



CHORDATE MEDICAL HOLDING AB

INTERIM REPORT | APRIL-JUNE 2023



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Chordate Medical Holding AB (publ)
CIN 556962-6319

INTERIM REPORT APRIL–JUNE 2023

Summary of the period April–June 2023

- Net turnover was SEK 163,316 (19,538)
- Cash flow from operating activities amounted to SEK -6,320,325 (-5,812,210)
- Profit/loss after financial items was SEK -7,292,267 (-5,962,508)
- Profit/loss after tax was SEK -7,292,267 (-5,962,508)
- Earnings per share were SEK -0.03 (-0.04)

Summary of the period Jan–June 2023

- Net turnover was SEK 283,737 (88,170)
- Cash flow from operating activities amounted to SEK -14,800,251 (-13,228,791)
- Profit/loss after financial items was SEK -14,405,401 (-13,341,661)
- Profit/loss after tax was SEK -14,405,401 (-13,341,661)
- Earnings per share were SEK -0.06 (-0.08)

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

▶ **The American Headache Society has accepted a presentation of the final results of the PM007 study at the AHS congress in June 4/13/2023**

The primary results from the migraine study PM007 have been published in the form of an abstract on the American Headache Society's (AHS) website. The results confirm the abstract with subgroup results from the German part of PM007 that was presented at the Migraine Trust International Symposium 2022 in London in September last year.

▶ **Chordate received rhinitis order from private hospital chain in Jeddah 5/3/2023**

Chordate Medical has received an initial order for equipment and supplies for the treatment method K.O.S for chronic rhinitis via the Company's distributor in Saudi Arabia, Janin Medical. The customer is the private healthcare company Nahdi Care Clinics, which has four hospitals located in the country's second largest city, Jeddah.

▶ **NHS granted ethical approval for Chordate's new migraine study 5/5/2023**

The ethics committee of the National Health Service in the UK has approved the study design for Chordate Medical's upcoming migraine study PM009, which aims to evaluate the efficacy of K.O.S in the preventive treatment of chronic migraine for patients not responding to treatment with monoclonal antibodies targeting the CGRP pathway.

▶ **New investigator-initiated study on chronic rhinitis showed positive results with K.O.S treatment 5/12/2023**

The investigator-initiated study "The effect of single kinetic oscillation stimulation treatment on nonallergic rhinitis" from the University of Helsinki was published in March 2023. The results show that Chordate's K.O.S treatment provides patients with non-allergic rhinitis with a subjective symptom improvement for at least one year, thus possibly decreasing the need for invasive treatment methods.

▶ **The two incentive programs resolved on by Chordate Medical's Annual General Meeting on May 11, 2023, were subscribed in full by the Company's Board and management 5/26/2023**

▶ **Results of an Italian investigator-initiated study are published 5/29/2023**

The study reported that Chordate's K.O.S treatment improves nasal airflow more effectively than medical therapy alone in cases of persistent moderate to severe allergic rhinitis.

▶ **The results of Chordate Medical's migraine study PM007 were presented at the German Migraine and Headache Society's congress in Berlin on June 30 by Dr. Charly Gaul from the Headache Center Frankfurt 6/27/2023**

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

▶ **During the German Migraine and Headache Society's congress in Berlin, Dr. Tim P. Jürgens also presented a case study from Chordate's migraine study 7/3/2023**

The case involved a 45-year-old woman whose days with migraines decreased significantly, from 18 to 8 days per month, with the help of K.O.S. The positive effect of the K.O.S. treatment lasted for four months without further treatment sessions.

▶ **The results from Chordate Medical's migraine study PM007 will be presented at ICH2023 in Seoul 8/9/2023**

Chordate will present the K.O.S migraine treatment at the International Headache Congress, IHC 2023, that will be held September 14-17, 2023, in Seoul, Korea. Dr. Hoffmann, one of the coordinating principal investigators for PM007, will present the results of the study in a poster presentation. Chordate will also be present as an exhibitor during the congress.

▶ **The principal investigators from Chordate Medical's migraine study 007 submitted the complete study results as a manuscript for publication in one of the three most prominent journals within the migraine field. 8/21/2023**

INCREASED ACTIVITY ON SEVERAL KEY MARKETS

The second quarter of the year centered around the presentation of the final results from Chordate Medical's crucial clinical study PM007 at international arenas for the industry in the USA and Germany. Interest in the study's results is strong and growing, and when I meet doctors active in the migraine field it becomes clear that there is a considerable need for alternatives and complements to the medications that are normally used. We are also continuing to see strong and increasing activity in our key markets, where one highlight was that in May we received an order for rhinitis treatment from a private hospital chain in Jeddah, Saudi Arabia.

- Presentation of study results in the USA and Germany
- Breakthrough order from Saudi Arabia
- Ethical approval from NHS for new migraine study
- Fully subscribed incentive program for the Board of Directors and management
- PM007 presentation at IHC2023 in Seoul – we will have an exhibition
- Submission of article manuscript for PM007

Presentation of study results in the USA

The crucial clinical study PM007 was presented at the American Headache Society Scientific Meeting in Austin, Texas, by coordinating principal investigator Dr. Jan Hoffmann from Kings College in London. It was the first time the primary parts of the final results from the study were presented at a scientific congress, and Dr. Hoffmann's lecture was attended by approximately 300 migraine specialists. Judging by the subsequent questions from the audience, the presentation was received with great interest. The questions asked mainly pertained to the study design, patient population, and the ease of use of the K.O.S product.

Article submitted for PM007

We are pleased to report that the authors of this crucial article have now submitted a manuscript to a prominent scientific journal. After publication, the article will be a valuable tool in our marketing and sales effort. Published results are also a necessary basis for success in various reimbursement processes.

Breakthrough order from Saudi Arabia

At the beginning of May, our new distributor in Saudi Arabia, Janin Medical, received its first key order for equipment and supplies for the treatment method K.O.S for chronic rhinitis. The customer is the private healthcare company Nahdi Care Clinics, which has four hospitals located in the country's second largest city, Jeddah.

In addition to the installations we already have in Saudi Arabia, three publicly owned hospitals in Jeddah, Makkah and Dammam have evaluated K.O.S, and Janin Medical is expecting orders from all three. In addition to the efforts to increase the business within chronic rhinitis, Janin Medical is also driving the process of registering a market authorization for K.O.S for chronic migraine.



Anders Weilandt, CEO

Ethical approval from NHS for new migraine study

At the beginning of May, the ethics committee of the National Health Service (NHS) in the UK approved the study design for our upcoming scientific study PM009, which aims to evaluate the efficacy of K.O.S in the preventive treatment of chronic migraine on patients not responding to treatment with monoclonal antibodies targeting the CGRP pathway. Any level of positive outcome in the study will likely mean a great opportunity for the Company since the patient group in question has very few treatment options left. The first patient can be expected in mid-September.

Fully subscribed incentive program for the Board of Directors and management

The Company's two newly established incentive programs were fully subscribed in May by management and the Board of Directors. The aim of the incentive programs is for current and future employees and consultants at Chordate Medical to be able to become long-term owners and benefit from and advocate for a positive value development in the share in the Company during the period covered by the proposed program and that the Company will be able to keep and recruit competent and engaged staff. Subscription to the programs entails an increase in share capital by SEK 1,000,000 and SEK 375,000, respectively if the warrants are fully used to subscribe shares in the subscription period.

Focus during the rest of the year

Through the end of the year, work will continue on sales in all our focus markets: Finland, Germany, UK, Italy, Israel and Saudi Arabia. Our marketing specialists are pursuing a number of prospects with the goal of receiving final orders. Marketing to support these efforts will primarily take the form of exhibitions at specialist congresses:

- IHC2023, Seoul, South Korea, 9/14–17,
- Deutscher Schmerzkongress 2023, Mannheim, Germany, 10/18–21,
- Neurologdagarna 2023, Helsinki, Finland, 11/1–3.
- Regional symposiums and congresses

Kista, August 2023
Anders Weilandt, CEO



MIGRAINE MARKET

Migraine is a neurological syndrome which, according to the WHO, is the third most common and seventh most disabling health condition in the world.¹ 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. 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.

Migraines in healthcare²⁾

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.

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 a year in the UK, calculated on the basis of the 25 million days lost.³ 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.⁴

Market size

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 seven largest markets in terms of turnover are USA, Japan, Germany, Italy, France, UK, Spain). 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 under-treated; 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 with few unexpected side effects and that is not based on medication will provide significant value to the market participants currently investing in the neuromodulation segment.

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

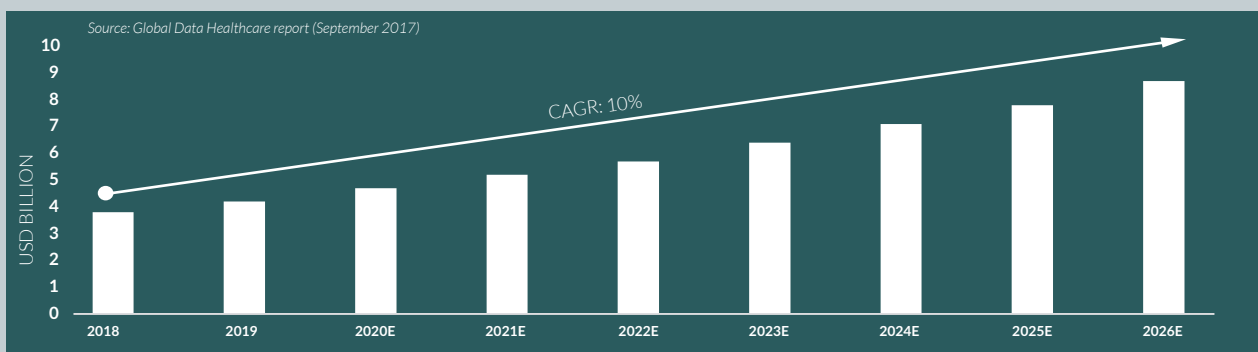
²⁾ Khan, S. Schoenen, J. Ashina, M. Cephalalgia 2015, Vol. 34(5) 382-91

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)

GLOBAL MIGRAINE MARKET, MEDICATION, 2018-2026



Alternative treatments

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 medicine is

that no treatment works for all patients, and some medications can become less effective over time. Chordate is the sole provider of K.O.S treatment for migraine.

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	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 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. Treatment must only be performed by specialist doctors
K.O.S	Chordate is the sole provider of K.O.S treatment for 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

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.⁶ 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.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.

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.

⁶ Hellings PW, 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 Helligren. 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

ALTERNATIVE TREATMENTS	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 short-term symptom reduction Easily accessible 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, 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 Effective	The effect wears off after a few years Risk of losing sense of smell Limited number of treatments
K.O.S	K.O.S (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

THE MARKET FOR NEUROSTIMULATION

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 (K.O.S), to stimulate the nerves in the mucous membranes in the nose. Neurostimulation can be an alternative in some applications 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 about 90 percent of the sales of medical products for neurostimulation are implants.⁹ The remainder comprises 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 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 size¹⁰

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.

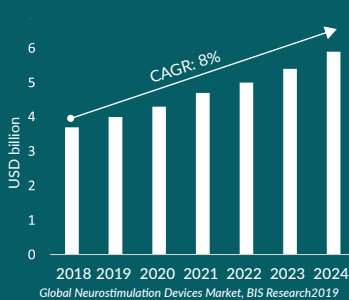
The market for neurostimulation products can be split into different sub-groups, with the following categorization into sub-segments (based on application): chronic pain treatment, audiology, neurological diseases, urinary and gastric disorders, mental illness and other.

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.

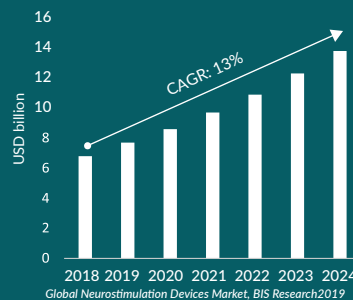
⁹ Global Neurostimulation Devices Market, BIS Research 2019

¹⁰ *ibid*

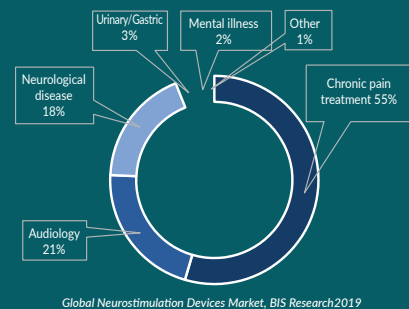
Global market chronic pain relief, 2018–2024



Global market neurostimulation, 2018–2024



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



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 Friday, June 30, 2023, the total number of issued shares was 232,416,507 (157,312,380).

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 April– June 2023 amounted to 232,416,507.

LARGEST SHAREHOLDERS AS AT JUNE 30, 2023	6/30 2023	Share of votes & capital
HAWOC Investment AB	28,050,000	12.1%
Sifonen AB	21,113,723	9.1%
Isac Brandberg AB and related parties	19,043,519	8.2%
Tommy Hedberg	12,399,852	5.3%
Försäkringsaktiebolaget Avanza Pension *	10,910,897	4.7%
Bevaclean	10,518,750	4.5%
Henrik Rammer	6,664,798	2.9%
Nordnet Pensionsförsäkring AB *	5,756,152	2.5%
Tiven GmbH with related parties	4,759,798	2.0%
Carsten Johansen	3,999,996	1.7%
Other	109,199,022	47.0%
Total	232,416,507	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 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 subscribed, this could result in an increase in the share capital of at the most SEK 1,375,000.

The General Meeting resolved on May 11, 2023, on a directed issue of another 5,500,000 warrants that are intended for use in two long-term incentive programs.

See the table below and the table under the section Transactions with related parties for the holdings of senior executives.

Warrants - outstanding Group & Parent Company	Number	Exercise price	Subscription period	Capital infusion*	Share capital**
TO Series 2021:1	5,500,000	3.13	Nov 1 - 30, 2025	18,700,000	1,375,000
TO Series 2023/2025:1	4,000,000	0.80	Nov 1 - 30, 2025	3,200,000	1,000,000
TO Series 2023/2025:2	1,500,000	0.80	Nov 1 - 30, 2025	1,200,000	375,000
Total	11,000,000			23,100,000	2,750,000

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

** Increase in share capital if all warrants are exercised



FINANCIAL INFORMATION

Net sales

Net sales in April–June 2023 amounted to SEK 163,316 compared to SEK 19,538 during the corresponding period last year. For the period Jan–June 2023, net turnover was SEK 283,737 compared to SEK 88,170 during the corresponding period last year.

Change in inventories and equipment

The recorded value of inventories on June 30, 2023, was SEK 1,733,639 (1,102,053).

Profit/loss

Profit/loss after tax for April–June 2023 amounted to SEK -7,292,267 (-5,962,267) for the Group and SEK -6,526,831 (-3,483,585) for the Parent Company. Consolidated profit/loss includes depreciation/amortization and write-downs of tangible and intangible assets of SEK -613,855 (-613,311).

Profit/loss after tax for January–June 2023 amounted to SEK -14,405,401 (-13,341,661) for the Group and SEK -14,256,034 (-11,740,394) for the Parent Company. Consolidated profit/loss includes depreciation/amortization and write-downs of tangible and intangible assets of SEK -1,227,166 (-1,226,622).

The Parent Company's profit/loss for April–June contains an impairment loss on the shares in subsidiaries of SEK 6,000,000 (3,000,000). For the period Jan–June, the impairment loss is SEK 13,000,000 (10,000,000). 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 June 30, 2023, the Group's total cash and bank balances amounted to 21,754,070 (15,765,554)

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 April–June amounted to SEK -0.03 (-0.04) calculated on a weighted average of 232,416,507 shares (157,712,380). The number of shares at the end of the period amounted to 232,416,507 (157,712,380).

Organization

The Company has 3 employees (3) as per Saturday, June 3, 2023, 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 will probably have a continued need to seek financing to be able to continue to develop its operations

Chordate's main goal is to be sold to an external buyer. If this strategy is not successful, an alternative may be to grow and expand in the future. However, Chordate does not currently generate any positive cash flows, which may 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 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.

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 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 2022 and the 2022 Annual Report.

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 6/30/2023

Board of Directors	Shares	Warrants
Henrik Rammer, Chair	6,664,798	350,000
Tommy Hedberg, (and through related parties)	12,399,852	225,000
Gunilla Lundmark	0	350,000
Caroline Lundgren Brandberg, (and through related parties)	7,420,271	225,000
Otto Skolling	0	350,000
Senior executives		
Anders Weilandt, CEO	1,000,000	4,500,000
Jan Hermansson, CSO	500,000	1,500,000
Jan Lindberg, CTO	49,577	1,500,000
Niklas Lindecrantz, CFO	175,306	500,000

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 2022 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

2023

Interim Report Q3 November 1

2024

Year-End Report Q4 February 29

Annual Report 2022 April 12

Annual General Meeting May 17

Interim Report Q1 May 24

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, August 31, 2023

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



CONDENSED CONSOLIDATED INCOME STATEMENT

	4/1/2023- 6/30/2023	4/1/2022- 6/30/2022	1/1/2023- 6/30/2023	1/1/2022- 6/30/2022	1/1/2022- 12/31/2022
Operating income					
Net turnover	163,316	19,538	283,737	88,170	108,517
Work performed by the company for its own use and capitalized	273,603		273,603		
Other operating income	4,102	8,856	7,249	23,214	55,437
	441,021	28,394	564,589	111,384	163,954
Operating expenses					
Raw materials and consumables	-37,039	-3,252	-63,874	-57,642	-74,455
Other external expenses	-5,791,737	-3,885,291	-10,435,133	-9,358,525	-19,833,301
Personnel expenses	-1,316,326	-1,492,814	-3,231,984	-2,782,730	-5,669,442
Depreciation and write-downs of tangible and intangible assets	-613,855	-613,311	-1,227,166	-1,226,622	-2,453,243
Other operating expenses	-35,288	-34,478	-70,645	-74,966	-157,632
	-7,794,245	-6,029,147	-15,028,801	-13,500,483	-28,188,073
Net operating profit/loss	-7,353,224	-6,000,753	-14,464,212	-13,389,099	-28,024,119
Profit/loss from financial investments					
Interest expenses and similar items	60,956	38,245	58,811	47,438	81,154
	60,956	38,245	58,811	47,438	81,154
Net profit/loss after financial items	-7,292,267	-5,962,508	-14,405,401	-13,341,661	-27,942,965
NET PROFIT/LOSS FOR THE PERIOD	-7,292,267	-5,962,508	-14,405,401	-13,341,661	-27,942,965

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	6/30/2023	6/30/2022	12/31/2022
ASSETS			
Fixed assets			
Intangible fixed assets			
Capitalized development expenditure	4,226,403	5,169,046	4,560,923
Patents and trademarks	4,686,496	5,663,372	5,174,934
	8,912,899	10,832,419	9,735,857
Tangible fixed assets			
Equipment, tools, fixtures and fittings	584,250	416,016	675,448
	584,250	416,016	675,448
Financial fixed assets			
Rent deposits	90,740	81,600	81,600
	90,740	81,600	81,600
Total fixed assets	9,587,889	11,330,035	10,492,905
Current assets			
Inventories			
Raw materials and consumables	463,287	424,784	656,475
Finished goods and goods for resale	1,270,352	677,269	709,410
	1,733,639	1,102,053	1,365,885
Current receivables			
Accounts receivable	163,316	64,994	20,347
Other current receivables	1,142,954	1,171,260	1,159,219
Prepaid expenses and accrued income	785,173	696,537	1,926,288
	2,091,443	1,932,791	3,105,854
Cash and bank balances	21,754,070	15,765,554	3,676,015
Total current assets	25,579,152	18,800,398	8,147,754
TOTAL ASSETS	35,167,042	30,130,432	18,640,660
EQUITY AND LIABILITIES			
Equity			
Share capital	58,104,127	39,428,095	39,428,095
Other contributed capital	273,669,400	259,079,769	259,144,975
Other capital & net profit/loss for the year	-301,905,714	-272,884,010	-287,500,314
	29,867,813	25,623,854	11,072,757
Total equity	29,867,813	25,623,854	11,072,757
Current liabilities			
Accounts payable	2,421,957	1,851,396	3,513,421
Other current liabilities	413,435	417,263	1,300,690
Accrued expenses and deferred income	2,463,838	2,237,920	2,753,792
	5,299,230	4,506,578	7,567,903
TOTAL EQUITY AND LIABILITIES	35,167,042	30,130,432	18,640,660

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Other contributed capital	Other capital	Profit/loss for the year	Total equity
Opening balance as at 1/1/2022	39,428,095	259,079,769	-237,791,073	-21,766,276	38,950,517
<i>Comprehensive profit/loss for January–June 2022</i>					
Net profit/loss for the period	0	0	0	-13,341,661	-7,379,154
Total reported loss for the period	0	0	0	-13,341,661	-7,379,154
Net profit/loss from previous year	0	0	-21,766,276	21,766,276	0
New share issues	0	15,000	0	0	0
Closing balance as at 6/30/2022	39,428,095	259,094,769	-259,557,348	-13,341,660	25,623,854
Opening balance as at 1/1/2022	39,428,095	259,079,769	-237,791,073	-21,766,276	38,950,517
<i>Comprehensive profit/loss for January–December 2022</i>					
Net profit/loss for the period	0	0	0	-27,942,965	-27,942,965
Total reported loss for the period	0	0	0	-27,942,965	-27,942,965
Net profit/loss from previous year	0	0	-21,766,276	21,766,276	0
Ongoing new issue	0	50,206	0	0	50,206
New share issues	0	15,000	0	0	15,000
Closing balance as at 12/31/2022	39,428,095	259,144,975	-259,557,349	-27,942,965	11,072,758
Opening balance as at 1/1/2023	39,428,095	259,144,975	-259,557,349	-27,942,965	11,072,758
<i>Comprehensive profit/loss for January–June 2023</i>					
Net profit/loss for the period	0	0	0	-14,405,401	-14,405,401
Total reported loss for the period	0	0	0	-14,405,401	-14,405,401
Net profit/loss from previous year	0	0	-27,942,965	27,942,965	0
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 6/30/2023	58,104,127	273,669,400	-287,500,313	-14,405,401	29,867,813

CONSOLIDATED STATEMENT OF CASH FLOWS

	4/1/2023- 6/30/2023	4/1/2022- 6/30/2022	1/1/2023- 6/30/2023	1/1/2022- 6/30/2022	1/1/2022- 12/31/2022
Operating activities					
Net profit/loss after financial items	-7,292,267	-5,962,508	-14,405,401	-13,341,661	-27,942,965
Adjustment for non-cash flow items	613,855	613,311	1,227,166	1,226,622	2,453,243
	-6,678,412	-5,349,197	-13,178,235	-12,115,040	-25,489,722
Cash flow from change in working capital					
Change in inventories	-15,204	30,456	-367,754	70,431	-193,401
Change in current receivables	642,105	-270,720	1,014,411	-579,680	-1,752,743
Change in current liabilities	-268,814	-222,749	-2,268,673	-604,502	2,456,823
Cash flow from operating activities	-6,320,325	-5,812,210	-14,800,251	-13,228,791	-24,979,043
Investing activities:					
Investments in tangible fixed assets	-39,406	0	-39,406	0	-389,492
Investments in financial fixed assets	0	0	-9,140	0	0
Investments in intangible fixed assets	-273,603	0	-273,603	0	0
Cash flow from investing activities	-313,009	0	-322,149	0	-389,492
Financing activities:					
Borrowings	0	0	0	0	0
Amortization of loans	0	0	0	0	0
New share issue	231,000	15,000	33,200,456	15,000	65,206
Cash flow from financing activities	231,000	15,000	33,200,456	15,000	65,206
Cash flow for the period	-6,402,334	-5,797,210	18,078,055	-13,213,790	-25,303,329
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	28,156,404	21,562,764	3,676,015	28,979,345	28,979,345
CASH AND CASH EQUIVALENTS AT END OF PERIOD	21,754,070	15,765,554	21,754,070	15,765,554	3,676,015

CONSOLIDATED PLEDGED ASSETS AND CONTINGENT LIABILITIES

	6/30/2023	6/30/2022	12/31/2022
Group, TSEK			
Pledged assets	None	None	None
Contingent liabilities	None	None	None

PARENT COMPANY INCOME STATEMENT

	4/1/2023- 6/30/2023	4/1/2022- 6/30/2022	1/1/2023- 6/30/2023	1/1/2022- 6/30/2022	1/1/2022- 12/31/2022
Operating income					
Net turnover	150,000	150,000	300,000	300,000	600,000
Other operating income	0	0	0	0	0
	150,000	150,000	300,000	300,000	600,000
Operating expenses					
Other external expenses	-747,861	-633,585	-1,627,087	-2,040,394	-3,292,972
Personnel expenses	16,668	0	16,668	0	-525,902
	-731,193	-633,585	-1,610,419	-2,040,394	-3,818,874
Net operating profit/loss	-581,193	-483,585	-1,310,420	-1,740,394	-3,218,874
Profit/loss from financial investments					
Profit/loss from participations in group companies	-6,000,000	-3,000,000	-13,000,000	-10,000,000	-21,000,000
Interest expenses and similar items	54,362	0	54,386	0	678
	-5,945,638	-3,000,000	-12,945,614	-10,000,000	-20,999,322
Net profit/loss after financial items	-6,526,831	-3,483,585	-14,256,034	-11,740,394	-24,218,196
Tax for the year	0	0	0	0	0
NET PROFIT/LOSS FOR THE PERIOD	-6,526,831	-3,483,585	-14,256,034	-11,740,394	-24,218,196

PARENT COMPANY BALANCE SHEET

	6/30/2023	6/30/2022	12/31/2022
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	6,787,512	6,037,512	6,412,512
Other current receivables	156,275	583,617	302,925
Prepaid expenses and accrued income	161,576	96,184	1,318,561
	7,105,363	6,717,313	8,033,998
Cash and bank balances	20,284,652	14,491,976	2,131,252
Total current assets	27,390,015	21,209,289	10,165,250
TOTAL ASSETS	79,637,926	73,457,200	62,413,161
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	58,104,127	39,428,095	39,428,095
	58,104,127	39,428,095	39,428,095
Non-restricted equity			
Share premium reserve	273,669,400	259,079,769	259,144,975
Accumulated profit/loss	-239,041,054	-214,807,858	-214,822,858
Net profit/loss for the year	-14,256,034	-11,740,394	-24,218,196
	20,372,312	32,531,517	20,103,921
Total equity	78,476,439	71,959,612	59,532,016
Current liabilities			
Accounts payable	487,551	829,152	940,365
Other current liabilities	0	0	703,750
Accrued expenses and deferred income	673,936	668,436	1,237,030
	1,161,487	1,497,588	2,881,145
TOTAL EQUITY AND LIABILITIES	79,637,926	73,457,200	62,413,161

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 1/1/2022	39,428,095	259,079,769	-192,398,914	-22,423,944	83,685,006
<i>Comprehensive profit/loss for January–June 2022</i>					
Appropriation of profit/loss from previous year	0	0	-18,430,359	18,430,359	0
Net profit/loss for the period	0	0	0	-11,740,394	-11,740,394
New share issues	0	15,000	0	0	15,000
Closing balance as at 6/30/2022	39,428,095	259,094,770	-210,829,272	-15,733,979	71,959,612
Opening balance as at 1/1/2022	39,428,095	259,079,769	-192,398,914	-22,423,944	83,685,006
<i>Comprehensive profit/loss for January–December 2022</i>					
Appropriation of profit/loss from previous year	0	0	-22,423,944	22,423,944	0
Net profit/loss for the period	0	0	0	-24,218,196	-24,218,196
Ongoing new issue	0	0	0	0	0
New share issues	0	65,206	0	0	65,206
Closing balance as at 12/31/2022	39,428,095	259,144,976	-214,822,857	-24,218,196	59,532,016
Opening balance as at 1/1/2023	39,428,095	259,144,976	-214,822,857	-24,218,196	59,532,016
<i>Comprehensive profit/loss for January–June 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	-14,256,034	-14,256,034
New share issues	18,676,032	14,524,425	0	0	33,200,457
Closing balance as at 6/30/2023	58,104,127	273,669,400	-239,041,054	-14,256,034	78,476,439

PARENT COMPANY CASH FLOW STATEMENT

	4/1/2023- 6/30/2023	4/1/2022- 6/30/2022	1/1/2023- 6/30/2023	1/1/2022- 6/30/2022	1/1/2022- 12/31/2022
Operating activities					
Net profit/loss after financial items	-6,526,831	-3,483,585	-14,256,034	-11,740,394	-24,218,196
Adjustment for non-cash flow items	6,000,000	3,000,000	13,000,000	10,000,000	21,000,000
	-526,831	-483,585	-1,256,034	-1,740,394	-3,218,196
Cash flow from change in working capital					
Change in current receivables	661,620	-421,727	928,635	-809,579	-2,126,264
Change in current liabilities	-711,306	-203,124	-1,719,658	60,645	1,444,202
Cash flow from operating activities	-576,517	-1,108,436	-2,047,057	-2,489,327	-3,900,258
Financing activities:					
Shareholder contributions made	-6,000,000	-3,000,000	-13,000,000	-10,000,000	-21,000,000
Borrowings	0	0	0	0	0
Amortization of loans	0	0	0	0	0
New share issue	231,000	15,000	33,200,456	15,000	65,206
Cash flow from financing activities	-5,769,000	-2,985,000	20,200,456	-9,985,000	-20,934,794
Cash flow for the period	-6,345,517	-4,093,437	18,153,400	-12,474,328	-24,835,052
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	26,630,169	18,585,413	2,131,252	26,966,304	26,966,304
CASH AND CASH EQUIVALENTS AT END OF PERIOD	20,284,652	14,491,976	20,284,652	14,491,976	2,131,252

