



CHORDATE MEDICAL HOLDING AB

INTERIM REPORT | JAN-MARCH 2022



TABLE OF CONTENTS

Summary of the period January–March 2022	3
Chordate Medical in brief	3
Significant events	4
Comments from CEO Anders Weilandt	5
Migraine	7
Chronic rhinitis	9
The market for neurostimulation	10
About Chordate – the Company	11
Financial information and other	13
Condensed Consolidated Income Statement	16
Consolidated Statement of Financial Position	17
Consolidated Statement of Changes in Equity	18
Consolidated Statement of Cash Flows	19
Consolidated Pledged Assets and Contingent Liabilities	19
Parent Company Income Statement	20
Parent Company Balance Sheet	21
Parent Company Statement of Changes in Equity	22
Parent Company Cash Flow Statement	23



Chordate Medical Holding AB (publ)
CIN 556962-6319

INTERIM REPORT JANUARY-MARCH 2022

Summary of the period January–March 2022

- Net turnover was SEK 68,633 (101,626)
- Cash flow from operating activities was SEK -6,765,843 (-5,489,848)
- Profit/loss after financial items was SEK -7,379,154 (-5,799,097)
- Profit/loss after tax was SEK -7,379,154 (-5,799,097)
- Earnings per share were SEK -0.05 (-0.05)

Chordate Medical in brief

Chordate Medical Holding AB (publ) is a medical technology company that for over ten years has developed, patented and received CE marking for a new neuromodulation treatment technology for chronic nasal congestion (rhinitis) and chronic migraine. The Company offers its products in select European markets, Israel and Saudi Arabia. Chordate Medical Holding AB (Publ.) is listed on NASDAQ First North Growth Market (ticker: CMH). Read more at www.chordate.com

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SIGNIFICANT EVENTS DURING THE QUARTER

- ▶ **Chordate received the decision from NGM that the delisting of its shares from NGM-SME, which was conditional on the listing change to Nasdaq First North Growth Market, was finally approved. 1/28/2022**

The decision was conditional on receiving approval for the listing change to Nasdaq First North Growth Market and specified 2/14/2022 as the last day for trading on NGM-SME.

- ▶ **Independent scientific article published on the KOS treatment for rhinitis. 1/31/2022**

A clinical study conducted by a group of Italian researchers on KOS treatment for rhinitis from Chordate published an article in the scientific journal American Journal of Surgery and Clinical Case Reports.

- ▶ **Chordate received preliminary approval from NASDAQ regarding a listing change to First North Growth Market. 1/31/2022**

The decision specified 2/15/2022 as the first day of trading on First North.

- ▶ **Chordate Medical begins market introduction of migraine treatment in the UK 2/11/2022**

Chordate entered into an agreement with Futures. Health LTD in the UK to introduce the Company's product for preventive migraine treatment on the UK market.

- ▶ **Chordate Medical Holding AB's (publ) shares began trading on February 15 on Nasdaq First North Growth Market Stockholm 2/15/2022**

- ▶ **Chordate Medical opens representative office in Saudi Arabia 3/11/2022**

Chordate announced a decision to open a representative office in Riyadh to continue to grow in Saudi Arabia and expand its operations to the other countries in the GCC (Gulf Cooperation Council).

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- ▶ **Chordate Medical completed first phase of the FDA process in the US: moves forward with De Novo application 4/11/2022**

Chordate announced that the pre-study for marketing authorization in the USA has been completed. Chordate chose to initiate a so-called De Novo application. The next phase that has begun includes a pre-submission meeting with the FDA to get the agency's preliminary view on how the final application should be designed.

- ▶ **The patient study is now fully recruited. 4/22/2022**

Chordate Medical announced its estimate that a sufficient number of patients have been recruited for the study on migraine which is being carried out in Germany and Finland – and that the number of patients prescribed by the study design has thus been met.

WHAT AN EXCITING START TO 2022

At the beginning of the year and up to now in May 2022, we are seeing growing international interest in Chordate as a company and our technology. The combination of the listing on Nasdaq First North and the CE marking for migraines seems to have increased our exposure internationally. We are constantly analyzing the marketing opportunities that potentially should be developed, for example the choice of the model to start our establishment in the UK.

- The migraine study is now fully recruited
- Independent scientific article published on the KOS treatment for rhinitis.
- Opening a representative office in Saudi Arabia and recruited General Manager Alain Durante
- Completed pre-study on US FDA application, DeNovo application started
- Our share switched to NASDAQ First North for improved visibility and service for our shareholders
- Signed agreement with new marketing consultant in the UK

Saudi Arabia will be the base for expansion in the region

In order to best develop Saudi Arabia and expand the operations to the other countries in the GCC (Gulf Cooperation Council), we are in the process of opening a representative office in Riyadh and have recruited Alain Durante to be the general manager. He has almost twenty years of experience in sales and marketing in medical technology in Saudi Arabia and has led the work with our products at our distributor for over two years. We thus have a very good set-up to develop the region.

Our new marketing consultants in the UK see potential for the migraine treatment

The market potential is significant with around 10 million migraine patients in the country according to the NHS. This is a long-term project that we assess could generate profit over time. During the initial phase, the marketing activities in the UK will be focused on building up a network of opinion-leading neurologists, primarily among private care providers.

Listing on Nasdaq First North

The Company's share has been listed on NGM SME since March 2017. Following a decision by the Board to switch to the NASDAQ First North, the listing change went ahead on February 15. The Board of Directors makes the assessment that the listing change is positive for Chordate's development and the fulfillment of our expressed exit strategy.



Project for US market approval from the FDA

The pre-study, which aims to find the right path for an application for marketing authorization for the migraine indication in the USA, resulted in the shift in March–April to a so-called DeNovo application. The project has now entered Phase 2, which, together with our US consultants at RQM+, is to obtain the FDA's view on how we have chosen to plan the final application.

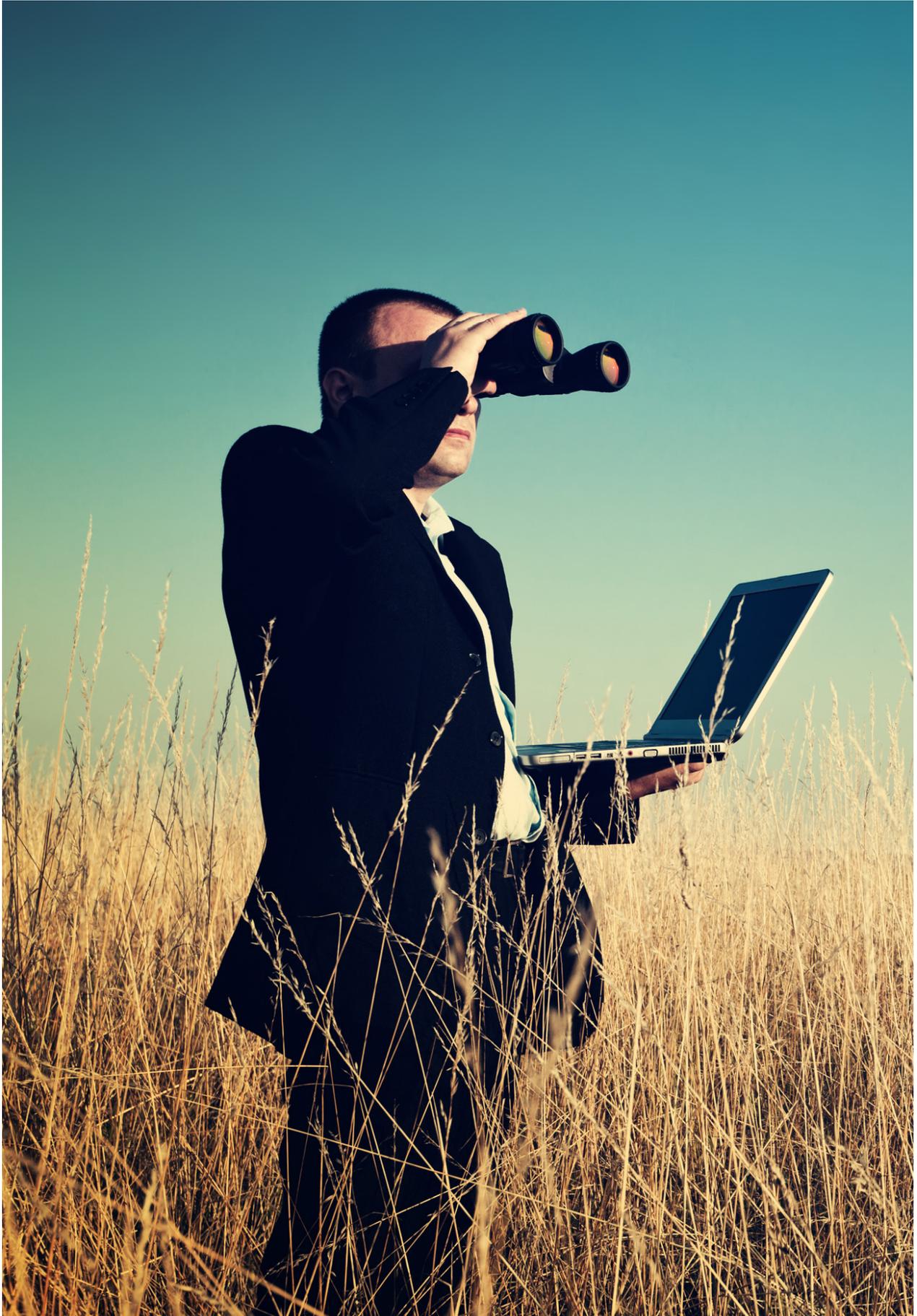
The patient study on migraine is fully recruited

The remaining four Finnish clinics in the study have now recruited the last patient to start treatment. A patient spends ten weeks in the study in total. The scientific article from the study is expected to be completed as early as the end of the third quarter of this year. Since CE marking has already been obtained, the sole aim of the study in Germany and Finland is to support future marketing activities and gather data for the publication of a scientific article.

In the cards for 2022

Everything is progressing according to plan so far. We continue to follow the marketing plan for 2022. This applies naturally to both the migraine and the rhinitis indications, but we will have a stronger focus on migraine.

Kista, May 2022
Anders Weilandt, CEO



MIGRAINE MARKET

Migraine is a neurological syndrome that according to the WHO is the third-most common and seventh-most debilitating illness in the world¹. Based on scientific literature, the Company also estimates that 6–8 percent of men and 15–18 percent of women in Europe and America are diagnosed annually with migraine. A distinction is normally drawn between episodic migraine, which occurs occasionally, and chronic migraine. Individuals who experience headaches more than 15 days a month, and migraines more than 8 of these days, are defined as chronic migraine patients. Scientific literature shows that between 110 and 170 million people across the world suffer from chronic migraine, and they are treated in daily life by clinics specializing in neurology and headaches, which provide a very clear indication of where the market is.

Migraine across the world²

The under-diagnosis of these 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.

Current treatment strategies are often regarded as being insufficiently effective and having considerable side effects. New treatment methods are therefore desirable in order to better fulfill the therapeutic need in patients who suffer from migraines. There is a growing interest in neuromodulation as a treatment, primarily for headaches. 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.

Impact on life quality

Migraines are regarded as the cause of 2.9 percent of the “quality years” of life lost due to associated disability, and migraines are the primary cause of disability among all neurological disorders. The estimated amount of time spent suffering from a migraine (that is to say, experiencing an attack) during the average migraine patient’s life is 5.3 per cent.³

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 due to migraines alone is estimated to cost GBP 2.25 billion per year in Great Britain, based on 25 million lost days. For each million of the population in Europe, it is estimated that around 400,000 days from work or school are lost 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.⁴

Market size⁵

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 8.7 billion in 2026, an annual growth of around 10 percent in the seven largest markets (7MM). The USA continues to dominate the market with a share of 77 percent of total sales for 2026, followed by Germany (5.6 percent) and Italy (5.2 percent) within 7MM.

Current treatments leave a large number of patients undertreated; many of the medications, for both acute and preventive treatment, are ineffective with a large number of patients. In addition to this, many of these medications are not suitable for patients with certain medical conditions. Chordate’s assessment is that an effective migraine treatment without side effects and medication will provide significant value to the market participants currently investing in the neuromodulation segment.

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 KOS treatment for migraine. See the table on the next page.

1) Steiner TJ et al. Migraine: The Seventh Disabler, *Journal of Headache and Pain*; 14 January 2013

2) Khan, S. Schoenen, J. Ashina, M. *Cephalalgia* 2015, Vol.34(5) 382-91

3) 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

4) *Value of Treatment 2017*, European Brain Council (EBC) “The Economic Cost of Brain disorders in EU”

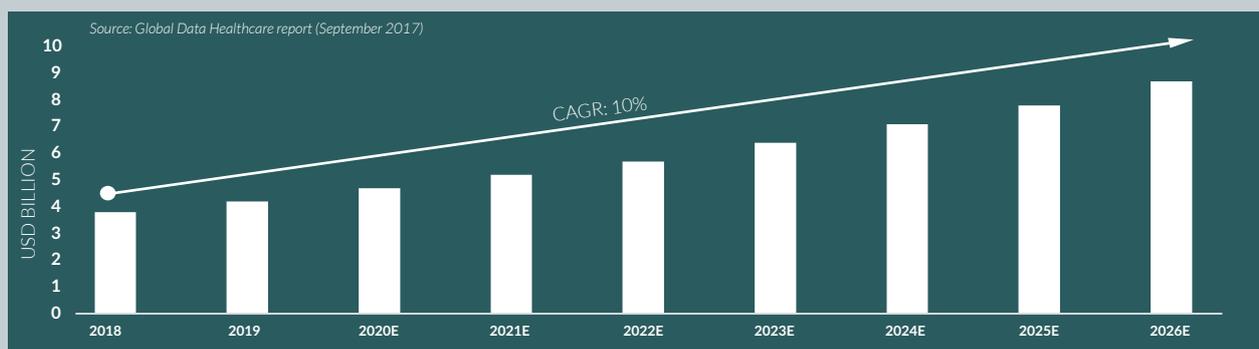
5) *Global Data Healthcare report* (September 2017)

*Quality-adjusted life years (QALY) are a measure that make it possible to compare different medical approaches. The idea is based on not only taking into consideration how many extra years each medical approach can give but also the quality of these years. A healthy person is considered to have the value 1, and a dead person the value of 0. One year of good health corresponds to 1 QALY. (WIKIPEDIA)

A COMPARISON OF DIFFERENT TREATMENT ALTERNATIVES 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 to use in acute situations for migraine	Alleviate only the 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 or Orudis.	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 is assumed in some markets to be around USD 6,000–7,000 per year.	Used as preventive treatment	Expensive
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 with the aim of impacting specific nerve ends. The treatment normally takes half an hour at the most and is performed every three months. The price for the treatment is relatively high. 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
KOS	Chordate is the sole provider of KOS treatment for migraine. The action mechanism for the treatment is to influence the autonomous nervous system by stimulating nerve cells in the nostril.	No unexpected side effects Used as preventive treatment Cost-effective	Treatment may only be performed by a doctor or nurse after a medical examination

GLOBAL MIGRAINE MARKET, MEDICATION, 2018–2026



RHINITIS MARKET

Chronic nasal congestion (rhinitis) is a condition that a person can have despite not having a cold, an allergy or an infection. It is sometimes called non-allergic rhinitis and affects approximately 200 million people throughout the world⁶⁾. Of these, approximately half suffer from what is called idiopathic rhinitis, which more or less means rhinitis “without any other explanation.”

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.⁷⁾ 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 society⁸⁾ associated with other types of treatment, reduced work capacity and sick leave could be significantly reduced.

Market size

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 people⁹⁾ around the world suffer from non-allergic rhinitis. This further implies that idiopathic rhinitis, which is the one Chordate is targeting, can constitute around half of these.

Alternative treatments

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 KOS treatment for rhinitis.

TREATMENT ALTERNATIVES	DESCRIPTION	ADVANTAGES	DISADVANTAGES
Nose sprays	Often the first treatment rhinitis patients use. There are a number of products available over the counter. Some contain cortisone, which can reduce the swelling in the mucous membrane and a runny nose. Others can contain antihistamines, which are more common for treating allergies.	Fast reduction in symptoms in the short term Readily available Simple	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, is 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 No 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	The effect wears off after a few years Risk of losing sense of smell Limited number of treatments
KOS	KOS (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 ¹⁰⁾ .	No unexpected side effects	Treatment may only be performed by a doctor or nurse after a medical examination

6) 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

7) Nationalencyklopedin, Malmquist, J. Isacson, S-O. *Folksjukdomar*

8) 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

9) 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

10) Summary of TVRSS mean absolute value from baseline to week 24 – Per Protocol Population from study PRO03/Clinical Investigation Report

THE MARKET FOR NEUROSTIMULATION

The market for neurostimulation products¹¹⁾

Neurostimulation is one of the fastest growing medical areas and is 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 (KOS), 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 or 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 around 90 percent of the sales of medical devices for neurostimulation refer to implants. The remainder refer to neurostimulation through external simulators, and it is to this segment that 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 KOS 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.

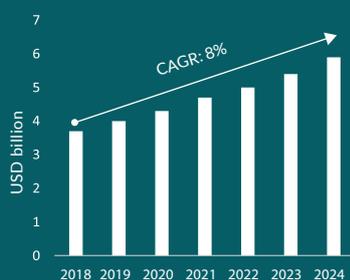
Market size¹²⁾

The global market for neurostimulation products is estimated to amount to approximately USD 6.8 billion during 2018, and is expected to grow with a CAGR of 12.5% by 2024, which equals a growth of approximately USD 13.8 billion.

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.

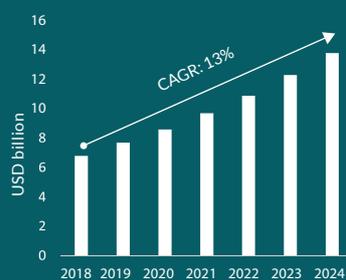
Throughout 2018, chronic pain treatment accounted for the largest market share, approximately 54% of the total product market, which is the equivalent of approximately USD 3.7 billion, where a high incidence of chronic pain disorders, in combination with growing product use for pain treatment, are some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

Global market chronic pain relief, 2018-2024



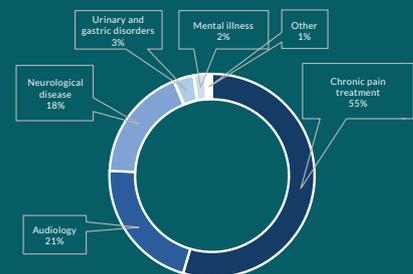
Global Neurostimulation Devices Market, BIS Research 2019

Global market neurostimulation, 2018-2024



Global Neurostimulation Devices Market, BIS Research 2019

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



Global Neurostimulation Devices Market, BIS Research 2019

11) Global Neurostimulation Devices Market, BIS Research 2019
12) 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 rapid nerve-stimulating treatment with a long-term impact and no unexpected side effects that is not based on surgical procedures or medicine.

Business and revenue model

Chronic Rhinitis

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 code that the customer enters into the system. The system does not work without the code.

Chronic Migraine

KOS treatment with the indication preventive treatment of chronic migraine for patients over the age of 18 is CE-marked, and the Company is introducing the treatment method by working with a similar business model as the one described above under Chronic rhinitis.

Products

The Company's product range is based on the CE-marked treatment units Chordate System S100 and S120 for rhinitis and S220 for migraine that is registered for the indications preventive treatment of chronic migraine and chronic rhinitis and use of patients who are 18 years old or older. The treatment units contain advanced mechanics and software and are 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 made by the same supplier as the treatment units.

The share and ownership structure

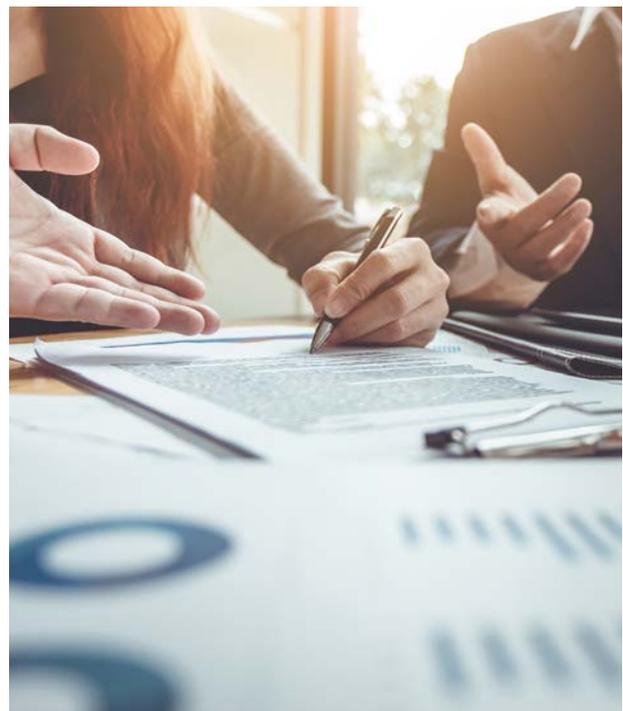
Chordate Medical Holding AB (publ) is listed on NASDAQ First North Growth Market (ticker: CMH). On March 31, 2022, the total number of issued shares was 157,712,380 (108,826,911).

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 0.25. The average number of shares during the period January–March 2022 was 157,712,380.

LARGEST SHAREHOLDERS AS AT MARCH 31, 2022	3/31 2022	Share of votes & capital
HAWOC Investment AB	17,000,000	10.8%
Isak Brandberg AB and related parties	14,242,456	9.0%
Sifonen AB	12,493,169	7.9%
Tommy Hedberg	7,515,063	4.8%
Försäkringsaktiebolaget Avanza Pension *	6,863,945	4.4%
Henrik Rammer	6,664,798	4.2%
Bevaclean	6,375,000	4.0%
Tiven GmbH with related parties	4,759,798	3.0%
Nordnet Pensionsförsäkring AB*	3,315,029	2.1%
Magnum Invest with related parties	3,000,000	1.9%
Other	75,483,122	47.9%
Total	157,712,380	100.0%

The number of shares listed above are listed in accordance with Euroclear's records with the following adjustments.

* When compiling this list, the number of shares for pension insurance companies was calculated and reported above excluding holdings for individuals and companies in pension insurance companies that the Company 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 7,400,000 warrants with an exercise price of SEK 1.30/share during the period March 1–31, 2021, were registered during the new issue conducted in February 2020. Full subscription could generate for Chordate SEK 9,620,000 before issue expenses.

Due to issues following this issue, the exercise price for these shares was recalculated to SEK 0.932/share, and in total 1,396,000 shares were subscribed and registered with the Swedish Companies Registration Office in April 2021.

The issues that were decided in August 2020 issued 47,855,504 warrants at a subscription price of SEK 0.75/share during the period October 1–29, 2021, which if fully subscribed could generate for Chordate SEK 35,891,628 before issue expenses. The utilization rate was 99.23%, and the issue generated SEK 35,617,102 for the Company before issue expenses. 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 subscribed, this could result in an increase in the share capital of at the most SEK 1,375,000.

Warrants - outstanding Group & Parent Company	Number	Exercise price	Subscription period	Capital infusion	Share capital
TO Series 2021:1	5,500,000	2.55	Nov 1 - 30, 2025	14,025,000	1,375,000
Total	5,500,000			14,025,000	1,375,000



FINANCIAL INFORMATION

Net sales

Net sales January–March 2022 amounted to SEK 68,633 compared to SEK 101,626 during the corresponding period last year. Sales revenue in the period consists of revenue from sales of systems and treatments in Sweden, Saudi Arabia and Italy.

Change in inventories and equipment

The change in inventories during the period amounted to SEK -39,975 (-7,132). The recorded value of inventories on March 31 was SEK 1,132,509 (1,623,216).

Profit/loss

Profit/loss after tax for January–March 2022 amounted to SEK -7,379,154 (-5,799,097) for the Group and SEK -8,256,808 (-6,322,678) for the parent company. Consolidated profit/loss includes depreciation/amortization and write-downs of tangible and intangible fixed assets of SEK -613,311 (-309,249). The Parent Company's profit/loss contains an impairment loss on the shares in the subsidiary of SEK 7,000,000 (6,000,000). 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

As at March 31, 2022, consolidated total cash and bank balances amounted to SEK 21,562,764 (9,808,904).

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 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 Jan–March amounted to SEK -0.05 (-0.05) calculated on a weighted average of 157,712,380 shares (108,821,870). The number of shares at the end of the period amounted to 157,712,380 shares (108,826,911).

Organization

The Company had 3 employees (3) as at March 31, 2022, 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

Financial risks

Chordate is currently carrying out the marketing plan that is judged to be sufficiently financed with existing capital. Beyond that, there will probably be a need for additional financing for continued market development. Chordate has a primary goal to grow and expand in the future. This phase is expected to generate costs and can lead to 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. Chordate may also be forced to seek additional external financing to be able to continue its operations. 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 needed, that new capital cannot be raised on satisfactory conditions, or that raised capital is insufficient for financing the operations in accordance with 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 both the Company's activities and the 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. If the Company successfully secures additional financing as needed, however, this could mean that the Company's future actual capital needs will 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 earnings.

Other risks

Through its business, Chordate is exposed to both operational and financial risks. The Company follows a continuous process for identifying current risks and being able to assess how these risks should be managed. The markets for the Company's products require scientific proof and adequate clinical efficacy and patient security.

The Company is active on markets that have great potential but where sales take time to develop, and public remuneration within health care is a long process without any guaranteed outcome.

For a detailed description of the Company's risks and uncertainty factors, please refer to the annual reports for 2019 and 2020 and the description of the Company presented in conjunction with the change in the listing to NASDAQ First North in February 2022.

Transactions with related parties

► Anders Weilandt, through his own company, is owner, Board Member and Board Chair of Symbioteq AB and all its subsidiaries, including Key2Compliance AB, which performs regular consulting services for the Company and the group within the areas of Quality Assurance, Regulatory Affairs and Clinical Development. To manage such a conflict of interest, matters relating to assignments from the Company to Key2Compliance AB have been delegated from Anders Weilandt to the company's CTO and CSO, with direct reporting to the chair of the Board of Directors. 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 3/31/2022

Board of Directors	Shares	Warrants
Henrik Rammer, Chair	6,664,798	0
Tommy Hedberg, with related parties	7,515,063	0
Gunilla Lundmark	0	0
Caroline Lundgren Brandberg, with related parties	7,420,271	0
Senior executives		
Anders Weilandt, CEO	600,000	0
Jan Hermansson, CSO	268,384	0
Jan Lindberg, CTO	29,258	0
Niklas Lindecrantz, CFO	106,250	0

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 2021 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 for 2022

Interim Report Q2	August 30
Interim Report Q3	November 18

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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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 27, 2022

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



CONDENSED CONSOLIDATED INCOME STATEMENT

	1/1/2022- 3/31/2022	1/1/2021- 3/31/2021	1/1/2021- 12/31/2021
Operating income			
Net turnover	68,633	101,626	882,046
Work performed by the company for its own use and capitalized		218,942	1,301,184
Other operating income	14,357	33,996	498,497
	82,990	354,564	2,681,727
Operating expenses			
Raw materials and consumables	-54,390	-46,822	-258,068
Other external expenses	-5,473,233	-4,408,019	-16,462,688
Personnel expenses	-1,289,915	-1,385,986	-6,116,812
Depreciation/amortization and write-downs of tangible and intangible assets	-613,310	-309,249	-1,541,059
Other operating expenses	-40,488	-2,852	-44,490
	-7,471,336	-6,152,928	-24,423,117
Net operating profit/loss	-7,388,346	-5,798,364	-21,741,390
Profit/loss from financial investments			
Interest expenses and similar items	9,193	-733	-24,886
	9,193	-733	-24,886
Net profit/loss after financial items	-7,379,154	-5,799,097	-21,766,276
Tax for the year	0	0	0
NET PROFIT/LOSS FOR THE PERIOD	-7,379,154	-5,799,097	-21,766,276

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	3/31/2022	3/31/2021	12/31/2021
ASSETS			
Fixed assets			
Intangible fixed assets			
Capitalized development expenditure	5,473,108	4,998,989	5,777,169
Patents and trademarks	5,907,591	6,884,468	6,151,810
	11,380,699	11,883,457	11,928,980
Tangible fixed assets			
Equipment, tools, fixtures and fittings	481,046	741,167	546,077
	481,046	741,167	546,077
Financial fixed assets			
Rent deposits	81,600	81,600	81,600
	81,600	81,600	81,600
Total fixed assets	11,943,346	12,706,224	12,556,656
Current assets			
Inventories			
Raw materials and consumables	432,480	509,090	426,934
Finished goods and goods for resale	700,029	213,681	745,550
	1,132,509	722,771	1,172,484
Current receivables			
Accounts receivable	127,169	106,076	221,425
Other current receivables	1,100,120	831,126	830,202
Prepaid expenses and accrued income	434,781	437,001	301,484
	1,662,071	1,374,203	1,353,111
Cash and cash equivalents	21,562,764	9,808,904	28,979,345
Total current assets	24,357,343	11,905,878	31,504,940
TOTAL ASSETS	36,300,689	24,612,102	44,061,597
EQUITY AND LIABILITIES			
Equity			
Share capital	39,428,095	27,206,728	39,428,095
Other contributed capital	259,079,769	236,224,280	259,079,769
Other capital & net profit/loss for the year	-266,936,502	-243,590,168	-259,557,348
	31,571,362	19,840,840	38,950,517
Total equity	31,571,362	19,840,840	38,950,517
Current liabilities			
Accounts payable	2,369,757	1,983,607	2,052,929
Other current liabilities	751,177	325,921	729,261
Accrued expenses and deferred income	1,608,393	2,461,734	2,328,890
	4,729,327	4,771,262	5,111,080
TOTAL EQUITY AND LIABILITIES	36,300,689	24,612,102	44,061,597

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Other contributed capital	Other capital	Net profit/loss for the year	Total equity
Opening balance as at 1/1/2021	27,201,458	236,229,878	-218,032,193	-19,758,879	25,640,265
<i>Comprehensive income January–March 2021</i>					
Net profit/loss for the period	0	0-	0-	-5,799,097	-5,799,097
Total reported loss for the period				-5,799,097	-5,799,097
Net profit/loss from previous year	-	-	-19,758,879	19,758,879	0
Ongoing issue					
New share issues	5,270	-5,598	0	0	-328
Closing balance as at 3/31/2021	27,206,728	236,224,280	-237,791,072	-5,799,097	19,840,840
Opening balance as at 1/1/2021	27,201,458	236,229,878	-218,032,193	-19,758,879	25,640,265
<i>Comprehensive profit/loss for January–December 2021</i>					
Net profit/loss for the period	-	-	-	-21,766,276	-21,766,276
Total reported loss for the period	0	0	0	-21,766,276	-21,766,276
Net profit/loss from previous year	-	-	-19,758,879	19,758,879	0
New share issues	12,226,637	22,849,891	0	0	35,076,528
Closing balance as at 12/31/2021	39,428,095	259,079,769	-237,791,072	-21,766,275	38,950,517
Opening balance as at 1/1/2022	39,428,095	259,079,769	-237,791,072	-21,766,275	38,950,517
<i>Comprehensive income January–March 2022</i>					
Net profit/loss for the period	-	-	-	-7,379,154	-7,379,154
Total reported loss for the period	0	0	0	-7,379,154	-7,379,154
Net profit/loss from previous year	-	-	-21,766,275	21,766,275	0
New share issues	0	0	0	0	0
Closing balance as at 3/31/2022	39,428,095	259,079,769	-259,557,348	-7,379,154	31,571,362

CONSOLIDATED STATEMENT OF CASH FLOWS

	1/1/2022- 3/31/2022	1/1/2021- 3/31/2021	1/1/2021- 12/31/2021
Operating activities			
Net profit/loss after financial items	-7,379,154	-5,799,097	-21,766,276
Adjustment for non-cash flow items	613,311	309,249	1,541,059
	-6,765,843	-5,489,848	-20,225,217
Cash flow from change in working capital			
Change in inventories	39,975	7,132	-442,581
Change in current receivables	-308,960	775,058	796,149
Change in current liabilities	-381,753	-804,509	-464,691
Cash flow from operating activities	-7,416,581	-5,512,167	-20,336,340
Investing activities:			
Investments in tangible fixed assets	0	0	0
Investments in financial fixed assets	0	0	0
Investments in intangible fixed assets	0	-218,942	-1,301,184
Cash flow from investing activities	0	-218,942	-1,301,184
Financing activities:			
Borrowings	0	0	7,125,000
Amortization of loans	0	0	-7,125,000
New share issue	0	-328	35,076,528
Cash flow from financing activities	0	-328	35,076,528
Cash flow for the period	-7,416,581	-5,731,437	13,439,004
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	28,979,345	15,540,341	15,540,341
CASH AND CASH EQUIVALENTS AT END OF PERIOD	21,562,764	9,808,904	28,979,345

CONSOLIDATED PLEDGED ASSETS AND CONTINGENT LIABILITIES

	3/31/2022	3/31/2021	12/31/2021
Group, TSEK			
Pledged assets	None	None	None
Contingent liabilities	None	None	None

PARENT COMPANY INCOME STATEMENT

	1/1/2022- 3/31/2022	1/1/2021- 3/31/2021	1/1/2021- 12/31/2021
Operating income			
Net turnover	150,000	150,000	600,000
Other operating income	0	32,608	74,605
	150,000	182,608	674,605
Operating expenses			
Other external expenses	-1,406,808	-505,286	-2,551,991
Personnel expenses	0	0	-510,728
	-1,406,808	-505,286	-3,062,719
Net operating profit/loss	-1,256,808	-322,678	-2,388,114
Profit/loss from financial investments			
Profit/loss from participations in group companies	-7,000,000	-6,000,000	-20,000,000
Interest expenses and similar items	0	0	-35,830
	-7,000,000	-6,000,000	-20,035,830
Net profit/loss after financial items	-8,256,808	-6,322,678	-22,423,944
Tax for the year	0	0	0
NET PROFIT/LOSS FOR THE PERIOD	-8,256,808	-6,322,678	-22,423,944

PARENT COMPANY BALANCE SHEET

	3/31/2022	3/31/2021	12/31/2021
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	5,850,012	5,100,012	5,662,512
Other current receivables	360,390	66,054	147,722
Prepaid expenses and accrued income	85,184	0	97,500
	6,295,586	5,166,066	5,907,734
Cash and cash equivalents	18,585,413	8,089,989	26,966,304
Total current assets	24,880,998	13,256,055	32,874,038
TOTAL ASSETS	77,128,909	65,503,966	85,121,949
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	39,428,095	27,206,728	39,428,095
	39,428,095	27,206,728	39,428,095
Non-restricted equity			
Share premium reserve	259,079,769	236,224,280	259,079,769
Accumulated profit/loss	-214,822,858	-192,398,914	-192,398,914
Net profit/loss for the year	-8,256,808	-6,322,678	-22,423,944
	36,000,102	37,502,688	44,256,911
Total equity	75,428,197	64,709,416	83,685,006
Current liabilities			
Accounts payable	972,276	81,250	240,755
Other liabilities	0	0	269,976
Accrued expenses and deferred income	728,436	713,300	926,212
	1,700,712	794,550	1,436,943
TOTAL EQUITY AND LIABILITIES	77,128,909	65,503,966	85,121,949

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 1/1/2021	27,201,458	236,229,877	-173,968,556	-18,430,359	71,032,422
<i>Comprehensive profit/loss for January–December 2021</i>					
Appropriation of profit/loss from previous year	-	-	-18,430,359	18,430,359	0
Net profit/loss for the period	-	-	-	-6,322,678	-6,322,678
New share issues	5,270	-5,598	-	-	-328
Closing balance as at 3/31/2021	27,206,728	236,224,280	-192,398,914	-6,322,678	64,709,416
Opening balance as at 1/1/2021	27,201,458	236,229,877	-173,968,556	-18,430,359	71,032,422
<i>Comprehensive profit/loss for January–December 2021</i>					
Appropriation of profit/loss from previous year	-	-	-18,430,359	18,430,359	0
Net profit/loss for the period	-	-	-	-22,423,944	-22,423,944
New share issues	12,226,637	22,849,891	-	-	35,076,528
Closing balance as at 12/31/2021	39,428,095	259,079,768	-192,398,916	-22,423,944	83,685,006
Opening balance as at 1/1/2022	39,428,095	259,079,768	-192,398,916	-22,423,944	83,685,006
<i>Comprehensive income January–March 2022</i>					
Appropriation of profit/loss from previous year	-	-	-22,423,944	22,423,944	0
Net profit/loss for the period	-	-	-	-8,256,808	-8,256,808
New share issues	0	0	-	-	0
Closing balance as at 3/31/2022	39,428,095	259,079,769	-214,822,858	-8,256,808	75,428,197

PARENT COMPANY CASH FLOW STATEMENT

	1/1/2022- 3/31/2022	1/1/2021- 3/31/2021	1/1/2021- 12/31/2021
Operating activities			
Net profit/loss after financial items	-8,256,808	-6,322,678	-22,423,944
Adjustment for non-cash flow items	7,000,000	6,000,000	20,000,000
	-1,256,808	-322,678	-2,423,944
Cash flow from change in working capital			
Change in current receivables	-387,852	758,144	16,476
Change in current liabilities	263,769	-846,309	-203,916
	-1,380,891	-410,843	-2,611,384
Financing activities:			
Shareholder contributions made	-7,000,000	-6,000,000	-20,000,000
Borrowings	0	0	7,125,000
Amortization of loans	0	0	-7,125,000
New share issue	0	-328	35,076,528
	-7,000,000	-6,000,328	15,076,528
Cash flow for the period	-8,380,891	-6,411,171	12,465,144
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	26,966,304	14,501,160	14,501,160
CASH AND CASH EQUIVALENTS AT END OF PERIOD	18,585,413	8,089,989	26,966,304

