Chordate Medical Holding AB (publ)

Interim Report

JANUARY–SEPTEMBER 2024

CHORDATE MEDICAL

More days to *life*™

CHORDATE MEDICAL

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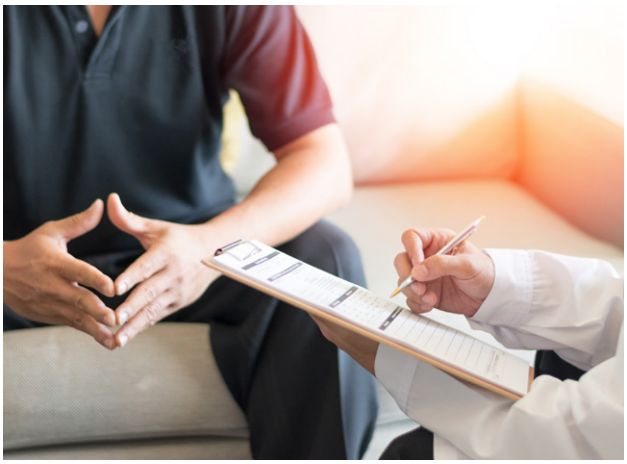

Interim Report
January–September 2024

Summary of the period July–September 2024

- Net turnover was SEK 147,993 (210,947)
- Cash flow from operating activities was SEK -5,126,552 (-4,325,051)
- Profit/loss after financial items was SEK -5,681,292 (-4,938,361)
- Profit/loss after tax was SEK -5,681,292 (-4,938,361)
- Earnings per share were SEK -5.80 (-10.62)

Summary of the period January–September 2024

- Net turnover was SEK 578,611 (494,684)
- Cash flow from operating activities was SEK -19,747,872 (-19,761,647)
- Profit/loss after financial items was SEK -18,850,105 (-19,564,732)
- Profit/loss after tax was SEK -18,850,105 (-19,564,732)
- Earnings per share were SEK -21.39 (-42.48)

Chordate Medical in brief

Chordate Medical Holding AB (publ) is a medical technology company that has developed, patented and received CE marking for Ozilia®, a neuromodulating and medication-free treatment technology for chronic migraine and chronic rhinitis.
The treatment has a proven effect according to a recently conducted 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.

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Chordate Medical Holding AB (publ)
CIN 556962-6319

Significant events during the quarter

Chordate reports conclusions from first data monitoring of the ongoing long-term open study on chronic migraine: PM010.

9/5/2024

Chordate Medical received first order for Ozilia migraine treatment from Saudi Arabia.

Chordate Medical received a first order for two Ozilia systems for migraine treatment from Janin Medical, the Company's distributor in Saudi Arabia.
9/30/2024

Significant events after the reporting period

US magazine Wired covered migraine and Chordate's Ozilia treatment

The American magazine Wired described the Ozilia technique as a "non-invasive method that can reprogram nerve signals" and a potential alternative for migraine patients who do not respond to traditional medications.
10/2/2024

Chordate Medical received market authorization for the migraine indication in Saudi Arabia

The Company announced that the Saudi Food and Drug Authority (SFDA) had approved the application for market authorization for the migraine indication of the Ozilia®Migraine product system and that the market introduction in Saudi Arabia could begin.
10/14/2024

Chordate Medical retained Swiss Advisor to initiate the exit process

Chordate Medical Holding AB (publ) ("Chordate" or "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.
10/15/2024

Final step of the strategy

The reporting period has been impacted by three key events. Because the SFDA has now announced market authorization for the migraine indication in Saudi Arabia, the Company can immediately start the introduction of Ozilia®Migraine, which further strengthens our Proof-of-Concept. Our post-market surveillance study PM010 shows promising results in monitoring collected data—so far the objectives of the study have been confirmed. Partner International Switzerland GmbH was recently appointed as an advisor to find an international buyer for the business. Overall, these three events entail that we have now taken a large step forward in the final step of the Company's exit strategy.

- Market authorization for the migraine indication and a first migraine order from Saudi Arabia
- Positive results from the ongoing migraine study PM010
- Swiss advisor appointed to initiate exit process
- Commencement of TO8 subscription period

Market authorization for the migraine indication and a first migraine order from Saudi Arabia

We received the first order for two Ozilia systems from Saudi Arabia at the end of September. 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. Following the successes with Ozilia® for chronic rhinitis in Saudi Arabia, we are pleased that we can now immediately follow up with the introduction of Ozilia® in the migraine area as well. Given the approved market authorization for the migraine indication, our distributor Janin Medical can now immediately roll out on a broad front the introduction of the migraine treatment that was prepared in the spring.

Positive results from the ongoing migraine study PM010

After having recruited approximately 25 percent of the patient population to the long-term open study PM010, the decision was made to perform a monitoring session of the data collected so far. The study is still ongoing, and recruitment of patients is not affected by this data summary.

The conclusion reported by the study statistician is that the results are promising, which was also supported by the sensitivity analyses performed for each objective.

What is important in this post-market surveillance study is how the patients' perception of their difficulties changed during the twelve-month period that they were monitored. More data needs to be accumulated before the conclusion can be reported in its final form.

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 marks 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.

Anders Weilandt, CEO

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 initiating its work to find the best buyer for the business.

Consolidation of shares completed

At the end of August, the Company's Board of Directors set August 30, 2024, as the record date for the previously decided consolidation of shares. Through the consolidation, the total number of shares in the Company decreased from 490,111,500 to 980,223. In conjunction with this, the Company's shares changed ISIN code to SE0022726139.

Commencement of TO8 subscription period

The subscription period for shares with the support of warrant series TO 8 commenced on November 4, 2024, and will run until November 18, 2024. The Company will primarily use the raised capital for the ongoing exit process, continued establishment of market validation, and the ongoing studies.

Focus during the rest of 2024

- Market introduction of the migraine indication in Saudi Arabia and Switzerland
- Exit process development
- The studies PM009 and PM010

Kista, November 2024
Anders Weilandt, CEO

Preventive treatment for chronic migraine

CATHETER
Single-use product

CONTROL UNIT
Controls treatment
Ensures that valid treatment codes are used

HEADBAND
Holder for comfortable catheter application

OZILIA® TREATMENT

Kinetic oscillation stimulation, Ozilia®, is an effective method of treating chronic migraine and chronic rhinitis. Ozilia® treatment takes a total of about 25 minutes to perform by either a doctor or a nurse. 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. With the help of the control unit, a kinetic oscillating stimulation with a fixed frequency is then started. The air pressure, the amplitude and the frequency with which the balloon vibrates have been optimized for the best effect for the respective indication. The Company's Ozilia treatment with the indication preventive treatment against chronic migraine for patients over 18 has been shown to produce a statistically significant reduction in the average number of headache days.[1] The treatment has been CE-marked since May 2021 and entails no or few unexpected side effects for the patient.[2] The expected side effects reported by some patients are short-lived (<1 hour) and are related to increased tear flow, milder pain during initial stages of the treatment, and a feeling of light numbness of the upper lip.

Benefits of the Ozilia® treatment

- Effective treatment alternative to drugs
- Few unexpected side effects—the treatment takes place locally without the side effect profile usually associated with corresponding drug treatments
- Possible to repeat if necessary
- Simple and cost-effective treatment method

STRATEGY

Chordate's strategy is based on the Company's assessment of how the medtech industry has developed as a whole, where large players choose to acquire smaller companies with risk-mitigated products that have demonstrated proof of concept and considerable market potential instead of solely investing in their own early product development. This trend has been described over the years in a series of industry analyses, e.g., from AdvaMed and Deloitte[3].

The willingness to invest in internal technical research and development has decreased markedly among the large companies. In large organizations, the risk is simply too high and the outcome too meager. This has led to a kind of symbiosis, where small, agile and risk-tolerant companies deliver proven and relatively cheap medtech projects that the big companies then buy up. Chordate's goal is to be such a project.

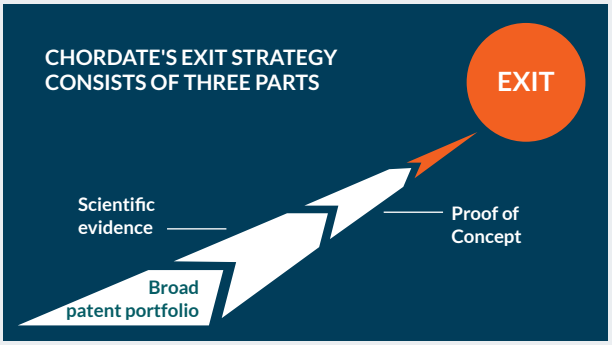
The Company's clinical study of Ozilia® treatment for chronic migraine, PM007, was completed in August 2022, and a final analysis of all collected data was compiled by the study's principal investigators in a manuscript for a scientific article that was submitted to one of the leading scientific journals in this area.

When the article is published, it will, according to the Company, constitute strong support for the continued work with market penetration and work with early replacement solutions from public or private insurance solutions, and it is also a key component in Chordate's exist strategy, which consists of three parts:

Broad patent portfolio – Chordate has 79 granted patents grouped into 9 patent families covering various inventions in 32 markets; another 3 patent applications have been filed. Eight of these patents have been granted in China. The "Chordate" trademark is registered in both the UK and the EU in classes 5, 9, 10, 36, 41, 42 and 44. The Ozilia trademark is registered in the EU in classes 9 and 10. Chordate is also registered as the holder of particular domain names.

Investing in scientific evidence - The second component of the strategy is to produce scientifically based evidence for the two indications' clinical effect and thus their value. A number of scientific studies have been carried out, and the Company has now achieved assured scientific evidence in the absolutely decisive clinical study on Ozilia® treatment of chronic migraine, where established effect targets have been reached with significance. In addition, two additional market support studies are being carried out. The first is a short pilot study of 25–30 patients to demonstrate the potential efficacy of the Ozilia® treatment in patients who have not responded to CGRP inhibitor therapy. The second is a so-called post-market-surveillance study that will report practical clinical outcomes from 200 patients who are followed for 12 months. Scientific evidence is also of key importance for success in both processes for establishing insurance reimbursement and the Company's project for marketing authorization in various markets.

Proof of concept – The third part is to establish sales successes with the migraine indication in selected markets. By achieving empirical market penetration in various markets, the Company wants to be able to demonstrate the value of the end customers' demand for the technology. The Company has initially focused on market access by contracting consultants, with a relevant background and an existing network within the customer segment in Germany—as well as through our own employed market manager for the Gulf region and Saudi Arabia in particular. For the Saudi Arabian, Italian and Swiss markets, the Company is working with trusted distributors.



[1] MTIS2022CephalalgiaLateBreakingAbstracts,2022(sagepub.com) MTIS22-LBA-016.
[2] ibid
[3] 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.[4] 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.[5] 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.[6] The scientific literature estimates that between 1–2 percent of the world's population suffer from chronic migraine.[7]

Migraine across the world

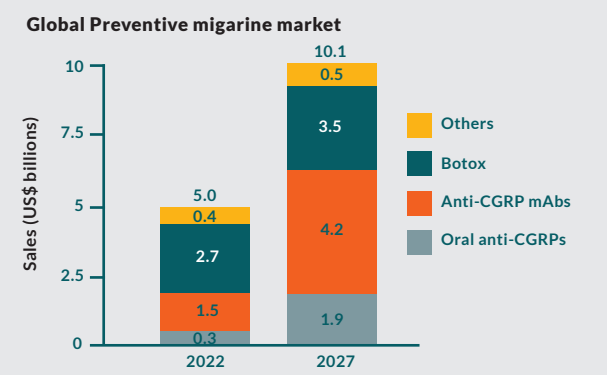
The under-diagnosis of migraine patients is significant as it is estimated that approximately 50 per cent of episodic migraine and 60 per cent of chronic migraine are not correctly diagnosed.[8]

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.[9]

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.[10]

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.

[4] *Steiner TJ et al. Migraine: The Seventh Disabler, Journal of Headache and Pain: January 14, 2013.*
[5] *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.*
[6] *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.*
[8] *Khan, S. Schoenen, J. Ashina, M, Caphalalgia 2015, Vol.34(5) 382–91.*
[9] *Value of Treatment 2017, European Brain Council (EBC) "The Economic Cost of Brain Disorders in EU".*
[10] *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 with cold symptoms that a person can have 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.[12)]

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.[11] 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.[13]

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 neuro-modulation 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

[11] *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.*
[12] *Nationalencyklopedin, Malmquist. J. Isacsson. S-O, Folksjukdomar.*
[13] *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.*

The Company

Mission statement

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

Business and revenue model

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

Products

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

The share and ownership structure

Chordate Medical Holding AB (publ) is listed on NASDAQ First North Growth Market (ticker: CMH). On September 30, 2024, the total number of issued shares was 980,223 (232,416,507). During the period, a 500:1 consolidation of the Company's shares was completed.

The Company has one share class. All shares carry equal entitlement to a share of the Company's assets and profits. The share's quota value (share capital divided by the number of shares) is SEK 10.0.

LARGEST SHAREHOLDERS AS AT SEPTEMBER 30, 2024	9/30 2024	Share of votes & capital
Sifonen AB	119,483	12.2%
HAWOC Investment AB	89,434	9.1%
Isac Brandberg AB and related parties	79,135	8.1%
Tommy Hedberg with related parties	74,400	7.6%
Bevaclean	46,538	4.7%
Carsten Johansen	24,000	2.4%
Nordnet Pensionsförsäkring AB	21,034	2.1%
David Nyman	19,800	2.0%
Conny Holmström	13,400	1.4%
Henrik Rammer	13,330	1.4%
Other	479,669	48.9%
Total	**980,223**	**100.0%**

Ozilia®

Your Migraine Relief

Convertibles and warrants

There are no convertible loans, or similar, but the Extraordinary General Meeting on October 5, 2021, resolved on a directed issue of a maximum of 5,500,000 warrants with the aim of being used for a long-term incentive program. In 2023, an additional 5,500,000 warrants were issued to be used in an incentive program. In 2024 warrants were also issued in series TO8 in the units that were issued together with new shares in the Company. Due to the consolidation of shares completed during the reporting period, 500 warrants are now entitled to the subscription of one share in the Company.

Warrants - outstanding Group & Parent Company	Number	Exercise price	Subscription period	Capital infusion*	Share capital**
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	2,685,241.86	215,710.00
TO Series 2023/25:2	1,500,000	124.48	Nov 1–30, 2025	1,006,950.14	80,890.00
TO Series TO 8	127,835,679	see conditions ***	Nov 4–18, 2024	see conditions ***	2,556,710.00
Total	**138,835,679**			**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

*** Conditions are available on Chordates website. Excerpt from the conditions: "The exercise price per Share shall correspond to 70 percent of the volume-weighted average price for the Company's Share on Nasdaq First North Growth Market during the period October 16, 2024, to October 29, 2024, although at the lowest the Share's quota value and at the highest SEK 10."

Financial information

Net sales
Net sales January–September 2024 amounted to SEK 578,611 compared to SEK 494,684 during the corresponding period last year. Net sales were distributed geographically with 49% in the EU, 16% in the rest of Europe, and 35% in the rest of the EMEA.

Change in inventories and equipment
The recorded value of inventories on September 30, 2024, was SEK 1,745,906 (1,742,063). Since the start of 2024, the carrying amount of inventory increased by SEK 25,015.

Profit/loss
Profit/loss after tax for January–September 2024 amounted to SEK -18,723,753 SEK (-19,343,762) for the Group and SEK -21,451,212 (-20,348,634) for the Parent Company. Consolidated profit/loss includes depreciation/amortization and write-downs of tangible and intangible assets of SEK -1,664,218 (-1,840,476). The Parent Company's profit/loss for January–September contains an impairment loss on the shares in subsidiaries of SEK 19,500,000 (19,000,000). This impairment loss does not affect consolidated profit/loss because it relates to impairment losses on shareholder contributions to cover losses in the subsidiary that are already included in consolidated profit/loss.

Cash and bank balances
Cash flow from operating activities during the first nine months of 2024 was SEK -19,747,872 (-19,761,647).

As at September 30, 2024, consolidated total cash and bank balances amounted to 4,456,133 (16,444,878).

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

Financing
The rights issue conducted in January 2024 was subscribed to approximately 55 percent and raised approximately SEK 23 million for the Company before issue costs, and in the event of full exercise of all warrants in series TO 8 that are issued, Chordate Medical may receive additional proceeds in November 2024.
The Board of Directors continuously assesses the financing needs for the business within the planning horizon. When such a need arises, the Board of Directors is continuously prepared to raise additional financing.

Earnings per share
Earnings per share during the period January–September amounted to SEK -21.39, calculated on a weighted average of 875,258 shares. The number of shares at the end of the period amounted to 980,223 (232,416,507). The number of shares has decreased due to the 500:1 share consolidation that was completed during the period.

Organization
The Company has 3 employees (3) as per September 30, 2024, and the average number of employees during the period was 3 (3). The Company's employees are its President/CEO, CTO and CSO. The CFO and other positions are hired consultants.

Risks and uncertainty factors

For a more detailed description of the Company's risks and uncertainty factors, please refer to the prospectus presented in conjunction with the new share issue at the end of 2023 and the 2023 Annual Report.

FINANCIAL RISKS

Chordate will probably have a continued need to seek financing to be able 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 has a primary goal to grow and expand going forward, which is expected to lead to additional capital needs in the future. If the Company's expected revenue cannot be realized, there is a risk that the Company's future economic position will be impacted negatively. There is a risk that the Company's internally generated profits will not be sufficient to cover costs for the operating activities, which can result in Chordate being forced to seek additional external financing to be able to continue conducting business.
Such financing can come from a third party or existing shareholders in public or private financing initiatives. There is a risk that it will not be possible to raise new capital when this is needed, that new capital cannot be raised on satisfactory terms, or that the capital raised is insufficient to finance operations in accordance with the established development plans and targets. This risks forcing the Company to limit its operations or, ultimately, shut down its operations completely.

CHORDATE MEDICAL

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

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 delay or adversely impact the future sales of the Company

Chordate's future revenue is to some extent dependent on its products being subsidized by public and private health care 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.

Transactions with related parties

The holdings of the Board of Directors and senior executives in the Company are presented in the following table. 500 warrants are entitled to subscription of one share.

Ownership of the Board of Directors and senior executives in Chordate 9/30/2024

Board of Directors	Shares	Warrants
Otto Skolling, chair	0	350,000
Tommy Hedberg, (and though related parties)	74,400	12,624,852
Gunilla Lundmark	0	350,000
Caroline Lundgren Brandberg, (and through related parties)	79,135	9,947,222
Henrik Rammer	13,300	350,000
Senior executives		
Anders Weilandt, CEO	12,000	5,800,000
Jan Hermansson, CSO	3,400	2,100,000
Jan Lindberg, CTO	298	1,549,577
Niklas Lindecrantz, CFO	1,093	685,306

Review by auditors

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

Principles for the preparation of the interim report

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

For a comprehensive overview of the accounting principles, refer to Chordate Medical Holding AB (publ)'s 2023 Annual Report. The same accounting and valuation principles are applied in the Parent Company and the Group, other than that set out in the paragraph Notes regarding accounting and valuation principles specifically for the consolidated accounts.

Forthcoming financial statements

2025

Year-End Report	February 28
Annual Report	April 11
Interim Report Q1	May 23

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

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

Kista, November 5, 2024

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

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Condensed Consolidated Income Statement

	7/1/2024–9/30/2024	7/1/2023–9/30/2023	1/1/2024–9/30/2024	1/1/2023–9/30/2024	1/1/2023–12/31/2023
Operating income					
Net turnover	147,993	210,947	578,611	494,684	976,281
Work performed by the Company for its own use and capitalized	237,071	327,540	1,778,287	601,143	770,598
Other operating income	14,414	147,008	29,948	154,256	177,445
	399,478	**685,495**	**2,386,845**	**1,250,084**	**1,924,324**
Operating expenses					
Raw materials and consumables	-88,711	-29,461	-414,231	-93,334	-437,696
Other external expenses	-4,203,258	-3,977,210	-14,742,582	-14,412,343	-21,096,351
Personnel expenses	-1,213,117	-1,139,564	-4,342,702	-4,371,547	-7,389,915
Depreciation and write-downs of tangible and intangible assets	-554,739	-613,311	-1,664,218	-1,840,476	-2,453,243
Other operating expenses	-22,275	-26,471	-73,217	-97,116	-118,692
	-6,082,101	**-5,786,016**	**-21,236,950**	**-20,814,816**	**-31,495,897**
Net operating profit/loss	**-5,682,623**	**-5,100,521**	**-18,850,105**	**-19,564,732**	**-29,571,573**
Profit/loss from financial investments					
Interest expenses and similar profit/loss items	1,331	162,159	126,351	220,970	384,898
	1,331	**162,159**	**126,351**	**220,970**	**384,898**
Net profit/loss after financial items	**-5,681,292**	**-4,938,361**	**-18,723,753**	**-19,343,762**	**-29,186,675**
NET PROFIT/LOSS FOR THE PERIOD	**-5,681,292**	**-4,938,361**	**-18,723,753**	**-19,343,762**	**-29,186,675**

Consolidated Statement of Financial Position

	9/30/2024	9/30/2023	12/31/2023
ASSETS			
Fixed assets			
Intangible fixed assets			
Capitalized development expenditure	4,981,378	4,249,882	4,115,275
Patents and trademarks	3,465,401	4,442,277	4,198,058
	8,446,779	**8,692,159**	**8,313,334**
Tangible fixed assets			
Equipment, tools, fixtures and fittings	1,876,074	523,157	793,554
	1,876,074	**523,157**	**793,554**
Financial fixed assets			
Rent deposits	90,740	107,060	90,740
	90,740	**107,060**	**90,740**
Total fixed assets	**10,413,593**	**9,322,376**	**9,197,628**
Current assets			
Inventories			
Raw materials and consumables	347,958	304,985	366,287
Finished goods and goods for resale	1,397,948	1,437,078	1,404,634
	1,745,906	**1,742,063**	**1,770,921**
Current receivables			
Accounts receivable	147,993	234,266	211,446
Other current receivables	899,635	850,779	1,439,708
Prepaid expenses and accrued income	671,725	646,832	880,564
	1,719,353	**1,731,877**	**2,531,718**
Cash and bank balances	**4,456,133**	**16,444,878**	**8,455,210**
Total current assets	**7,921,392**	**19,918,818**	**12,757,850**
TOTAL ASSETS	**18,334,985**	**29,241,193**	**21,955,478**
EQUITY AND LIABILITIES			
Equity			
Share capital	9,802,230	58,104,127	58,104,127
Other contributed capital	291,791,488	273,669,400	273,669,400
Other capital & net profit/loss for the year	-286,601,955	-306,844,076	-316,686,988
	14,991,764	**24,929,451**	**15,086,539**
Total equity	**14,991,764**	**24,929,451**	**15,086,539**
Current liabilities			
Accounts payable	1,123,670	2,027,435	2,881,266
Other current liabilities	506,409	433,860	693,898
Accrued expenses and deferred income	1,713,143	1,850,448	3,293,775
	3,343,222	**4,311,743**	**6,868,939**
TOTAL EQUITY AND LIABILITIES	**18,334,985**	**29,241,193**	**21,955,478**

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Consolidated Statement of Changes in Equity

	Share capital	Other contributed capital	Other capital	Profit/loss for the year	Total equity
Opening balance as at 1/1/2023	**39,428,095**	**259,144,975**	**-259,557,349**	**-27,942,965**	**11,072,757**
Comprehensive profit/loss for January–September 2023					
Net profit/loss for the period	0	0	0	-19,343,762	**-19,343,762**
Total reported loss for the period	**0**	0	0	**-19,343,762**	**-19,343,762**
Net profit/loss from previous year	0	0	-27,942,965	27,942,965	**0**
New share issues	18,676,032	14,524,425	0	0	**33,200,456**
Closing balance as at 9/30/2023	**58,104,127**	**273,669,400**	**-287,500,313**	**-19,343,762**	**24,929,451**
Opening balance as at 1/1/2023	**39,428,095**	**259,144,975**	**-259,557,349**	**-27,942,965**	**11,072,757**
Comprehensive profit/loss for January–December 2023					
Net profit/loss for the period	0	0	0	-29,186,675	**-29,186,675**
Total reported loss for the period	**0**	**0**	**0**	**-29,186,675**	**-29,186,675**
Net profit/loss from previous year	0	0	-27,942,965	27,942,965	**0**
New share issues	18,676,032	14,524,425	0	0	**33,200,457**
Closing balance as at 12/31/2023	**58,104,127**	**273,669,400**	**-287,500,314**	**-29,186,675**	**15,086,539**
Opening balance as at 1/1/2024	**58,104,127**	**273,669,400**	**-287,500,314**	**-29,186,675**	**15,086,539**
Comprehensive profit/loss for January–September 2024					
Net profit/loss for the period	0	0	0	-18,723,753	**-18,723,753**
Total reported loss for the period	**0**	0	0	**-18,723,753**	**-18,723,753**
Net profit/loss from previous year	0	0	-29,186,675	29,186,675	**0**
Reduction of share capital	-48,808,787		48,808,787	0	**0**
New share issues	506,890	18,122,088	0	0	**18,628,978**
Closing balance as at 9/30/2024	**9,802,230**	**291,791,488**	**-267,878,202**	**-18,723,753**	**14,991,764**

Consolidated Statement of Cash Flows

	7/1/2024–9/30/2024	7/1/2023–9/30/2023	1/1/2024–9/30/2024	1/1/2023–9/30/2023	1/1/2023–12/31/2023
Operating activities					
Net profit/loss after financial items	-5,681,292	-4,938,361	-18,723,753	-19,343,762	-29,186,675
Adjustment for non-cash flow items	554,739	613,311	1,664,218	1,840,476	2,453,243
	-5,126,552	**-4,325,051**	**-17,059,536**	**-17,503,286**	**-26,733,432**
Cash flow from change in working capital					
Change in inventories	109,704	-8,424	25,015	-376,178	-405,036
Change in current receivables	834,865	359,567	812,365	1,373,977	574,136
Change in current liabilities	-2,658,627	-987,487	-3,525,717	-3,256,160	-698,964
Cash flow from operating activities	**-6,840,610**	**-4,961,395**	**-19,747,872**	**-19,761,647**	**-27,263,296**
Investing activities:					
Investments in tangible fixed assets	0	-3,937	-1,101,896	-43,343	-378,227
Investments in financial fixed assets	0	-16,320	0	-25,460	-9,140
Investments in intangible fixed assets	-237,071	-327,540	-1,778,287	-601,143	-770,598
Cash flow from investing activities	**-237,071**	**-347,797**	**-2,880,183**	**-669,946**	**-1,157,965**
Financing activities:					
New share issue	21,781	0	18,628,978	33,200,456	33,200,456
Cash flow from financing activities	**21,781**	**0**	**18,628,978**	**33,200,456**	**33,200,456**
Cash flow for the period	**-7,055,900**	**-5,309,192**	**-3,999,078**	**12,768,863**	**4,779,195**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**11,512,033**	**21,754,070**	**8,455,210**	**3,676,015**	**3,676,015**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**4,456,133**	**16,444,878**	**4,456,133**	**16,444,878**	**8,455,210**

CONSOLIDATED PLEDGED ASSETS AND CONTINGENT LIABILITIES

	9/30/2024	9/30/2023	12/31/2023
Group, TSEK			
Pledged assets	None	None	None
Contingent liabilities	None	None	None

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Parent Company Income Statement

	7/1/2024–9/30/2024	7/1/2023–9/30/2023	1/1/2024–9/30/2023	1/1/2023–9/30/2023	1/1/2023–12/31/2023
Operating income					
Net turnover	150,000	150,000	450,000	450,000	600,000
Other operating income	0	0	0	0	0
	150,000	**150,000**	**450,000**	**450,000**	**600,000**
Operating expenses					
Other external expenses	-721,455	-405,696	-2,347,441	-2,032,784	-2,856,346
Personnel expenses	-164,446	-200	-175,564	16,468	-781,568
	-885,901	**-405,896**	**-2,523,005**	**-2,016,316**	**-3,637,914**
Net operating profit/loss	**-735,903**	**-255,896**	**-2,073,006**	**-1,566,316**	**-3,037,914**
Profit/loss from financial investments					
Profit/loss from participations in Group companies	-4,000,000	-6,000,000	-19,500,000	-19,000,000	-24,000,000
Interest expenses and similar profit/loss items	174	163,296	121,794	217,682	391,173
	-3,999,826	**-5,836,704**	**-19,378,206**	**-18,782,318**	**-23,608,827**
Net profit/loss after financial items	**-4,735,729**	**-6,092,600**	**-21,451,212**	**-20,348,634**	**-26,646,741**
Tax for the year	**0**	**0**	**0**	**0**	**0**
NET PROFIT/LOSS FOR THE PERIOD	**-4,735,729**	**-6,092,600**	**-21,451,212**	**-20,348,634**	**-26,646,741**

Parent Company Balance Sheet

	9/30/2024	9/30/2023	12/31/2023
ASSETS			
Fixed assets			
Financial fixed assets			
Participations in Group companies	52,247,911	52,247,911	52,247,911
	52,247,911	**52,247,911**	**52,247,911**
Total fixed assets	**52,247,911**	**52,247,911**	**52,247,911**
Current receivables			
Receivables from Group companies	7,725,012	6,975,012	7,162,512
Other current receivables	112,146	50,561	151,037
Prepaid expenses and accrued income	81,071	124,974	362,273
	7,918,229	**7,150,547**	**7,675,822**
Cash and bank balances	**3,621,768**	**13,878,392**	**7,570,034**
Total current assets	**11,539,997**	**21,028,939**	**15,245,856**
TOTAL ASSETS	**63,787,908**	**73,276,850**	**67,493,767**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	9,802,230	58,104,127	58,104,127
	9,802,230	**58,104,127**	**58,104,127**
Non-restricted equity			
Share premium reserve	291,791,488	273,669,400	273,669,400
Accumulated profit/loss	-216,879,008	-239,041,054	-239,041,054
Net profit/loss for the year	-21,451,212	-20,348,634	-26,646,741
	53,461,267	**14,279,712**	**7,981,605**
Total equity	**63,263,497**	**72,383,839**	**66,085,732**
Current liabilities			
Accounts payable	414,411	205,375	213,730
Other current liabilities	0	0	5,615
Accrued expenses and deferred income	110,000	687,636	1,188,690
	524,411	**893,011**	**1,408,035**
TOTAL EQUITY AND LIABILITIES	**63,787,908**	**73,276,850**	**67,493,767**

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Parent Company Statement of Changes in Equity

	Restricted equity	Non-restricted equity	Non-restricted equity	Non-restricted equity	
	Share capital	Share premium reserve	Accumulated profit/loss	Net profit/loss for the year	Total equity
Opening balance as at 1/1/2023	**39,428,095**	**259,144,976**	**-214,822,857**	**-24,218,196**	**59,532,016**
Comprehensive profit/loss for January–September 2023					
Appropriation of profit/loss from previous year	0	0	-24,218,196	24,218,196	**0**
Net profit/loss for the period	0	0	0	-20,348,634	**-20,348,634**
New share issues	18,676,032	14,524,425	0	0	**33,200,457**
Closing balance as at 9/30/2023	**58,104,127**	**273,669,400**	**-239,041,054**	**-20,348,634**	**72,383,839**
Opening balance as at 1/1/2023	**39,428,095**	**259,144,975**	**-214,822,858**	**-24,218,196**	**59,532,016**
Comprehensive profit/loss for January–December 2023					
Appropriation of profit/loss from previous year	0	0	-24,218,196	24,218,196	**0**
Net profit/loss for the period	0	0	0	-26,646,741	**-26,646,741**
New share issues	18,676,032	14,524,425	0	0	**33,200,457**
Closing balance as at 12/31/2023	**58,104,127**	**273,669,400**	**-239,041,054**	**-26,646,741**	**66,085,732**
Opening balance as at 1/1/2024	**58,104,127**	**273,669,400**	**-239,041,054**	**-26,646,741**	**66,085,732**
Comprehensive profit/loss for January–September 2024					
Appropriation of profit/loss from previous year	0	0	-26,646,741	26,646,741	**0**
Net profit/loss for the period	0	0	0	-21,451,212	**-21,451,212**
Reduction of share capital	-48,808,787		48,808,787		
New share issues	506,890	18,122,088	0	0	**18,628,978**
Closing balance as at 9/30/2024	**9,802,230**	**291,791,488**	**-216,879,008**	**-21,451,212**	**63,263,497**

PARENT COMPANY CASH FLOW STATEMENT

	7/1/2024–9/30/2024	7/1/2023–9/30/2023	1/1/2024–9/30/2024	1/1/2023–9/30/2023	1/1/2023–12/31/2023
Operating activities					
Net profit/loss after financial items	-4,735,729	-6,092,600	-21,451,212	-20,348,634	-26,646,741
Adjustment for non-cash flow items	4,000,000	6,000,000	19,500,000	19,000,000	24,000,000
	-735,729	**-92,600**	**-1,951,212**	**-1,348,634**	**-2,646,741**
Cash flow from change in working capital					
Change in current receivables	-84,220	-45,184	-242,408	883,452	358,176
Change in current liabilities	-659,538	-268,476	-883,624	-1,988,134	-1,473,110
Cash flow from operating activities	**-1,479,487**	**-406,260**	**-3,077,244**	**-2,453,316**	**-3,761,674**
Financing activities:					
Shareholder contributions made	-4,000,000	-6,000,000	-19,500,000	-19,000,000	-24,000,000
New share issue	21,781	0	18,628,978	33,200,456	33,200,456
Cash flow from financing activities	**-3,978,219**	**-6,000,000**	**-871,022**	**14,200,456**	**9,200,456**
Cash flow for the period	**-5,457,706**	**-6,406,260**	**-3,948,266**	**11,747,140**	**5,438,782**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**9,079,474**	**20,284,652**	**7,570,034**	**2,131,252**	**2,131,252**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**3,621,768**	**13,878,392**	**3,621,768**	**13,878,392**	**7,570,034**

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