

The Board of Directors of Chordate Medical Holding AB (publ) proposes a rights issue of approximately 51,3 MSEK

NOT FOR RELEASE, DISTRIBUTION OR PUBLICATION, IN WHOLE OR IN PART, EITHER DIRECTLY OR INDIRECTLY, WITHIN OR INTO THE UNITED STATES, AUSTRALIA, BELARUS, HONG KONG, JAPAN, CANADA, NEW ZEALAND, RUSSIA, SWITZERLAND, SINGAPORE, SOUTH AFRICA, SOUTH KOREA OR IN ANY OTHER JURISDICTION WHERE THE RELEASE, DISTRIBUTION OR PUBLICATION OF THIS PRESS RELEASE WOULD BE UNLAWFUL OR WOULD REQUIRE ADDITIONAL REGISTRATIONS OR OTHER MEASURES.

The Board of Directors of Chordate Medical Holding AB (publ) ("Chordate Medical" or the "Company"), which is listed on Nasdaq First North Growth Market ("Nasdaq First North"), has today, November 17, 2022, proposed that an extraordinary general meeting on December 5, 2022, resolve to carry out an issue of shares with preferential rights for the Company's shareholders amounting to approximately 51,3 MSEK (the "Rights Issue"). The Company has received subscription undertakings from main shareholders and members of the Board of Directors and management corresponding to approximately 33 percent of the Rights Issue. Notice to the extraordinary general meeting will be published through a separate press release. The Rights Issue enables Chordate Medical to penetrate selected markets in order to achieve strategic - and potentially value-creating - targets.

Background and reasons for the Rights Issue

Chordate Medical is a Swedish company that, through its wholly-owned subsidiary Chordate Medical AB, develops, sells and markets K.O.S (Kinetic Oscillation Stimulation), a patented and CE-marked nerve stimulation technology for the treatment of chronic migraine and chronic rhinitis.

K.O.S is a simple and cost-effective treatment without drugs that has demonstrated, in several clinical studies, to be free of unexpected side effects. In a first subgroup analysis, consisting of 92 German patients from the Company's patient study on K.O.S against chronic migraine that ended in August 2022, a statistically significant reduction in the number of headache days could be reported. The subgroup results provide support for market activities within the migraine market and the ongoing work with the Company's FDA application. The market for treatments against migraine is larger than the market for treatments for rhinitis, so success in the migraine area is a significant step in Chordate Medical's exit strategy, which consists of three parts:

- Broad patent portfolio – Chordate Medical has 71 granted patents grouped into 9 patent families in 26 markets and 3 more patent applications are pending.

- Scientific evidence – The second part of the strategy is to produce scientifically based evidence for treatment's clinical effect on the two indications.
- Proof of concept – The third part is to show early market penetration in selected markets in order to demonstrate the value of the technology.

The Board of Directors assesses that existing working capital is not sufficient to conduct business for the next twelve-month period. In order to accelerate the work towards an exit, primarily through continued investments in the migraine market with the support of the latest study results, the Board of Directors has resolved to propose the Rights Issue. If fully subscribed, the Rights Issue is estimated to raise approximately 51.3 MSEK to Chordate Medical before costs related to the issue. The proceeds from the issuance is intended to be distributed in accordance with the percentages set out below and, in the event that not all measures can be implemented, according to the following priority:

- 20% is allocated to market registration and product releases.
- 25% is allocated to supporting clinical studies.
- 55% is allocated to market strategic activities and other working capital.

Terms and conditions of the Rights Issue

The Board of Directors' proposal to the extraordinary general meeting includes that the Rights Issue be carried out in accordance with the main conditions set out below.

- The right to subscribe for shares with preferential rights shall vest in those who are registered as shareholders in the Company on the record date, 12th December 2022 pro rata to their shareholdings in the Company. One (1) existing share entitles to one (1) subscription right.
- Twenty (20) subscription rights entitles to subscription of thirteen (13) shares in the Company.
- The Rights Issue will increase the number of shares by maximum 102 513 047.
- The subscription price is 0,50 SEK per share. No commission is charged.
- The subscription period runs from December 14, 2022, up to and including December 29, 2022.
- If not all of the shares are subscribed for through the exercise of subscription rights, the Board of Directors shall, within the scope of the maximum amount of the Rights Issue, resolve on allotment of shares subscribed for without the exercise of subscription rights, whereby allotment (i) firstly, shall be made to those who have also subscribed for shares through the exercise of subscription rights, regardless of whether the subscriber was a shareholder on the record date or not, and, in the event allotment to these cannot be made in full, allotment shall be made pro rata in relation to their subscription through their subscription rights and, where this is not possible, through a drawing of lots; and (ii)

secondly, shall be made to others who have subscribed for shares in the Rights Issue without exercise of subscription rights and, in the event allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of shares each subscribed for and, where this is not possible, through a drawing of lots.

- If the Rights Issue is fully subscribed, the Company will receive approximately 51.3 MSEK before issue costs.
- Trading in paid subscription shares (Sw. "BTA") is expected to start at Nasdaq First North from 14 December 2022 until the Rights Issue is registered by the Swedish Companies Registration Office (Sw. "Bolagsverket"). The Rights Issue is expected to be registered around mid January 2023.

Change of share capital and number of shares and dilution

Through the Rights Issue, the number of shares in Chordate Medical will increase by a maximum of 102 513 047 shares, from 157 712 380 shares to 260 225 427 shares, and the share capital will increase by maximum 25 628 261,75 SEK, from 39 428 095 SEK to 65 056 356,75 SEK. This means that existing shareholders who choose not to participate in the Rights Issue will, if fully subscribed, experience a dilution of approximately 39.4 per cent of their votes and capital in the Company.

Subscription undertakings

In connection with the Rights Issue, the Company has received subscription undertakings from the Company's existing shareholders and members of the Board of Directors and management amounting to a total of approximately 16,7 MSEK. Those who have entered into subscription undertakings are HAWOC Investment AB, Sifonen AB, Tommy Hedberg, Magnus Brandberg, Bevaclean AB and Anders Weilandt. The subscription undertakings correspond to approximately 33 percent of the Rights Issue. No remuneration is paid for the subscription undertakings submitted.

Preliminary timetable for the Rights Issue

5 December 2022 Extraordinary general meeting

8 December 2022 Last day of trading including the right to receive subscription rights

9 December 2022 First day of trading excluding the right to receive subscription rights

12 December 2022 Record date for participation in the Rights Issue

13 December 2022 Estimated date for publication of Prospectus

14-29 December 2022 Subscription period.

14-23 December 2022 Trading in subscription rights.

14 December 2022 Trading in paid subscription shares (Sw. "BTA") until the Rights Issue is registered by the Swedish Companies Registration Office (Sw. "Bolagsverket").

2 January 2023 Expected publication of subscription result in the Rights Issue.

Prospectus

Full terms and conditions and instructions for the Rights Issue, as well as other information about the Company will be presented in the prospectus that the Company is expected to publish around December 13, 2022 (the "**Prospectus**").

Advisers

Västra Hamnen Corporate Finance AB acts as financial adviser and Wistrand Advokatbyrå acts as legal adviser to Chordate Medical in connection with the Rights Issue.

Important information

The information in this press release neither contains nor constitutes an offer to acquire, subscribe or otherwise trade with shares, warrants or other securities in Chordate Medical. No measure has been taken and no measure will be taken to permit an offer to the public in any other jurisdiction other than Sweden. Any invitation to the persons concerned to subscribe for shares in Chordate Medical will only be made through the Prospectus which will be published by the Company around 13 December 2022 on Chordate Medical's website, www.chordate.com. The Swedish Financial Supervisory Authority's upcoming approval of the Prospectus shall not be understood as an approval of the Company's shares, warrants or other securities. This press release is not a prospectus within the meaning of the Prospectus Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and this press release neither identifies nor purports to identify risks (direct or indirect) that may be connected with an investment in shares, warrants or other securities in Chordate Medical. Any investment decision should, in order for an investor to fully understand the risks and benefits associated with the decision to participate in the rights issue, be made solely based on the information in the Prospectus. An investor is therefore advised to read the entire Prospectus.

The information in this press release is not for release, publication or distribution, in whole or in part, directly or indirectly, within or into the United States, Australia, Belarus, Hong Kong, Japan, Canada, New Zealand, Russia, Switzerland, Singapore, South Africa, South Korea or in any other jurisdiction where such actions would be unlawful, subject to legal restrictions or require other measures in addition to those required under Swedish law. Measures in violation of the restrictions may constitute a breach of relevant securities law.

No shares, warrants or other securities in Chordate Medical has been registered, and no shares, warrants or other securities will be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state or other jurisdiction in the United

States, and may not be offered, sold or otherwise transferred, directly or indirectly, in or into the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of the relevant state or other jurisdiction in the United States.

Within the European Economic Area (the "**EEA**"), no offer of shares, warrants or other securities (the "**Securities**") is made to the public in any other country other than Sweden. In other Member States of the European Union (the "**EU**"), such an offer of Securities can only be made in accordance with the exemptions in the Prospectus Regulation (EU) 2017/1129. In other countries in the EEA that have implemented the Prospectus Regulation in national legislation, such an offer of Securities can only be made in accordance with the exemptions in the Prospectus Regulation and in accordance with any relevant implementation measures. In other countries in the EEA that have not implemented the Prospectus Regulation in national legislation, such an offer of securities can only be made in accordance with the applicable exemptions in national legislation.

In the United Kingdom, this press release, and other material in relation to the securities referred to herein, is only distributed to and directed at, and an investment or investment activity attributable to this press release is only available to, and will only be able to be exercised by "qualified investors" (within the meaning of the UK version of Regulation 2017/1129 which has been incorporated into UK law by the European Union (Withdrawal) Act 2018) who are (i) persons who have professional experience in investments and fall within the definition of "investment professional" in article 19(5) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"), or (ii) "high net worth entities" etcetera who fall within article 49(2)(a)-(d) of the Order; or (iii) such other persons whom such investment or investment activity may lawfully be directed to according to the Order (all such persons are collectively referred to as "relevant persons"). An investment or investment activity to which this press release relates is available in the UK only to relevant persons and will only be carried out with relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

This press release may contain certain forward-looking information that reflect the Company's current view of future events as well as financial and operational development. Words such as "intend", "assess", "expect", "may", "plan", "estimate" and other expressions involving indications or predictions regarding future development or trends, not based on historical facts, identify forward-looking statements. Forward-looking statements is inherently associated with both known and unknown risks and uncertainties as it is dependent on future events and circumstances. Forward-looking statements is not a guarantee of future performance or development, and the actual outcome may differ materially from what is stated in forward-looking statements.

For more information, please contact:

Anders Weilandt, CEO

anders.weilandt@chordate.com

Cell: +46 733-874277

About Chordate

Chordate Medical Holding AB (publ) is a medical technology company that for over ten years has developed, patented and CE-marked a new neuromodulation treatment technology for chronic nasal congestion (rhinitis) and chronic migraine. The company offers its product via distributors to clinics and hospitals in the Nordics, Germany, the UK, Israel, and Saudi Arabia. Chordate Medical's share is listed on Nasdaq First North Growth Market Stockholm (ticker: CMH). Read more at www.chordate.com/en/

Chordate's Certified Adviser on Nasdaq First North Growth Market Stockholm is Västra Hamnen Corporate Finance AB.

N.B. The English text is an in-house translation of the original Swedish text. Should there be any disparities between the Swedish and the English text, the Swedish text shall prevail.

This information is information that Chordate Medical Holding is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2022-11-17 08:30 CET.

Attachments

[The Board of Directors of Chordate Medical Holding AB \(publ\) proposes a rights issue of approximately 51.3 MSEK](#)