

# Chordate decides on a preferential issue of units of approximately SEK 22.2 million consisting of ordinary shares and preference shares with a conditional share dividend upon sale of the business

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The board of Chordate Medical Holding AB (publ) ("Chordate" or the "Company") has today decided to carry out an issue of units consisting of Ordinary Shares and Preference Shares for an initial amount of approximately SEK 22.2 million (the "Rights Issue") with preferential rights for the Company's existing shareholders subject to the approval of the extraordinary general meeting. Notice of the extraordinary general meeting will be published shortly. The subscription price for a unit, consisting of an Ordinary share and a Preference share, amounts to SEK 12 ("Unit"). Around 79.9 percent of the Rights Issue is covered by subscription undertakings and guarantee commitments.

## Summary

- The board of Chordate has today decided on the Rights Issue subject to approval from an extraordinary general meeting. Notice to the extraordinary general meeting will be published shortly.
- In order to enable the Rights Issue, the board has also decided to propose to the extraordinary general meeting to make a decision to i) introduce a new class of shares, Preference Shares, ii) introduce a redemption clause regarding the Preference Shares in the Company's articles of association, and iii) change the share and share capital limits in the Company's articles of association.
- The net proceeds from the Rights Issue are intended to be used for the following purposes listed in order of priority; general corporate purposes, completion of clinical trials, continued efforts in focus markets and investments in production capacity.
- The rights issue will, if fully subscribed, raise approximately SEK 22.2 million before issue costs. The issue costs for the Rights Issue are estimated to amount to approximately SEK 3.0 million including compensation for guarantees of approximately SEK 1.4 million, which is paid through newly issued Units, which means that the Company is expected to receive net cash of approximately SEK 20.6 million.

- Anyone who is a shareholder in Chordate on the record date of January 31, 2025 has preferential rights to subscribe for Units in the Rights Issue in relation to the number of shares held on the record date.
- One (1) existing share in Chordate on the record date entitles to one (1) unit right, three (3) unit rights gives the right to subscribe for five (5) Units consisting of one (1) Ordinary share and one (1) Preference share.
- The subscription price has been set at SEK 12 per Unit.
- For existing shareholders who do not participate in the Rights Issue will be diluted with a maximum of 77 percent, including the Preference Shares. Shareholders who do not wish to participate in the Rights Issue have the opportunity to receive financial compensation for the dilution by selling their unit rights.
- The subscription period in the Rights Issue is estimated to run from and including February 3, 2025 to and including February 17, 2025.
- The Rights Issue is covered by the subscription undertakings amounting to approximately 35.5 percent of the Rights Issue. No compensation is paid for submitted subscription undertakings.
- The company has entered into underwriting guarantees totalling approximately SEK 9.9 million, corresponding to approximately 44.4 percent of the rights issue.
- In total, approximately SEK 17.7 million, corresponding to around 79.9 percent, of the Rights Issue is covered by subscription undertakings and guarantee commitments.
- The Board has also decided on an over-allotment issue of up to 300,000 Units, which can provide the Company with an additional SEK 3.6 M, conditional on the Rights Issue being oversubscribed.
- The board also proposes that the general meeting decide to authorize the board to make a decision on further issue of Units with a deviation from the shareholders' pre-emptive right in order to be able to issue Units as guarantee compensation to the guarantors.

Full terms and instructions for the Rights Issue will be available in the information memorandum, which is expected to be published around January 31, 2025.

### **The Rights Issue**

The Rights Issue containing Units, will, if fully subscribed, raise approximately SEK 22.2 million to Chordate before issue costs.

The Company's shareholders have preferential rights to subscribe for Units in the Rights Issue in relation to the number of shares held on the record date, which is expected to be January 31, 2025. One (1) existing share in the Company on the record date entitles to one (1) unit right, three (3) unit rights gives the right to subscribe for five (5) Units consisting of one (1) Ordinary share and one (1) Preference share.

The subscription price has been set at SEK 12 per Unit. Both Ordinary and Preference Shares are intended to be admitted to trading on the Nasdaq First North Growth Market.

In connection with the implementation of the Rights Issue, a new class of shares, Preference Shares, will be introduced. The preference share is subject to a redemption clause and, under certain specified circumstances, carries the right to a dividend of a maximum of SEK 12 per preference share, with priority over the ordinary shares. Complete terms and conditions for the Preference Shares can be found in the notice published shortly after this press release. In the event of a fully subscribed Rights Issue, a maximum of 1,847,460 Preference Shares and 1,847,460 Ordinary Shares will be issued.

The Board has also decided on an over-allotment issue of up to 300,000 Units which can raise an additional SEK 3,6 million ("Over-allotment Issue"), conditional on the Rights Issue being oversubscribed. The main purpose of the Over-allotment Issue is to strengthen the Company's financial position and to finance the operations during 2025, including the recently initiated sale process of the Company's business.

#### **The authorization and the Guarantee issue**

A number of the Company's major shareholders including Sifonen AB, Hawoc Investment AB, Tommy Hedberg, Magnus Brandberg and related parties and the Company's CEO and other management personnel have committed to subscribe for Units for approximately SEK 7.9 million, corresponding to approximately 35.5 percent of the Rights Issue.

In addition, the Company has entered into bottom guarantee commitments with a number of external investors for a total of SEK 7.6 million, corresponding to 34.3 percent of the Rights Issue. Furthermore, three of the company's major shareholders and the chairman of the board, Otto Skolling, have provided top guarantee commitments totalling SEK 2.3 million, corresponding to 10.1 percent of the rights issue. In total, approximately 79.9 percent of the rights issue is covered by subscription undertakings and guarantee commitments.

The board also proposes that the general meeting decide to authorize the board to make a decision on further issue of Units with a deviation from the shareholders' pre-emptive right ("Authorization"). The purpose of the Authorization and the reason for the deviation from the shareholders' preferential right is to be able to carry out the issue of Units as guarantee compensation to the guarantors (the "Guarantee Issue"). The decision on the Authorization presupposes and is conditional on the general meeting deciding to approve the Rights Issue. When exercising the Authorization, the conditions for Units must be the same as in the Rights Issue, meaning that each Unit must consist of 1 new Ordinary Share and 1 new Preference Share. The number of Units that can be issued with the support of the Authorization may not exceed a total of 114,917, which is the total number of Units that corresponds to the agreed guarantee compensation that the Company has to issue to the guarantors.

The proceeds from the Rights Issue will strengthen the Company's financial position and finance operations during 2025, including the sale process of the Company's wholly owned subsidiary Chordate Medical AB, org. no. 556682-5062, (alternatively the business conducted therein) as described below (the "Divestiture").

The subscription period in the Rights Issue is expected to run from and including February 3, 2025 to and including February 17, 2025.

The company intends to publish an information memorandum regarding the Rights Issue around January 31, 2025.

### **Background and reason**

Chordate develops and commercializes Ozilia, a medical device for the treatment of chronic migraine and rhinitis. In a pivotal randomized and placebo-controlled clinical trial, the Company has demonstrated that treatment with Ozilia has a preventive effect on chronic migraine with a significantly reduced number of headache days and days with migraine episodes as a result. Based on the study results, Chordate has received regulatory approval in Europe (CE mark) and commercialization has begun where the system is used for treatment in clinics in Europe and Saudi Arabia.

Migraine is a serious and commonly occurring medical condition, with around two percent of the population suffering from chronic migraine. The migraine treatment market is worth around USD 10 billion, with CGRP-inhibiting antibodies and Botox treatment accounting for just over a third each.

In clinical trials, Ozilia has demonstrated results that are in line with or better than what today's treatment options can achieve. Ozilia is a drug-free alternative that in trials has shown few unexpected side effects and is thus a welcome addition to preventive treatments for a chronic migraine. Ozilia is currently available for treatment at a limited number of clinics.

Chordate assesses that there is significant potential in Ozilia, but that a full-scale commercialization of the product is best done by a larger international company with sufficient resources. Hence, Chordate has initiated a process with the objective of carrying out the divestment to an industrial buyer. In October 2024, the Company announced that a Swiss advisor, Partner International, had been retained to carry out a divestment through a structured sales process.

Chordate bedriver utveckling och kommersialisering av Ozilia, en medicinteknisk produkt för behandling av kronisk migrän och rinit. I en avgörande randomiserad och placebokontrollerad klinisk studie har Bolaget påvisat att behandling med Ozilia har en preventiv effekt på kronisk migrän med signifikant minskat antal huvudvärksdagar och dagar med migränepisoder som resultat. Chordate har, baserat på studieresultaten, erhållit regulatoriskt godkännande i Europa (CE-märke) och kommersialiseringen har inletts där systemet används för behandling vid kliniker i Europa och Saudiarabien.

Migrän är ett allvarligt och vanligt förekommande sjukdomstillstånd där omkring två procent av befolkningen lider av kronisk migrän. Marknaden för behandling av migrän uppgår till omkring 10 miljarder USD där CGRP-hämmande antikroppar samt behandling med Botox står för drygt en tredjedel vardera.

I kliniska studier har Ozilia uppvisat resultat som är i linje med eller bättre än vad dagens behandlingsalternativ kan uppnå. Ozilia är ett läkemedelsfritt alternativ som i studier uppvisat få oväntade biverkningar och utgör därmed ett välkommet tillägg preventiva behandlingar en kronisk migrän. Ozilia finns idag tillgängligt för behandling på ett begränsat antal kliniker.

Chordate bedömer att det finns en betydande potential i Ozilia men att en fullskalig kommersialisering av produkten bäst sker av ett större internationellt bolag med tillräckliga resurser. Därav har Chordate initierat en process med målsättning att genomföra Avyttringen till en industriell köpare. I oktober 2024 offentliggjorde Bolaget att den schweiziska rådgivaren Partner International anlätts för att genom en strukturerad försäljningsprocess genomföra avyttringen.

### **Use of proceeds**

In the event of full subscription in the Rights Issue, the Company will receive net cash of approximately SEK 20.6 M (after issue costs). The net proceeds are intended to be used for the following purposes, listed in order of priority:

- General company purposes (approx. 50 percent)
- Completion of clinical studies (approx. 10 percent)
- Continued processing of focus markets (approx. 30 percent)
- Investments in production capacity (approx. 10 percent)

### **Subscription undertakings and guarantee commitments**

A number of the Company's major shareholders including Sifonen AB, Hawoc Investment AB, Tommy Hedberg, Magnus Brandberg and related parties and the Company's CEO and other management personnel have undertaken to subscribe for Units for approximately SEK 7.9 million, corresponding to approximately 35.5 percent of the Rights Issue. No compensation is paid for submitted subscription undertakings.

In addition, the Company has entered into bottom guarantee commitments with a number of external investors for a total of SEK 7.6 million, corresponding to approximately 34.3 percent of the Rights Issue. Furthermore, three of the company's major owners and the chairman of the board, Otto Skolling, have provided top guarantee commitments totalling SEK 2.3 million, corresponding to 10.1 percent of the rights issue. For the guarantee commitments, a compensation of 14 percent is paid out in newly issued Units with the support of the Authorization.

In summary, approximately 79.9 percent of the rights issue is covered by subscription undertakings and guarantee commitments.

Neither subscription undertakings nor guarantee commitments are secured by bank guarantee, pledged assets or the like. Additional information about subscription undertakings and guarantee commitments will be available in the information memorandum that will be published in connection with the Rights Issue.

The record date for participation in the Rights Issue is estimated to be January 31, 2025, and the subscription period for the Rights Issue is expected to run between February 3 and 17, 2025. The last day for trading in Chordate's shares, including the right to participate in the Rights Issue, is estimated to be January 29, 2025.

Subscription can also take place without unit rights. In the event that all Units are not subscribed with the support of unit rights, the board shall, within the limit of the Rights Issue's maximum amount, decide on the allocation of Units that are subscribed without the support of unit rights. In the event of oversubscription, allocation shall be made in accordance with the following principles: First, such allocation shall be made to those who subscribed for Units with the support of unit rights, regardless of whether they were shareholders on the record date or not and who have registered an interest in subscribing to Units without the support of unit rights and for that if allocation to these cannot take place in full, allocation must take place proportionally in relation to the number of unit rights that each of those who have registered an interest in subscribing to Units without the support of unit rights used for subscription of Units. Secondly, such allocation must be made to others who have subscribed for Units in the issue without the support of unit rights, and in the event that allocation to these cannot take place in full, allocation must be made pro rata in relation to the total number of Units for which the subscriber has registered for subscription. Thirdly, allocation must be made to those who have entered into so-called guarantee commitments in proportion to such commitment. To the extent that allocation according to above cannot take place proportionally, allocation shall be by lottery.

Trading in paid subscribed Units ("BTU") on Nasdaq First North Stockholm is expected to take place during the period from and including February 3, 2025 until the Rights Issue has been registered, which is expected to take place around February 25, 2025.

### **Information memorandum**

Complete terms and information regarding the Rights Issue, as well as information on subscription obligations and guarantee commitments as well as other information about the Company will be provided in an information memorandum which is expected to be published by the Company before the subscription period begins.

### **Shares and dilution**

Due to the issuance decision, in order to enable the size and subscription price of the Rights Issue, the board has also decided to propose to the extraordinary general meeting to decide on changing the share and share capital limits in the Company's articles of association and to decide on reducing the Company's share capital. With the reduction, the quota value for the Company's shares will drop to SEK 4.0. The changes regarding the Company's share capital below are based on the new proposed quota value of SEK 4.0 per share.

Through the Rights Issue, the share capital will increase by up to SEK 14,779,680, from SEK 4,433,904 to SEK 19,213,584. The number of shares will increase by up to 3,694,920 shares, of which 1,847,460 are preference shares, from 1,108,476 shares to 4,803,396 shares. For existing shareholders who do not participate in the Rights Issue, this means a dilution of a maximum of 76.9 percent, including the preference shares, with the possibility of being financially compensated for the dilution effect by selling their unit rights.

If the Over-allotment Issue is fully utilized, the Company's share capital will increase by a further SEK 2,400,000 to a total of SEK 21,613,584 and the number of shares will increase by a further 600,000 new shares, of which 300,000 are preference shares to a total of 5,403,396 shares. For existing shareholders who do not participate in the Rights issue, and if the over-allotment issue is fully utilized, this means a dilution of a maximum of 11.1 percent including preference shares.

In order to restore the share capital, which is a prerequisite to avoid the time delay associated with the requirement for permission to reduce the share capital, the company's board has proposed to the extraordinary general meeting to decide on a bonus issue whereby free funds are returned to the share capital. With the bonus issue, the quota value of the shares will increase again.

### **Indicative time plan**

29 January 2025 – Last day for trading including the right to subscribe for Units supported by unit rights

30 January 2025 – First day of trading excluding the right to subscribe for Units supported by unit rights

31 January 2025 – Record date for participation in the Rights Issue

31 January 2025 – Publication of information memorandum

3 – 17 February 2025 – Subscription period

3 – 13 February 2025 – Trading in unit rights

3 – 25 February 2025 – Trade in BTU

18 February 2025 – Publication of the outcome of the Rights Issue

### **Advisers**

Chordate has engaged Bergs Securities as financial advisor and issuing agent in connection with the Rights Issue. CMS Wistrand is legal advisor in connection with the Rights Issue.

### **Important information**

Publication, announcement or distribution of this press release may in some jurisdictions be subject to restrictions by law and persons in the jurisdictions where this press release has been published or distributed should inform themselves of and comply with such legal restrictions. The recipient of this press release is responsible for using this press release and the information contained herein in accordance with the applicable regulations of the respective jurisdiction. This press release does not constitute an offer to sell or an invitation regarding an offer to acquire or subscribe for securities issued by the Company in any jurisdiction where such offer or invitation would be unlawful. In a member state of the European Economic Area ("EEA"), securities referred to in this press release may only be offered in accordance with the applicable exemptions in Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "Prospectus Regulation").

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This press release is not a prospectus within the meaning of the Prospectus Ordinance and has not been approved by any regulatory authority in any jurisdiction. The company has not approved any offer to the public of securities in any member state of the EEA and no prospectus has been drawn up or will be drawn up in connection with the Rights Issue. In each EEA Member State, this notice is directed only to "eligible investors" in that Member State as defined in the Prospectus Regulation. This press release neither identifies nor purports to identify any risks (direct or indirect) that may be associated with an investment in shares. An investment decision to acquire or subscribe for Units in the Rights Issue may only be made based on publicly available information.

To the extent this press release contains forward-looking statements, such statements do not represent facts and are characterized by words such as "should", "expect", "believe", "estimate", "intend", "intend", "assume" and similar expressions. Such statements express Chordate's intentions, opinions or current expectations or assumptions. Such forward-looking statements are based on current plans, estimates and forecasts that Chordate has made to the best of its ability but which Chordate does not claim will be accurate in the future. Forward-looking statements involve risks and uncertainties that are difficult to predict and cannot generally be influenced by Chordate. It should be kept in mind that actual events or outcomes may differ materially from those contained in, or expressed in, such forward-looking statements.

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### **About Chordate**

Chordate Medical Holding AB (publ) is a medical technology company that has developed, patented and CE-marked Ozilia® Migraine, a neuromodulation and drug-free treatment technology for chronic migraine and chronic rhinitis. The treatment has clinically proven efficacy according to a recent study, and is marketed in selected 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](http://www.chordate.com)

The company's Certified Adviser on Nasdaq First North Growth Market Stockholm is Vator Securities 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 2024-12-23 12:55 CET.*

### **Attachments**

[Chordate decides on a preferential issue of units of approximately SEK 22.2 million consisting of ordinary shares and preference shares with a conditional share dividend upon sale of the business](#)