 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 such a need arises, 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 in such a situation could have a negative impact on the Company's operations and shareholders' rights. If the Company chooses in the long run 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. The Company's future actual capital needs can also differ from the Board of Directors' 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.

LEGAL AND REGULATORY RISK

Chordate's potential for success is largely dependent on the Company's ability to maintain and obtain patent protection and other intellectual property rights and to retain trade secrets within the Company.

Chordate's future success risks being affected by the Company's failure to obtain or maintain patent protection for current and potential products, as well as its ability to prevent others from using the Company's innovations and protected information. There is a risk that Chordate will develop products and/or therapies that cannot be patented, that patent applications will not be granted or that future patents granted will not be sufficient to protect Chordate's rights. There is also a risk that granted patents will not provide a competitive advantage for the Company's products and/or treatment methods and that competitors may circumvent the Company's patent protection. If Chordate is forced to defend its patent rights against a competitor, due to an infringement of intellectual property rights for example, this may entail significant costs and the expenditure of time for management and the Board, which may adversely affect the Company's operations, financial position and earnings.

If Chordate's development leads to products and/or therapies that are patent protected, subject to patent application or protected by other rights, these patents or other rights could be challenged by third parties, which risks affecting the status of Chordate's intellectual property. Third-party rights could prevent the Company from freely using a developed technology and/or treatment method, which risks Chordate being subject to significant costs and commitments or possibly being forced to cease or limit product development and commercialization of one or more of the Company's products and/or treatment methods. Intellectual property restrictions affecting Chordate risks having negative consequences on future revenue.
If the Company infringes upon the intellectual property rights of certain other companies, or vice versa, this risks disputes that could have a negative impact on Chordate's operations, financial position and earnings, regardless of the outcome of such litigation.

There is a risk that patents will not provide the assumed long-term protection if objections or other invalidity claims against patents are made after they have been granted. The consequence of such litigation may be that patents are restricted, by reducing the scope or declaring the patent invalid for example. This may have a negative impact on the Company's operations, financial position and earnings.

Chordate's operations are exposed to potential liability risks

The Company's operations are exposed to potential risks regarding product liability and liability for damages resulting from the development and manufacture of medical technology products. Any product liability claims asserted against the Company may lead to an increase in the Company's insurance premium for product liability, affect the Company's ability to take out such insurance in the future, and lead to an obligation to pay damages that exceed limits in the insurance terms. There is a risk that the extent of the Company's insurances and the protection they provide is limited and that the insurances do not have sufficient coverage in the event of a legal claim. There is also a risk that in the future Chordate will not be able to obtain or maintain insurance cover on reasonable terms. Any losses that are not covered by or exceed the limits of the insurance cover risk having a significant impact on the Company's operations, financial position and profitability.

Chordate's product system, including disposable items, is used today by ear-nose-throat doctors, neurologists and others providing care at private or public clinics or hospitals. The Company sells equipment and items directly or through distributors for this purpose. However, if a user were to use Chordate's product system and/or disposable items in any way other than the intended use for which the CE marking (or other regulatory approval) has been granted, this could affect the Company and its reputation negatively, in terms of both reputation and liability, and thus the Company's opportunity for future growth and/or profitability. By extensions, this could have a negative impact on the Company's operations, financial position and earnings.

The Company's operations are to a large extent affected by regulatory review, legislation and regulations

The development, manufacture and marketing of the Company's products fall under laws and regulations, and such activities are under the supervision of authorities. Even if a product candidate has been approved, the Company and its future partners will be obliged to meet continued regulatory requirements. If Chordate and its future partners do not meet these regulatory requirements, the Company may be subject to fines, revocation of regulatory approval or other operational restrictions. Furthermore, rule changes or political decisions may affect the Company's operations and future prospects.

The Company's commercial success is also partly dependent on the extent to which compensation for the treatments will be available. There is a risk that the Company will not be able to meet the set requirements, which may have a negative impact on the Company's operations, financial position and earnings.

Risk of being the subject of litigation, investigations and other proceedings

Disputes, claims, investigations and proceedings may mean that Chordate will have to pay damages or cease certain activities. The Company may be involved in disputes within the framework of its normal business operations. It risks being the subject of litigation related to agreements, patents or licenses and the it may face intellectual property infringement claims. Moreover, Board members, senior executives, employees or Group companies may be subject to criminal investigations and criminal proceedings that are related to the Company. Such disputes, claims, investigations and litigation risk being time consuming, interrupting normal business activities, involving claims for large sums and leading to significant costs. Furthermore, it is often difficult to predict the outcome of complex disputes, claims, investigations and litigation. Because of this, disputes, claims, investigations and litigation risk having significant negative consequences for the Company's operations, financial position and earnings.

RISKS RELATED TO THE SHARE

Future dividend

Chordate has historically not paid a dividend. In conjunction with the most recent rights issue, a new share class was introduced in the Company: preference shares. The preference share is subject to a redemption clause and entails in the event of (i) the Company's divestment of more than half of the shares in the wholly owned subsidiary Chordate Medical AB, CIN 556682-5062 ("the Operating Company"),

(ii) the Company's or the Operating Company's divestment of the entire operations and assets and liabilities in the Operating Company, (iii) a bona fide offer for the Company (including the Operating Company) of which the Company becomes aware, or (iv) liquidation of the Operating Company or the Operating Company's bankruptcy (each such event a "Preference Dividend Event") entitlement to a distribution of a maximum of SEK 12 ("Preference Amount") per preference share with precedence over the ordinary shares. Otherwise, the preference shares are not entitled to any dividend or share of distribution. Following a Preference Dividend Event, the Board of Directors can also decide on the redemption of preference shares instead of conducting a dividend. Furthermore, it will not be possible to pay dividends on ordinary shares until the Preference Amount has been paid in full to the holders of preference shares regardless of whether a Preference Dividend Event occurred or not. There is a risk that a Preference Dividend Event will not occur or that the Board of Directors will not decide on redemption of preference shares and, as a result, there will be no dividends for holders of preference shares or ordinary shares. As long as no dividends are paid or redemption occurs, an investor's return will depend solely on the share's future price performance.

Equity-related risks and macroeconomic factors

An investment in shares can both increase and decrease in value, and there is no guarantee that an investor will get back their invested capital. During the period starting on January 1, 2024, and ending on January 30, 2025, Chordate's share price was at the lowest SEK 8.6 and at the highest SEK 87.7. The share has historically been volatile, and it may continue to be so in the future. The development in Chordate's share price is dependent on factors that are directly linked to the Company's operations and its shares but also a number of general macroeconomic factors that are beyond Chordate's control. Such factors include the general state of the economy, market interest rates, inflation, capital flows, potential returns, political uncertainty and other factors. In order to improve liquidity and decrease volatility in the Company's share, Chordate has entered into an agreement for liquidity provision with Lago Kapital. The agreement entered into force on April 19, 2024. Despite this, there is a risk that there will not be an active and liquid market for trade of Chordate's shares at all times. If there is no active and liquid market for trading of Chordate's shares, it may be difficult for shareholders to sell their shares in the Company. If the share price continues to be volatile, this could also have an adverse impact on investors' willingness to invest in the Company and/or participate in the Rights Issue, which could impact the share price of Chordate's shares as well as future offers for share subscription and thus the outcome of such a potential offer.

Future exit (sale of the Company)

Chordate's strategy is to build up the value of the business in order to be able to carry out a successful sale of the Company to an international player in the medtech or pharma industry or to another acquirer in the future. In order to improve the possibility for a future exit, the Company has appointed Partner International Switzerland GmbH as advisor to find a buyer for the business. Chordate is building up the value in the business through (i) a significant patent portfolio, (ii) stable scientific proof from clinical trials, and (iii) successful sales in a number of select markets. There is a risk that the Company will not succeed in obtaining or maintaining patent protection for current and potential products, that unforeseen study results may delay or prevent the launch of the Company's current and potential products in select markets, or that sales successes in select markets will not be achieved due to competition or lower or non-existent subsidies via public and private healthcare compensation systems. In light of this, there is a risk that no potential acquirer will show interest in the Company and its operations or that a potential acquirer will not make an offer on terms that are considered advantageous for the Company's shareholders. If no potential acquirer submits an offer for the Company and its operations, investors' return will depend solely on the share's future development and possible profit distribution.

Dilution risk

In the future, Chordate may decide on a new share issue and or share-related instruments in order to secure capital for the continued expansion and operation of the Company's business activities. Such issues may lead to a dilution of the holdings, voting rights and any earnings per share of existing shareholders. Furthermore, such future issues may have a negative effect on the price of the shares in the Company.

Sale of shares from existing shareholders

The Company's known shareholders with holdings corresponding to at least five (5) percent of the shares and votes as at December 23, 2024, hold a total of approximately 41.8 percent of the total number of outstanding shares in the Company. A sale of a significant number of shares in the Company, or the perception that such a sale may take place, in particular by the Company's major shareholders, Board members and senior executives, or a general market expectation that such a sale will take place, may lead to a drop in the share price of the Company's share.

MULTI-YEAR REVIEW (SEK THOUSAND)

The Group	2024	2023	2022	2021	2020
Net turnover	665	976	109	882	618
Net operating profit/loss	-27,445	-29,571	-28,024	-21,741	-19,421
Earnings per share, SEK*	-27.96	-0.13	-0.18	-0.19	-0.32
Intangible fixed assets	7,898	8,313	9,736	11,928	11,909
Equity	9,195	15,087	11,073	38,951	25,640
Balance sheet total	17,530	21,955	18,641	44,062	31,216
Equity/assets ratio,%	52.5	68.7	59.4	88.4	82.1
Number of employees at the end of the financial year	3	3	3	3	3

Parent Company	2024	2023	2022	2021	2020
Net profit/loss for the year	-26,862	-26,647	-24,218	-22,424	-18,430
Balance sheet total	62,933	67,494	62,413	85,122	72,673
Equity	60,586	66,086	59,532	83,685	71,032
Equity/assets ratio,%	96.3	97.9	95.4	98.3	97.7

CHANGE IN EQUITY

The Group	Share capital	Other contributed capital	Other equity including net profit/loss for the year	Total
Opening balance	58,104,127	273,669,400	-316,686,988	**15,086,539**
New share issue	24,333,425	1,432,008	-4,403,226	**21,362,207**
Decrease in share capital	-71,352,792		71,352,792	**0**
Net profit/loss for the year			-27,253,583	**-27,253,583**
Closing balance	**11,084,760**	**275,101,408**	**-276,991,005**	**9,195,163**

Parent Company	Share capital	Share premium reserve	Accumulated profit/loss	Profit/loss for the year	Total
Opening balance	58,104,127	273,669,400	-239,041,054	-26,646,741	**66,085,732**
New share issue	24,333,425	1,432,008	-4,403,226		**21,362,207**
Decrease in share capital	-71,352,792		71,352,792		**0**
Appropriations as resolved at the AGM:			-26,646,741	26,646,741	**0**
Net profit/loss for the year				-26,861,638	**-26,861,638**
Closing balance	**11,084,760**	**275,101,408**	**-198,738,229**	**-26,861,638**	**60,586,301**

Warrants - outstanding	Number	Exercise price	Subscription period	Capital infusion*	Share capital**
Group & Parent Company					
TO Series 2021:1	5,500,000	1,239.86	Nov 1–30, 2025	17,262,563.61	139,230.00
TO Series 2023/25:1	4,000,000	124.48	Nov 1–30, 2025	2,685,241.8	215,710.00
TO Series 2023/25:2	1,500,000	124.48	Nov 1–30, 2025	1,006,950.14	80,890.00
Total	**11,000,000**			**20,954,755.61**	**2,992,540.00**

** Capital, before issue expenses, raised for the Company if all warrants are exercised*
*** Increase in share capital if all warrants are exercised*

PROPOSED APPROPRIATION OF PROFITS	
The Board of Directors recommends that the profit/loss and brought forward profits available for disposition (SEK):	49,501,541
accumulated loss	-198,738,229
Share premium reserve	275,193,825
loss for the financial year	-26,861,638
	49,501,541
be carried forward	49,501,541

The Group and the Parent Company earnings and position in general are detailed in the following income statements and balance sheets as well as in cash flow statements with notes.

Dividend

The Board proposes that no dividend be paid for the financial year 2024.

Parent company, company structure and shareholdings

Chordate has a wholly owned subsidiary, Chordate Medical AB (556682-5062) and is the parent company of the Group.

As the parent company, Chordate handles the management and administration of holdings in subsidiaries and the financing of the Group. At present, Chordate Medical AB is the only subsidiary. Chordate does not have any employees. Business activities are carried on by the Board with the assistance of consultants.

Forthcoming financial statements

Interim Report Q1	**No later than May 23, 2025**
Interim Report Q2	**No later than August 29, 2025**
Interim Report Q3	**No later than November 21, 2025**

Neither the annual report nor interim statements will be distributed to shareholders by post; after publication they can be downloaded from the website, www.chordate.com, or ordered through info@chordate.com.

Annual General Meeting 2025

The Annual General Meeting is planned for **May 21, 2025, at 3:00 PM**

For additional information, see future interim reports or contact the Company.

For more information, please contact:

Anders Weilandt, CEO, tel: +46 (0)8 400 115 46
Email: anders.weilandt@chordate.com
Otto Skolling, Chair of the Board of Directors, tel.: +46 (0)76 803 01 81

CONSOLIDATED INCOME STATEMENT	Note	1/1/2024 –12/31/2024	1/1/2023 –12/31/2023
Net turnover	3	664,687	976,281
Work performed by the Company for its own use and capitalized	4	1,778,287	770,598
Other operating income		31,797	177,445
		2,474,770	**1,924,324**
Operating expenses			
Raw materials and consumables		-454,416	-437,696
Other external expenses	5	-21,043,388	-21,096,351
Personnel expenses	6	-6,114,985	-7,389,915
Depreciation/amortization and impairment of tangible and intangible assets		-2,218,957	-2,453,243
Other operating expenses		-88,222	-118,692
		-29,919,968	**-31,495,897**
Net operating profit/loss		**-27,445,197**	**-29,571,573**
Net profit/loss from financial items			
Interest expenses and similar items	7	191,615	384,898
		191,615	**384,898**
Net profit/loss after financial items		**-27,253,583**	**-29,186,675**
Net profit/loss before tax		**-27,253,583**	**-29,186,675**
Net profit/loss for the year		-27,253,583	-29,186,675
Attributable to Parent Company shareholders		-27,253,583	-29,186,675

CONSOLIDATED BALANCE SHEET	Note	12/31/2024	12/31/2023
ASSETS			
Fixed assets			
Intangible fixed assets			
Capitalized development expenditure	4	4,677,316	4,115,275
Patents and trademarks	8	3,221,182	4,198,058
		7,898,499	**8,313,334**
Tangible fixed assets	10		
Equipment, tools, fixtures and fittings		1,869,616	793,554
		1,869,616	**793,554**
Financial fixed assets	11		
Other long-term receivables		90,740	90,740
		90,740	**90,740**
Total fixed assets		**9,858,854**	**9,197,628**
Current assets			
Inventories			
Raw materials and consumables		337,713	366,287
Finished goods and goods for resale		1,427,774	1,404,634
		1,765,487	**1,770,921**
Current receivables			
Accounts receivable		253,367	211,446
Other receivables		1,046,736	1,439,708
Prepaid expenses and accrued income	12	2,076,424	880,564
		3,376,528	**2,531,718**
Cash and bank balances	13	2,529,506	8,455,210
		2,529,506	**8,455,210**
Total current assets		**7,671,521**	**12,757,849**
TOTAL ASSETS		**17,530,375**	**21,955,478**

EQUITY AND LIABILITIES	Note	12/31/2024	12/31/2023
Equity			
Equity attributable to Parent Company shareholders	22		
Share capital		11,084,760	58,104,127
Other contributed capital		275,101,408	273,669,400
Other equity, including net profit/loss for the year		-276,991,005	-316,686,988
Total equity		**9,195,163**	**15,086,539**
Current liabilities			
Accounts payable		2,069,201	2,881,266
Other current liabilities		2,021,283	693,898
Accrued expenses and deferred income	14	4,244,727	3,293,775
		8,335,212	**6,868,939**
TOTAL EQUITY AND LIABILITIES		**17,530,375**	**21,955,478**

CONSOLIDATED CASH FLOW STATEMENT	Note	1/1/2024 –12/31/2024	1/1/2023 –12/31/2023
Operating activities			
Net profit/loss after financial items	7	-27,253,583	-29,186,675
Adjustment for non-cash items	15	2,218,957	2,453,243
Cash flow from operating activities before changes in working capital		**-25,034,626**	**-26,733,432**
Cash flow from changes in working capital			
Change in inventories and work in progress		5,434	-405,036
Change in current receivables		-844,809	574,136
Change in current liabilities		1,466,273	-698,964
Cash flow from operating activities		**-24,407,728**	**-27,263,296**
Investing activities			
Acquisition of tangible fixed assets		-1,101,896	-378,227
Investments in financial fixed assets		0	-9,140
Investments in intangible fixed assets		-1,778,287	-770,598
Cash flow from investing activities		**-2,880,183**	**-1,157,965**
Financing activities			
Borrowings		0	0
Amortization of loans		0	0
New share issue		21,362,207	33,200,456
Cash flow from financing activities		**21,362,207**	**33,200,456**
Cash flow for the year		**-5,925,704**	**4,779,195**
Cash and cash equivalents at beginning of year			
Cash and cash equivalents at beginning of year	13	8,455,210	3,676,015
Cash and cash equivalents at end of year		**2,529,506**	**8,455,210**

PARENT COMPANY INCOME STATEMENT	Note	1/1/2024 –12/31/2024	1/1/2023 –12/31/2023
Net turnover	3, 16	600,000	600,000
Other operating income		0	0
		600,000	**600,000**
Operating expenses			
Other external expenses	5	-3,415,494	-2,856,346
Personnel expenses	6	-731,533	-781,568
		-4,147,027	**-3,637,914**
Net operating profit/loss		**-3,547,027**	**-3,037,914**
Net profit/loss from financial items			
Profit/loss from participations in Group companies	17	-23,500,000	-24,000,000
Interest expenses and similar items	7	185,389	391,173
		-23,314,611	**-23,608,827**
Net profit/loss after financial items		**-26,861,638**	**-26,646,741**
Net profit/loss before tax		**-26,861,638**	**-26,646,741**
Net profit/loss for the year		**-26,861,638**	**-26,646,741**

PARENT COMPANY BALANCE SHEET	Note	12/31/2024	12/31/2023
ASSETS			
Fixed assets			
Financial fixed assets			
Participations in Group companies	18, 19	52,247,911	52,247,911
		52,247,911	**52,247,911**
Total fixed assets		**52,247,911**	**52,247,911**
Current assets			
Current receivables			
Receivables from Group companies		7,912,512	7,162,512
Other receivables		117,055	151,037
Prepaid expenses and accrued income	12	1,401,284	362,273
		9,430,851	**7,675,822**
Cash and bank balances		1,254,440	7,570,034
Total current assets		**10,685,291**	**15,245,856**
TOTAL ASSETS		**62,933,202**	**67,493,767**

EQUITY AND LIABILITIES	Note	12/31/2024	12/31/2023
Equity			
Restricted equity			
Share capital	22	11,084,760	58,104,127
		11,084,760	**58,104,127**
Non-restricted equity			
Share premium reserve		275,101,408	273,669,400
Profit/loss brought forward		-198,738,229	-239,041,054
Net profit/loss for the year		-26,861,638	-26,646,741
		49,501,541	**7,981,605**
Total equity		**60,586,301**	**66,085,732**
Current liabilities			
Accounts payable		361,838	213,730
Other liabilities		1,379,000	5,615
Accrued expenses and deferred income	14	606,063	1,188,690
Total current liabilities		**2,346,901**	**1,408,035**
TOTAL EQUITY AND LIABILITIES		**62,933,202**	**67,493,767**

PARENT COMPANY CASH FLOW STATEMENT	Note	1/1/2024 –12/31/2024	1/1/2023 –12/31/2023
Operating activities			
Net profit/loss after financial items	7	-26,861,638	-26,646,741
Adjustment for non-cash items	15	23,500,000	24,000,000
Cash flow from operating activities before change in working capital		**-3,361,638**	**-2,646,741**
Cash flow from change in working capital			
Change in current receivables		-1,755,029	358,176
Change in current liabilities		938,865	-1,473,110
Cash flow from operating activities		**-4,177,801**	**-3,761,675**
Financing activities			
Shareholder contributions made		-23,500,000	-24,000,000
Borrowings		0	0
Amortization of loans		0	0
New share issue		21,362,207	33,200,456
Cash flow from financing activities		**-2,137,793**	**9,200,456**
Cash flow for the year		**-6,315,594**	**5,438,781**
Cash and cash equivalents at beginning of year			
Cash and cash equivalents at beginning of year	13	7,570,034	2,131,252
Cash and cash equivalents at end of year		**1,254,440**	**7,570,034**


Invoice

NOTE 1 ACCOUNTING AND VALUATION PRINCIPLES

General disclosures

The annual report and the consolidated financial statements have been prepared in accordance with the Annual Accounts Act and BFNAR 2012:1 Annual Report and Consolidated Accounts (K3).

The accounting principles have not changed compared to the previous year.

Accounting and valuation principles specific to consolidated financial statements

Chordate Medical Holding AB (publ) prepares consolidated financial statements. Companies in which Chordate holds the majority of the votes at the Annual General Meeting or in some other way can exercise a controlling influence are classified as subsidiaries and consolidated in the consolidated financial statements. Information on Group companies can be found in Notes 18 and 19. Subsidiaries are included in the consolidated financial statements from the date on which the controlling influence is transferred to the Group. They are excluded from the consolidated financial statements from the date on which the controlling influence ceases.

The consolidated year-end report has been prepared in accordance with the purchase method. The time of acquisition is the time at which the controlling influence is obtained. Identifiable assets and liabilities are initially measured at fair value at the time of acquisition. The minority's share of the acquired net assets is measured at fair value. Goodwill consists of the difference between the acquired identifiable net assets at the time of acquisition and cost, including the value of the minority interest, and is initially measured at cost.

Balances between Group companies are eliminated in their entirety.

Amortization is on a straight-line basis over the estimated useful life.

The amortization period for internally generated intangible fixed assets is five years. The amortization period for capitalized patent costs is twenty years.

Goodwill is amortized on a straight-line basis over the estimated useful life.

The amortization period for goodwill amounts to 5 years.

COMMON PRINCIPLES IN THE GROUP

Receivables

Receivables are reported at the amount at which they are expected to be paid.

Foreign currencies

Assets and liabilities in foreign currency are valued at the exchange rate on the balance sheet date. The difference between cost and the value on the balance sheet date has been recognized in the income statement.

Income taxes

Current taxes are measured on the basis of the tax rates and tax rules that apply on the balance sheet date. Receivables and liabilities are only reported net when there is a legal right to set-off. Current tax is reported in the income statement unless the tax is attributable to an event or transaction that is reported directly in equity.

Employee benefits

Short-term benefits

Short-term benefits in the company consist of salary, social security contributions, paid vacation, paid sick leave, medical care and bonuses. Short-term benefits are reported as an expense and a liability when there is a legal or informal obligation to pay compensation.

Benefits after termination of employment

The Company only has defined-contribution pension plans.

In defined-contribution plans, the company pays fixed fees to another company and has no legal or informal obligation to make additional payments even if the other company is unable to fulfill its obligation. The company's earnings are charged for costs as the employees' services are performed.

Benefits in the event of termination

Termination benefits are paid when the company decides to terminate an employment before the normal time of termination of employment or when an employee accepts an offer of voluntary resignation in exchange for such benefit. If future financial benefits do not flow to the company, a liability and an expense are reported when the company has a legal or informal obligation to provide termination benefits. The termination benefit is measured as the best estimate of the benefit that would be required to settle the obligation on the balance sheet date.

Cash flow statement

The cash flow statement is prepared according to the indirect method. The reported cash flow only includes transactions that resulted in inflows or outflows. In addition to cash, the company classifies as cash and cash equivalents available balances at banks and other credit institutions as well as current liquid investments that are listed on a marketplace and have a maturity of less than three months from the date of acquisition.

Revenue Goods

Sales of goods, such as treatment devices, are reported when significant risks and benefits are transferred from seller to buyer in accordance with the terms of sale.

Revenue Treatments

Chordate's earnings are based on two components: system sales, see the section on goods above, 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 code that the customer enters into the system. The system does not work without the code. Furthermore, Chordate also has commission revenue from franchise agreements from contracted external clinics in Sweden that are provided with codes and disposable items as they are used.

Sales of treatments are reported when significant risks and benefits are transferred from seller to buyer in connection with the purchase and delivery of codes and disposable items for the customer's future treatments, in accordance with the terms of sale.

Leases

Lease fees are reported as an expense in the income statement and distributed linearly over the term of the lease. The term of the lease refers to the period of time that Chordate has agreed to lease an asset. Chordate has no finance leases.

Borrowing costs

No borrowing costs are capitalized in the manufacture/ development of fixed assets.

Intangible assets

Intangible fixed assets are reported at cost less accumulated amortization and impairment. Amortization is applied on a straight-line basis over the estimated useful life.

The capitalization model is applied for internally generated intangible fixed assets. The amortization period for internally generated intangible fixed assets is five years. The amortization period for capitalized patent costs is twenty years.

Tangible fixed assets

Tangible fixed assets are reported at cost less depreciation. Cost includes expenses that can be directly attributed to the acquisition of the asset. When a component in a fixed asset is replaced, any remaining part of the old component is scrapped, and the cost of the new component is capitalized. Additional expenses relating to assets that are not divided into components are added to cost to the extent that the asset's performance increases in relation to the asset's value at the time of acquisition. Expenses for ongoing repairs and maintenance are reported as costs. Capital gains and capital losses from the sale of a fixed asset are reported as Other operating income or Other operating expenses, respectively.

Tangible fixed assets are depreciated systematically over the asset's estimated useful life. When the depreciable amount of the assets is determined, the residual value of the asset is taken into account where applicable. Linear depreciation is used for other types of tangible assets. The depreciation period for tangible fixed assets is five years.

Impairment losses on non-financial assets

When there is an indication an asset has decreased in value, an impairment test is performed. If the asset has a recoverable amount that is lower than the carrying amount, it is written down to the recoverable amount. When assessing impairment needs, assets are grouped at the lowest levels where there are separate identifiable cash flows (cash-generating units). For assets other than goodwill that have previously been written down, an examination is made on each balance sheet date as to whether a reversal should be made.

Financial instruments

Financial instruments are reported in accordance with the rules in Chapter 11 of K3, which means that valuation is based on cost. Financial instruments reported in the balance sheet include accounts receivable, other receivables, accounts payable and loans. The instruments are reported in the balance sheet when Chordate becomes party to the instrument's contractual terms.

Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Group has transferred virtually all risks and benefits associated with ownership. Financial liabilities are removed from the balance sheet when the obligations have been settled or otherwise ceased.

Accounts receivable and other receivables

Receivables are reported as current assets with the exception of items maturing more than twelve months after the balance sheet date, which are classified as non-current assets. Receivables are taken up to the amount that is expected to be paid after deductions for individually assessed doubtful receivables.

Borrowings and accounts payable

Borrowings are initially reported at cost after deduction of transaction costs (amortized cost). If the reported amount differs from the amount to be repaid at maturity, the difference is allocated as an interest expense over the term of the loan using the instrument's effective interest rate. Short-term accounts payable are reported at cost.

Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is determined using the first-in-first-out method (FIFU). For raw materials, all expenses directly attributable to the acquisition of the goods are included in the cost. For work in progress and finished goods, cost includes design costs, raw materials, direct salaries, other direct costs and attributable indirect production costs. The value of the products that remain in inventory is written down based on historical outcome.

Parent Company

Shareholder contributions contributed by the Parent Company to subsidiaries have been written down by the Parent Company since the contributed funds refer to loss coverage and do not increase the value of the shares in the subsidiary.

Equity is broken down into restricted and non-restricted equity in accordance with the breakdown in the Swedish Annual Accounts Act.

Shares and participations in subsidiaries

Shares and participations in subsidiaries are reported at cost less any impairment. Cost includes the consideration paid for the shares and acquisition costs. Dividends from subsidiaries are reported as income.

Key ratio definitions

Balance sheet total

The Company's total assets.

Equity

The company's net assets, i.e., the difference between assets and liabilities.

Equity/assets ratio (percent)

Adjusted equity (equity and untaxed reserves less deferred tax) as a percentage of the balance sheet total.

NOTE 2
ESTIMATES AND ASSESSMENTS

Group & Parent Company

Chordate makes estimates and assessments about the future. The estimates for accounting purposes that result from these, by definition, will rarely correspond to the actual result. The estimates and assumptions that entail a significant risk of substantial adjustments to the reported values of assets and liabilities in the next few years are dealt with in outline below.

Shares in subsidiaries

Chordate Holding AB makes shareholder contributions on a regular basis to Chordate Medical AB to cover operating deficits. In 2024, these contributions amount to SEK 23.5 million. It is the Board's view that these contributions do not increase the value of shares in subsidiaries since they were made to cover losses, and the decision was therefore made to write down the value of these contributions. The impairment does not affect the consolidated earnings and position since the subsidiary's deficit has always been reported in consolidated profit/loss. The impairment is not an effect of reduced confidence in the future prospects for the subsidiary's operations.

The subsidiary Chordate Medical AB is recorded at a value of SEK 52,247,911 in the Parent Company Chordate Medical Holding's balance sheet.

The Company has performed an impairment test of the holding's present value with management's best estimate of future discounted cash flow in accordance with the accounting and valuation principles described above. The company's management makes the assessment based on this test that there is no reason for further impairment of the carrying amount.

The cash flows that are discounted for impairment testing are obtained from the company's budget and long-term forecast under the assumption that sufficient financing can be secured to be able to continue the company's operations in the long term. In the impairment test, assumptions are made about different starting and turning points in sales growth for both the rhinitis and migraine segments. The valuation model is discounted by a WACC of 25 percent, which includes a market risk premium of 7%, a risk-free interest rate of 3%, a small company premium of 7%, an illiquidity premium of 1%, and a premium for other company-specific risk of 7%. Due to the resulting DCF value, together with a sensitivity analysis that showed a very good margin, the Board of the company sees no reason to further write down the book value of the subsidiary Chordate Medical AB, as described above.

Intangible fixed assets – Group

The Chordate Group reports intangible fixed assets at a value of approximately SEK 7.9 million, of which approximately SEK 4.7 million is capitalized expenditure for development work and approximately SEK 3.2 million is patents. Amortization takes place as above in Note 1.

Patents are amortized at a slower pace. Maintenance bureau costs for patents are not capitalized but instead recorded as costs.

In connection with the impairment test performed in respect of shares in subsidiaries, as described above, an impairment test has also been performed on all of the Group's intangible fixed assets. In this case, the same assumptions and conditions have been used, which are also described above. The outcome of this impairment test does not show that there is any indication of impairment.

Note 3

Net sales Geographically

Group	2024	2023
Sweden	20,319	0
EU	449,245	482,405
Outside the EU	195,123	493,876
	664,687	**976,281**

Parent Company	2024	2023
Sweden	600,000	600,000
EU		
Outside the EU		
	600,000	**600,000**

Note 4

Capitalized expenditure for development work and similar

Group	12/31/2024	12/31/2023
Opening cost	24,977,842	24,207,244
Capitalized work performed by the company	1,778,287	770,598
Closing accumulated cost	**26,756,129**	**24,977,842**
Opening depreciation	-20,862,567	-19,646,321
Depreciation/amortization for the year	-1,216,246	-1,216,246
Closing accumulated depriciation/amortization	**-22,078,813**	**-20,862,567**
Closing carrying amount	**4,677,316**	**4,115,275**

Note 5

Fees to auditors

Group

Audit assignments refer to the audit of the annual report and the bookkeeping as well as the Board's and the CEO's administration, other tasks that fall to the Company's auditor to perform and advice or other assistance prompted by observations in such auditing or the implementation of such other tasks.

Group	2024	2023
PwC		
Audit assignments	240,000	330,000
Auditing activities in addition to the audit assignment	32,000	181,000
	272,000	**511,000**

Parent Company	2024	2023
PwC		
Audit assignments	145,000	150,000
Auditing activities in addition to the audit assignment	0	0
	145,000	**150,000**

Note 6

Employees and employee benefit expenses

Group	2024	2023
Average number of employees		
Women	0	0
Men	3	3
	3	**3**
Salaries and other remuneration		
Board of Directors, CEO and other senior executives	3,963,886	4,397,101
Other employees		
	3,963,886	**4,397,101**
Social security expenses		
Pension costs for the Board and other senior executives	1,105,300	1,237,305
Pension costs for other employees	0	0
Other social security contributions for the Board and other senior executives	962,266	1,408,877
Other social security contributions by law and contracts		
	2,067,566	**2,646,182**
Total salaries, remuneration, social security expenses and pension costs	**6,031,452**	**7,043,283**

Parent Company	2024	2023
Average number of employees		
Women	0	0
Men	0	0
	0	**0**
Salaries and other remuneration		
Board of Directors, CEO and other senior executives	580,000	620,000
	580,000	**620,000**
Social security expenses		
Pension costs for the Board, CEO and other senior executives	0	0
Other social security contributions for the Board, CEO and other senior executives	161,025	160,868
	161,025	**160,868**
Total salaries, remuneration, social security expenses and pension costs	**741,025**	**780,868**

The Board members have received the following fees that were resolved by the Annual General Meeting: Otto Skolling SEK 180,000 (140,000), Henrik Rammer SEK 100,000 (180,000), Gunilla Lundmark SEK 100,000 (100,000), Tommy Hedberg SEK 100,000 (100,000), Caroline Brandberg Lundgren SEK 100,000 (100,000).

Gender distribution in company management

Group	2024	2023
Senior executives		
Women	0	0
Men	5	5
	5	**5**
Parent Company		
Senior executives		
Women	0	0
Men	1	1
	1	**1**
Group		
Board of Directors		
Women	4	4
Men	6	6
	10	**10**
Parent Company		
Board of Directors		
Women	2	2
Men	3	3
	5	**5**

Note 7

Interest and dividends

Group	12/31/2024	12/31/2023
Interest received	197,145	391,582
Dividend received	0	0
Interest paid	-5,531	-6,684
	191,615	**384,898**

Parent Company	12/31/2024	12/31/2023
Interest received	187,929	391,173
Dividend received	0	0
Interest paid	-2,540	0
	185,389	**391,173**

Note 8

Patents and trademarks

Group	12/31/2024	12/31/2023
Opening cost	13,773,519	13,773,519
Purchases	0	0
Closing accumulated cost	**13,773,519**	**13,773,519**
Opening depreciation	-9,575,460	-8,598,584
Depreciation/amortization for the year	-976,876	-976,876
Closing accumulated depreciation/amortization	**-10,552,336**	**-9,575,460**
Closing carrying amount	**3,221,182**	**4,198,058**

Note 9

Goodwill

Group	12/31/2024	12/31/2023
Opening cost	114,656,205	114,656,205
Closing accumulated cost	**114,656,205**	**114,656,205**
Opening depreciation	-13,429,685	-13,429,685
Depreciation/amortization for the year	0	0
Closing accumulated depreciation/amortization	**-13,429,685**	**-13,429,685**
Opening impairment	-101,226,520	-101,226,520
Closing accumulated impairment	**-101,226,520**	**-101,226,520**
Closing carrying amount	**0**	**0**

Note 10

Equipment, tools, fixtures and fittings

Group	12/31/2024	12/31/2023
Opening cost	2,514,578	2,136,351
Acquisitions for the year	1,101,896	378,227
Closing accumulated cost	**3,616,474**	**2,514,578**
Opening depreciation	-1,721,024	-1,460,903
Depreciation/amortization for the year	-25,835	-260,121
Closing accumulated amortization	**-1,746,858**	**-1,721,024**
Closing carrying amount	**1,869,616**	**793,554**

Note 11

Financial fixed assets

Group	12/31/2024	12/31/2023
Opening cost	90,740	81,600
Additional receivables	0	9,140
Less receivables	0	0
Closing accumulated cost	**90,740**	**90,740**
Closing carrying amount	**90,740**	**90,740**

Note 12

Prepaid expenses and accrued income

Group	12/31/2024	12/31/2023
Prepaid rents	99,900	94,640
Accrued interest income	0	19,989
Prepaid regulatory fees	0	132,559
Prepaid insurance premiums	224,146	218,529
Prepaid issue costs	1,379,000	320,000
Other prepaid costs	373,378	94,847
	2,076,424	**880,564**

Parent Company	12/31/2024	12/31/2023
Accrued interest income	0	19,989
Prepaid issue costs	1,379,000	320,000
Other prepaid costs	22,284	22,284
	1,401,284	**362,273**

Note 13

Cash and cash equivalents

Group	12/31/2024	12/31/2023
Cash and cash equivalents		
Cash	0	0
Bank balances	2,529,506	8,455,210
	2,529,506	**8,455,210**

Parent Company	12/31/2024	12/31/2023
Cash and cash equivalents		
Cash	0	0
Bank balances	1,254,440	7,570,034
	1,254,440	**7,570,034**

Note 14

Accrued expenses and deferred income

Group	12/31/2024	12/31/2023
Accrued vacation pay	952,856	906,146
Accrued social security contributions	217,556	192,335
Accrued interest expenses	0	42,756
Accrued study expenses	1,650,797	189,050
Accrued payroll expenses, incl. soc sec contr	394,260	328,550
Unpaid Board fees, incl. soc sec contr	370,513	814,804
Other items	658,745	820,134
	4,244,727	**3,293,775**

Parent Company	12/31/2024	12/31/2023
Accrued interest expenses	0	42,756
Unpaid Board fees, incl. soc sec contr	370,513	814,804
Other items	235,550	331,130
	606,063	**1,188,690**

Note 15

Adjustment for non-cash flow items

Group	**12/31/2024**	**12/31/2023**
Depreciation/amortization & impairment	2,218,957	2,453,243
	2,218,957	**2,453,243**

Parent Company	**12/31/2024**	**12/31/2023**
Depreciation/amortization & impairment	23,500,000	24,000,000
	23,500,000	**24,000,000**

Note 16

Intra-Group purchases and sales

Parent Company	**2024**	**2023**
Share of the year's total sales made to other companies in the Group	2.20 %	0.00 %
Share of the year's total sales made to other companies in the Group	100.00 %	100.00 %

Note 17

Profit/loss from participations in Group companies

Parent Company	**2024**	**2023**
Impairment	23,500,000	24,000,000
	23,500,000	**24,000,000**

Note 18

Participations in Group companies

Parent Company	**12/31/2024**	**12/31/2023**
Opening cost	199,796,727	175,796,727
Shareholder contributions made	23,500,000	24,000,000
Closing accumulated cost	**223,296,727**	**199,796,727**
Opening impairment	-147,548,816	-123,548,816
Impairment for the year	-23,500,000	-24,000,000
Closing accumulated impairment	**-171,048,816**	**-147,548,816**
Closing carrying amount	**52,247,911**	**52,247,911**

Note 19

Specification participations in Group companies

Parent Company

Name	Share of equity	Share of votes	No. of participations	Carrying amount
Chordate Medical AB	100%	100%	1,000	52,247,911
				52,247,911

Chordate Medical AB	CIN	Registered Office	Equity
	556682-5062	Stockholm	7,605,156

Refers to ownership in 2023 and 2024.

Note 20

Transactions with related parties

Group

Parent Company

Fees to the Company's Board members are paid as salary.

Note 21

Pledged assets

Parent Company	12/31/2024	12/31/2023
Chattel mortgage	0	0
	0	**0**

Note 22

Number of shares and quota value

Parent Company	Number of shares	Quota value
Number of class A shares	1,108,476	10
	1,108,476	

Note 23

Appropriation of profit or loss

Parent Company	12/31/2024
Proposed appropriation of profits	
The Board of Directors proposes that available earnings:	
accumulated loss	-198,738,229
Share premium reserve	275,101,408
loss for the financial year	-26,861,638
	49,501,541
be carried forward	49,501,541

Note 24

Significant events after the end of the financial year

Chordate added a 12th study clinic to the post-market surveillance study for migraine treatment after Inselspital, Universitätsklinik für Neurologie, in Bern (CH) received ethical approval to join the study.

The highly esteemed scientific journal Neurology published the scientific article on Chordate Medical's PM007 registration study on preventive neurostimulation treatment for chronic migraine.

Chordate's rights issue was subscribed to approximately 80 percent, providing the Company with approximately SEK 17.7 million before deduction of issue costs.

Chordate Medical Holding's preference share was admitted to trading on Nasdaq First North Growth Market with first trading day on March 17, 2025

Chordate Medical Holding appointed Lago Kapital as liquidity provider for the Company's preference share

Note 25

Operational leases – lessee

Group	12/31/2024	12/31/2023
Future minimum lease fees regarding non-cancellable operational leases		
Within a year	57,588	55,507
Between one and five years	5	0
Later than five years	0	0
	57,588	**55,507**

Lease expenses consist of rent for offices, storage and a copy machine

The Board of Directors and the CEO certify that the annual report provides an accurate overview of the Group's and the Parent Company's position and earnings and describes the significant risks and uncertainty factors facing the Parent Company and the companies in the Group.

Kista, Friday, April 10, 2025

Otto Skolling
Chair

Tommy Hedberg

Gunilla Lundmark

Caroline Lundgren Brandberg

Henrik Rammer

Anders Weilandt
CEO

Our auditor's report was submitted on April 10, 2025
Öhrlings Pricewaterhouse Coopers AB

Henrik Boman
Authorized Public Accountant

CHORDATE
MEDICAL

Chordate Medical Holding AB (publ)
Färögatan 33 | 164 51 Kista Sweden
Tel: +46 8 400 115 86 | Email: info@chordate.com | www.chordate.com