

Chordate Medical Holding AB (publ)

Interim Report

JANUARY-MARCH 2024

CHORDATE
MEDICAL



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Interim Report

January–March 2024

Summary of the period January–March 2024

- Net turnover was SEK 257,677 (120,421)
- Cash flow from operating activities was SEK -5,908,058 (-8,479,928)
- Profit/loss after financial items was SEK -6,019,201 (-7,113,134)
- Profit/loss after tax was SEK -6,019,201 (-7,113,134)
- Earnings per share were SEK -0.02 (-0.03)

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

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

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

- **Bulletin from the Extraordinary General Meeting of Chordate with a resolution on the new issue of units in a rights issue. 1/26/2024**

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

The client is a specialist clinic in Munich that Chordate's market consultants in Germany have been processing. 1/30/2024

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

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

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

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

- **An Italian scientific case report, from a team at Campus Bio-Medico in Rome, detailing the Chordate treatment method was published in Cephalalgia Reports.**

3/11/2024

Significant events after the reporting period

- **Chordate entered into an agreement for liquidity provision with Lago Kapital.**

The purpose of liquidity provision is to improve liquidity and reduce volatility. Lago's assignment commences on April 19, 2024. 4/18/2024

- **Chordate announced that the United States Patent and Trademark Office issued a decision to grant Chordate's patent application US 17/942,912 from 2022.**

5/3/2024

Breakthrough in several markets and strengthened cash flow via an issue

During the first quarter of the year, much of our focus has been on introducing Ozilia Migraine in the industry and investor circles surrounding Life Science. During several investor congresses, we have connected with interesting contacts who see the potential in Ozilia.

We find another highlight during the first months of the year in Germany, where the first migraine patients started treatment with Ozilia. It is very satisfying that the first clinic with private paying patients has started on a central focus market.

- ▶ First migraine patients treated in Germany
- ▶ Strong interest at several investing congresses
- ▶ New case report on Ozilia published: "Effective for both pain relief and reduced frequency of migraine attacks"
- ▶ Patents approved in Europe and USA
- ▶ Cash strengthened by approximately SEK 23 million before costs after the rights issue. Additional proceeds may come from warrant series T08

First migraine patients treated in Germany

At the beginning of January, Chordate trained clinic staff and assisted in the initiation of treatment for the first three patients in Germany. Chordate and the clinic signed an agreement in November 2023 for the installation of Chordate's drug-free alternative for preventive migraine treatment.

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 first step for being able to further scale up sales.

Strong interest at several investing congresses

We participated during the first quarter and thereafter in several international investing congresses that target Life Science, including in Switzerland, London and Oslo. As Ozilia reaches higher levels of acceptance and success on our focus markets, we are working to increase knowledge about the Company and Ozilia among potential investors and buyers of the Company. This is part of the Company's overarching strategy and thus something we will continue to work with even during the rest of the year.

New case report on Ozilia published: "Effective for both pain relief and reduced frequency of migraine attacks"

In March, an Italian case report on Ozilia by a team at Campus BioBedico in Rome was published in the prestigious scientific journal Cephalgia Reports. The case report describes a 60-year-old male patient whose days with migraines decreased significantly, from 18 to 7 days per month, with a simultaneous significant reduction in pain level.



Anders Weilandt, CEO

The article also indicates that pain relief and reduction of migraine days from the initial treatment period had a sustained effect. After about three months, the patient underwent another treatment period with Ozilia, resulting in a quicker and more significant response.

Patents approved in Europe and the USA

In February, the European Patent Office granted Chordate's patent application EP 20163024.1 from 2020. The patent application pertains to the Company's treatment technique Ozilia, especially targeting chronic migraine. After the end of the period, at the beginning of May, the United States Patent and Trademark Office announced its intention to grant Chordate's patent application US 17/942,912 from 2022.

The Company thus currently has 79 patents distributed between 32 countries and 9 patent families related to different aspects of the Company's treatment techniques. Each newly granted patent is positive since the Company's intellectual property rights enable exclusivity on the market, which is a pillar of the ownership value the Company is building.

Strengthened cash after rights issue

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 series TO 8 that are issued, Chordate Medical may receive additional proceeds in November 2024.

Focus in 2024

- ▶ Proof-of-Concept in the focus markets
- ▶ Generate attention in the industry and investor circles
- ▶ Product registration in China, Saudi Arabia, UAE and USA
- ▶ The studies PM009 and PM010

Kista, May 2024
Anders Weilandt, CEO

Products and strategy



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 and can be performed 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.

Benefitts 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 Deloitte³.

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.

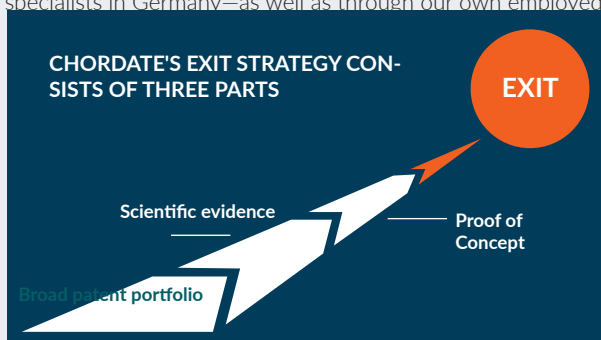
The Company's clinical study of Ozilia® treatment for chronic migraine, PM007, was completed in August 2022, and a first subgroup analysis consisting of 92 German patients was able to show a statistically significant reduction in the number

of headache days.¹ According to the Company, the subgroup result, which was confirmed by the final analysis of the entire study's collected data, constitutes strong support for market activities, such as key customer meetings and work on early compensation solutions from public or private insurance solutions, and is an important step in Chordate's exit 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 decisive importance for success in both processes for establishing insurance reimbursement and the Company's project for marketing authorization in the USA (FDA) and China (SFDA).

Proof of concept – The third part is to establish sales successes with the migraine indication in selected markets. By achieving empirical market penetration in its selected 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, on a part-time basis as market specialists in Germany—as well as through our own employed



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 British society loses 25 million productive days from work or school each year due to migraines. Absence

only due to migraines is estimated to cost GBP 2.25 billion a year in the UK, calculated on the basis of the 25 million days lost.⁹ Every million people in Europe lose approximately 400,000 days from work or school each year to migraines alone, and the estimated total cost of headache disorders exceeds EUR 100 billion a year in Europe, including healthcare and loss of production.¹⁰

Market size

Market for migraine medication

Market value 2021

USD 4.3 billion

8.5% CAGR
(2022–2030)

Market forecast
2030

USD 8.8 billion

Source: Polaris market research, October

Chronic migraine is primarily treated with medication and to a lesser extent with Botox injections, among other things. The sale of medication is expected to grow strongly and amount to USD 8.8 billion in 2030, corresponding to average annual growth (CAGR) of around 8.5 percent. North America is expected to be the largest market, followed by Europe.¹¹ Current treatments leave a large number of patients undertreated, and up to 85 percent of people with migraines report negative aspects to living with migraine (hopelessness, depression, misunderstood).¹² Chordate's assessment is that an effective migraine treatment that has few unexpected side effects and is not based on medication will provide significant value to the market participants currently investing in the neuromodulation 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. *Cephalalgia* 2015, Vol.34(5) 382–91.

⁹ Steiner TJ et al. *The prevalence and disability burden of adult migraine in England and their relationships to age, gender and ethnicity*. *Cephalalgia*. 2003; 23(7):519–27.

¹⁰ Value of Treatment 2017, European Brain Council (EBC) "The Economic Cost of Brain Disorders in EU".

¹¹ Polaris market research, October 2022.

¹² Martelletti, Paolo et al. "My Migraine Voice survey: a global study of disease burden among individuals with migraine for whom preventive treatments have failed." *The journal of headache and pain* vol. 19,1 115. 27 Nov. 2018.

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,	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 data, global Botox sales as a migraine treatment amount to more than USD 0.5 billion per year.	Used as preventive treatment	Expensive. Treatment must only be performed by specialist doctors
Ozilia®	Chordate is the sole provider of Ozilia treatment for migraine 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 that a person can have despite not having a cold, an allergy or an infection. The condition is called, among other things, non-allergic rhinitis. The prevalence of non-allergic rhinitis is not particularly well mapped, in part since there is no international consensus on diagnostic criteria. An academic compilation has still made the assessment that more than 200 million people around the world suffer from non-allergic rhinitis.¹³ This further implies that idiopathic rhinitis, which means rhinitis **without other explanation** and is the one Chordate primarily targets, can constitute around half of these. Chordate's priority markets in the rhinitis market include Italy and Saudi Arabia.

The problem is considered to be a common complaint that has a negative effect on the quality of life in the form of breathing difficulties, which can contribute to further problems such as a

dry mouth, snoring and impaired speech ability.¹⁴⁾

The symptoms are often mistakenly considered to be signs of a common cold. All in all, this means that millions of people suffer unnecessarily, unaware of their diagnosis and of Chordate's simple and effective treatment that can increase well-being in the long term. At the same time, the costs to society associated with other types of treatment, reduced work capacity and sick leave could be significantly reduced.¹⁵

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 Ozilia treatment for

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	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	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

¹³ 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.

¹⁴ Nationalencyklopedin, Malmquist. J. Isacson. S-O. Folksjukdomar.

¹⁵ 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 MARKET FOR NEUROSTIMULATION

Neurostimulation is a fast-growing medical area and defined as “a change in nerve activity through stimuli targeted at specific neurological areas in the body.” This change can occur in several different ways, for example through electricity, magnetic fields or medicine. Chordate’s method uses vibration, so-called kinetic oscillation stimulation, to stimulate the nerves in the mucous membranes in the nose. Neurostimulation has the ability to change many people’s lives. It provides an alternative to long-term treatment with medication, where conventional medicines do not give the desired effect, become problematic when used over a longer period of time as their effect tapers off or there is an inability to continue to tolerate side effects.

Implanted stimulators are the most common form of neurostimulation, and about 90 percent of the sales of medical technology products for neurostimulation are implanted.¹⁶ The remainder is neurostimulation through external stimulators, and this is the segment to which Chordate’s products belong. Since Chordate’s treatment is used in the nostrils, it is considered to be minimally invasive. Most neurostimulation treatments target chronic pain, which also applies to Chordate’s Ozilia treatment for migraine. Today, different types of neurostimulation are used for a long list of other symptoms, including impaired hearing, neurological diseases, urinary and gastrointestinal disorders, and mental illness.

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

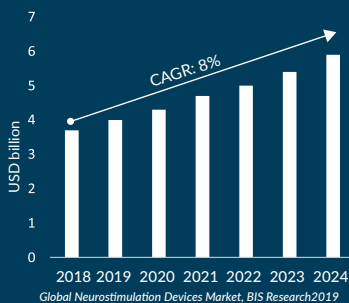
Market size

The global market for neurostimulation products was valued in 2018 to approximately USD 6.8 billion and is expected to grow to approximately USD 13.8 billion in 2024, corresponding to a CAGR of approximately 12.5 percent.¹⁷

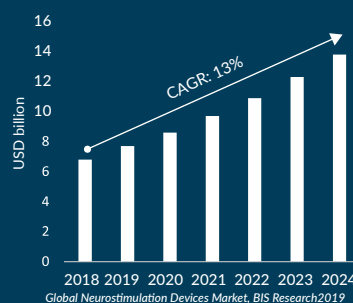
The market for neurostimulation products can be split into different sub-groups, with the following categorization into sub-segments (based on application): chronic pain treatment, audiology, neurological diseases, urinary and gastric disorders, mental illness and other.

Throughout 2018, chronic pain treatment accounted for the largest market share, approximately 54 percent of the total product market, which is the equivalent of approximately USD 3.7 billion, where a high incidence of chronic pain disorders, in combination with growing product use for pain treatment, are some of the most important factors in the segment’s growth. The segment is expected to grow with a CAGR of approximately 8 percent and in 2024 amount to around USD 6 billion.¹⁸

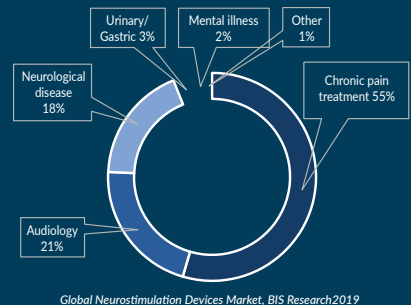
Global market chronic pain relief, 2018–2024



Global market neurostimulation, 2018–2024



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



¹⁶ Global Neurostimulation Devices Market, BIS Research 2019.

¹⁷ Ibid.

¹⁸ Ibid.

The Company

Mission statement

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

Business and revenue model

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

Products

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

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

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

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

The share and ownership structure

Chordate Medical Holding AB (publ) is listed on NASDAQ

First North Growth Market (ticker: CMH). On March 31, 2024, the total number of issued shares was 488,087,865 (232,416,507).

The Company has one share class. All shares carry equal entitlement to a share of the Company's assets and profits. The share's quota value (share capital divided by the number of shares) is SEK 0.12. The average number of shares during the period January–March 2024 amounted to 326,162,672.

LARGEST SHAREHOLDERS AS AT DECEMBER 31, 2023	3/31/2024	Share of votes & capital
Sifonen AB	63,341,169	13.0%
HAWOC Investment AB	44,716,668	9.2%
Isac Brandberg AB and related parties	39,567,624	8.1%
Tommy Hedberg	37,199,556	7.6%
Bevaclean	23,268,750	4.8%
Försäkringsaktiebolaget Avanza Pension *	14,177,214	2.9%
Nordnet Pensionsförsäkring AB *	13,114,550	2.7%
Carsten Johansen	11,999,988	2.5%
Handelsbanken Liv Försäkringsaktiebolag	11,559,807	2.4%
CLEARSTREAM BANKING S.A.	9,995,132	2.0%
Other	219,147,407	44.9%
Total	488,087,865	100.0%

The number of shares listed above are listed in accordance with Euro-



clear's records with the following adjustments.

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

Convertibles and warrants

There are no convertible loans, or similar, but the Extraordinary General Meeting on October 5, 2021, resolved on a directed issue of a maximum of 5,500,000 warrants with the aim of being used for a long-term incentive program. If fully

Warrants - outstanding	Number	Exercise price	Subscription period	Capital infusion*	Share capital**
Group & Parent Company					
TO Series 2021:1	5,500,000	2.49	Nov 1 - 30, 2025	18,673,481	899,926
TO Series 2023/25:1	4,000,000	0.25	Nov 1 - 30, 2025	2,685,264	1,288,926
TO Series 2023/25:2	1,500,000	0.25	Nov 1 - 30, 2025	1,006,974	483,347
Total	11,000,000			22,365,719	2,672,200

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



Financial information

Net sales

Net sales January–March 2024 amounted to SEK 257,677 compared to SEK 120,421 during the corresponding period last year.

Change in inventories and equipment

The recorded value of inventories on Sunday, March 31, 2024, was SEK 1,942,931 (1,718,436). Since the start of 2024, the carrying amount of inventory increased by SEK 172,010.

Profit/loss

Profit/loss after tax for January–March 2024 amounted to SEK -6,019,201 (-7,113,134) for the Group and SEK -8,016,107 (-7,729,203) for the Parent Company. Consolidated profit/loss includes depreciation/amortization and write-downs of tangible and intangible fixed assets of SEK -554,739 (-613,311).

The Parent Company's profit/loss for in January–March contains an impairment loss on the shares in subsidiaries of SEK 7,500,000 (7,000,000). This impairment loss does not affect consolidated profit/loss because it relates to impairment losses on shareholder contributions to cover losses in the subsidiary that are already included in consolidated profit/loss.

Cash and bank balances

Cash flow from operating activities in Q1 2024 was SEK -5,908,058 (-8,479,928), of which SEK -172,010 (-352,551) was an increase in inventory. Investments in production tools and product development amounted to -779,651 (0). Cash flow from financing activities consisted of the new issue SEK 18,675,207 (32,969,457).

As at March 31, 2024, consolidated total cash and bank balances amounted to 20,442,709 (28,156,404)

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 series TO 8 that are issued, Chordate Medical may receive additional proceeds in the fall of 2024. With the improved cash flow, we can now finance the continued market and sales work.

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

Earnings per share

Earnings per share during the period January–March amounted to SEK -0.02 (-0.03), calculated on a weighted average of 326,162,672 shares (231,586,461). The number of shares at the end of the period amounted to 488,087,865 (232,416,507).

Organization

The Company has 3 employees (3) as per March 31, 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.

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.

Ownership of the Board of Directors and senior executives in Chordate 3/31/2024

Board of Directors	Shares	Warrants
Henrik Rammer, Chair	6,664,798	350,000
Tommy Hedberg, (and through related parties)	37,199,556	12,624,852
Gunilla Lundmark	0	350,000
Caroline Lundgren Brandberg, (and through related parties)	39,567,624	9,947,222
Otto Skolling, Deputy Chair	0	350,000
Senior executives		
Anders Weilandt, CEO	6,000,000	5,800,000
Jan Hermansson, CSO	1,700,000	2,100,000
Jan Lindberg, CTO	148,731	1,549,577
Niklas Lindecrantz, CFO	545,918	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

2024

Interim Report Q2

August 30

Interim Report Q3

November 22

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

For more information, please contact:

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

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

Kista, May 24, 2024

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



Condensed Consolidated Income Statement

	1/1/2024- 3/31/2024	1/1/2023- 3/31/2023	1/1/2023- 12/31/2022
Operating income			
Net turnover	257,677	120,421	976,281
Work performed by the company for its own use and capitalized	380,953	0	770,598
Other operating income	4,933	3,147	177,445
	643,563	123,568	1,924,324
Operating expenses			
Raw materials and consumables	-61,867	-26,835	-437,696
Other external expenses	-4,265,972	-4,643,396	-21,096,351
Personnel expenses	-1,771,831	-1,915,657	-7,389,915
Depreciation/amortization and write-downs of tangible and intangible assets	-554,739	-613,311	-2,453,243
Other operating expenses	-22,408	-35,357	-118,692
	-6,676,817	-7,234,556	-31,495,897
Net operating profit/loss	-6,033,254	-7,110,988	-29,571,573
Profit/loss from financial investments			
Interest expenses and similar profit/loss items	14,052	-2,146	384,898
	14,052	-2,146	384,898
Net profit/loss after financial items	-6,019,201	-7,113,134	-29,186,675
NET PROFIT/LOSS FOR THE PERIOD	-6,019,201	-7,113,134	-29,186,675

Consolidated Statement of Financial Position

	3/31/2024	3/31/2023	12/31/2023
ASSETS			
Fixed assets			
Intangible fixed assets			
Capitalized development expenditure	4,192,167	4,256,862	4,115,275
Patents and trademarks	3,953,839	4,930,715	4,198,058
	8,146,006	9,187,577	8,313,334
Tangible fixed assets			
Equipment, tools, fixtures and fittings	1,185,792	610,418	793,554
	1,185,792	610,418	793,554
Financial fixed assets			
Rent deposits	90,740	90,740	90,740
	90,740	90,740	90,740
Total fixed assets	9,422,538	9,888,735	9,197,628
Current assets			
Inventories			
Raw materials and consumables	376,849	413,144	366,287
Finished goods and goods for resale	1,566,082	1,305,292	1,404,634
	1,942,931	1,718,436	1,770,921
Current receivables			
Accounts receivable	173,123	56,461	211,446
Other current receivables	1,575,314	1,841,693	1,439,708
Prepaid expenses and accrued income	924,111	835,395	880,564
	2,672,548	2,733,549	2,531,718
Cash and bank balances	20,442,709	28,156,404	8,455,210
Total current assets	25,058,188	32,608,389	12,757,850
TOTAL ASSETS	34,480,726	42,497,124	21,955,478
EQUITY AND LIABILITIES			
Equity			
Share capital	58,570,544	58,104,127	58,104,127
Other contributed capital	291,878,190	273,438,400	273,669,400
Other capital & net profit/loss for the year	-322,706,189	-294,613,446	-316,686,988
	27,742,545	36,929,081	15,086,539
Total equity	27,742,545	36,929,081	15,086,539
Current liabilities			
Accounts payable	3,022,672	2,298,476	2,881,266
Other current liabilities	575,106	401,705	693,898
Accrued expenses and deferred income	3,140,404	2,867,862	3,293,775
	6,738,182	5,568,043	6,868,939
TOTAL EQUITY AND LIABILITIES	34,480,726	42,497,124	21,955,478

Consolidated Statement of Changes in Equity

	Share capital	Other contrib- uted capital	Other capital	Net 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	11,072,758
<i>Comprehensive income January–March 2023</i>					
Net profit/loss for the period	0	0	0	-7,113,134	-7,113,134
Total reported loss for the period	0	0	0	-7,113,134	-7,113,134
Net profit/loss from previous year	0	0	-27,942,965	27,942,965	0
Ongoing new issue	0	-50,206	0	0	-50,206
New share issues	18,676,032	14,343,631	0	0	33,019,663
Closing balance as at 3/31/2023	58,104,127	273,438,400	-287,500,314	-7,113,134	36,929,081
<hr/>					
Opening balance as at 1/1/2023	39,428,095	259,144,975	-259,557,349	-27,942,965	11,072,757
<i>Comprehensive profit/loss for January–December 2023</i>					
Net profit/loss for the period	0	0	0	-29,186,675	-29,186,675
Total reported loss for the period	0	0	0	-29,186,675	-29,186,675
Net profit/loss from previous year	0	0	-27,942,965	27,942,965	0
New share issues	18,676,032	14,524,425	0	0	33,200,457
Closing balance as at 12/31/2023	58,104,127	273,669,400	-287,500,314	-29,186,675	15,086,539
<hr/>					
Opening balance as at 1/1/2024	58,104,127	273,669,400	-287,500,314	-29,186,675	15,086,539
<i>Comprehensive income January–March 2024</i>					
Net profit/loss for the period	0	0	0	-6,019,201	-6,019,201
Total reported loss for the period	0	0	0	-6,019,201	-6,019,201
Net profit/loss from previous year	0	0	-29,186,675	29,186,675	0
New share issues	466,417	18,208,790	0	0	18,675,207
Closing balance as at 3/31/2024	58,570,544	291,878,190	-316,686,989	-6,019,201	27,742,545

Consolidated Statement of Cash Flows

	1/1/2024- 3/31/2024	1/1/2023- 3/31/2023	1/1/2023- 12/31/2022
Operating activities			
Net profit/loss after financial items	-6,019,201	-7,113,134	-29,186,675
Adjustment for non-cash flow items	554,739	613,311	2,453,243
	-5,464,462	-6,499,823	-26,733,432
Cash flow from change in working capital			
Change in inventories	-172,010	-352,551	-405,036
Change in current receivables	-140,830	372,305	574,136
Change in current liabilities	-130,757	-1,999,860	-698,964
Cash flow from operating activities	-5,908,058	-8,479,928	-27,263,296
Investing activities:			
Investments in tangible fixed assets	-398,697	0	-378,227
Investments in financial fixed assets	0	-9,140	-9,140
Investments in intangible fixed assets	-380,954	0	-770,598
Cash flow from investing activities	-779,651	-9,140	-1,157,965
Financing activities:			
New share issue	18,675,207	32,969,457	33,200,456
Cash flow from financing activities	18,675,207	32,969,457	33,200,456
Cash flow for the period	11,987,498	24,480,389	4,779,195
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	8,455,210	3,676,015	3,676,015
CASH AND CASH EQUIVALENTS AT END OF PERIOD	20,442,709	28,156,404	8,455,210

CONSOLIDATED PLEDGED ASSETS AND CONTINGENT LIABILITIES

	3/31/2024	3/31/2023	12/31/2023
Group, TSEK			
Pledged assets	None	None	None
Contingent liabilities	None	None	None

Parent Company Income Statement

	1/1/2024- 3/31/2024	1/1/2023- 3/31/2023	1/1/2023- 12/31/2022
Operating income			
Net turnover	150,000	150,000	600,000
Other operating income	0	0	0
	150,000	150,000	600,000
Operating expenses			
Other external expenses	-675,537	-879,226	-2,856,346
Personnel expenses	0	0	-781,568
	-675,537	-879,226	-3,637,914
Net operating profit/loss	-525,537	-729,226	-3,037,914
Profit/loss from financial investments			
Profit/loss from participations in group	-7,500,000	-7,000,000	-24,000,000
Interest expenses and similar profit/loss items	9,431	23	391,173
	-7,490,569	-6,999,977	-23,608,827
Net profit/loss after financial items	-8,016,107	-7,729,203	-26,646,741
Tax for the year	0	0	0
NET PROFIT/LOSS FOR THE PERIOD	-8,016,107	-7,729,203	-26,646,741

Parent Company Balance Sheet

	3/31/2024	3/31/2023	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	7,350,012	6,600,012	7,162,512
Other current receivables	466,424	968,793	151,037
Prepaid expenses and accrued income	123,213	198,178	362,273
	7,939,649	7,766,983	7,675,822
Cash and bank balances	18,431,935	26,630,169	7,570,034
Total current assets	26,371,584	34,397,152	15,245,856
TOTAL ASSETS	78,619,495	86,645,063	67,493,767
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	58,570,544	58,104,127	58,104,127
	58,570,544	58,104,127	58,104,127
Non-restricted equity			
Share premium reserve	291,878,190	273,438,400	273,669,400
Accumulated profit/loss	-265,687,794	-239,041,053	-239,041,054
Net profit/loss for the year	-8,016,107	-7,729,203	-26,646,741
	18,174,289	26,668,144	7,981,605
Total equity	76,744,833	84,772,271	66,085,732
Current liabilities			
Accounts payable	787,103	603,877	213,730
Other current liabilities	0	0	5,615
Accrued expenses and deferred income	1,087,560	1,268,916	1,188,690
	1,874,663	1,872,793	1,408,035
TOTAL EQUITY AND LIABILITIES	78,619,495	86,645,063	67,493,767

Parent Company Statement of Changes in Equity

	Restricted equity	Non-restricted equity	Non-restricted equity	Non-restricted equity	
	Share capital	Share premium	Accumulated profit/loss	Net profit/loss	Total equity
Opening balance as at 1/1/2023	39,428,095	259,144,975	-214,822,858	-24,218,196	59,532,016
<i>Comprehensive income January–March 2023</i>					
Appropriation of profit/loss from previous year	0	0	-24,218,196	24,218,196	0
Net profit/loss for the period	0	0	0	-7,729,203	-7,729,203
New share issues	18,676,032	14,293,425	0	0	32,969,457
Closing balance as at 3/31/2023	58,104,127	273,438,401	-239,041,052	-7,729,203	84,772,271
Opening balance as at 1/1/2023	39,428,095	259,144,975	-214,822,858	-24,218,196	59,532,016
<i>Comprehensive profit/loss for January–December 2023</i>					
Appropriation of profit/loss from previous year	0	0	-24,218,196	24,218,196	0
Net profit/loss for the period	0	0	0	-26,646,741	-26,646,741
Ongoing new issue	0	0	0	0	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	-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
<i>Comprehensive income January–March 2024</i>					
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	-8,016,107	-8,016,107
New share issues	466,417	18,208,790	0	0	18,675,207
Closing balance as at 3/31/2024	58,570,544	291,878,191	-265,687,793	-8,016,107	76,744,833

PARENT COMPANY CASH FLOW STATEMENT

	1/1/2024- 3/31/2024	1/1/2023- 3/31/2023	1/1/2023- 12/31/2022
Operating activities			
Net profit/loss after financial items	-8,016,107	-7,729,203	-26,646,741
Adjustment for non-cash flow items	7,500,000	7,000,000	24,000,000
	-516,107	-729,203	-2,646,741
Cash flow from change in working capital			
Change in current receivables	-263,827	267,015	358,176
Change in current liabilities	466,628	-1,008,352	-1,473,110
	-313,306	-1,470,540	-3,761,674
Financing activities:			
Shareholder contributions made	-7,500,000	-7,000,000	-24,000,000
New share issue	18,675,207	32,969,457	33,200,456
	11,175,207	25,969,457	9,200,456
Cash flow for the period	10,861,901	24,498,917	5,438,782
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	7,570,034	2,131,252	2,131,252
CASH AND CASH EQUIVALENTS AT END OF PERIOD	18,431,935	26,630,169	7,570,034



CHORDATE
MEDICAL

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