

Q2



Scandinavian ChemoTech AB (publ) Interim report Q2 January – June 2020

Executive Summary of the second quarter

Second quarter

- Net sales amounted to kSEK 0 (455)
- The order book amounted to kSEK 596 at the end of the second quarter
- Profit before tax amounted to kSEK -2 557 (-2 204)
- Earnings per share amounted to SEK -0,61 (-0,64)
- Cash flow from operating activities totaled to kSEK -1 745 (- 1 614)

Important events during the quarter

- ChemoTech carried out a new share issue that contributed kSEK 11,705 to the company
- New board members were elected at the Annual General Meeting on May 19th. The new board consists of Mohan Frick along with the newly elected members Lars Hedbys, Bengt Engström, Robin Sukhia and Rolf Ehrnström
- ChemoTech signed its first European distribution agreement with Lee Imaging Ukraine LLC

Period 1 January - 30 June

- Net sales amounted to kSEK 90 (475)
- Profit before tax amounted to kSEK -6 021 (-4 783)
- Earnings per share amounted to SEK -1,59 (-1,51)
- Cash flow from operating activities totaled to kSEK -5 865 (-5 147)

Important events after the end of the period

- ChemoTech starts a new entity, Vetiqure AB, for its veterinary operations
- ChemoTech and HCG held their first global joint conference for tumour specific electroporation with participants from almost 10 countries, in the beginning of July. As a result of the global pandemic the conference was held via an online platform
- ChemoTech receives its first delivery of CE-marked treatment kits from its manufacturer

SUMMARY

The COVID-19 situation continued to impact the operations, by continuously forcing ChemoTech to cancel marketing activities and postpone deliveries and training of local doctors. The savings package set in place continued to strengthen the cash flow. Through rapid conversion, the company was able to continuously reduce costs during the quarter, the result for the quarter had a “positive” effect and amounted to kSEK -2,557 compared with kSEK -3,464 previous quarter.

We experienced no order cancellations during the quarter, which means that the order backlog is unchanged and amounts to kSEK 596 at the end of the quarter.

The new share issue was oversubscribed by more than 200% and contributed to the company, including an over-allotment issue, approx MSEK 12.5 before issue costs.

The company's CE marking process was also affected as a result of COVID-19 and the work of implementing the necessary changes in our documentation has been slower than anticipated. After the end of the quarter, the company reached an important milestone when the first delivery of CE-marked treatment kits arrived from its manufacturer.

After the end of the quarter ChemoTech, in collaboration with the HCG group (HCG Cancer Hospital in Bangalore, India), conducted the company's first international webinar. The event was very successful with 50 doctors from about 10 countries participating.

The wholly owned subsidiary Vetiqure AB which was registered after the quarter, in August, will continue to establish collaboration and strategic alliances with individual veterinarians and larger clinics, in order to create a solid base for launching outside the Nordic region as well.

Our focus areas this coming autumn will be the continued CE-marking of IQwave™, to start treatments within the HCG Group in India, complete our Horizon application, where the application date has been postponed until beginning of 2021, other marketing efforts in Southeast Asia, Africa and Ukraine (once the countries open up) and begin the commercialization of Vetiqure AB.

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Scandinavian ChemoTech AB (publ)

ChemoTech is a Swedish medical technology company based in Lund that has developed a patented technology platform to offer cancer patients access to a new treatment alternative, tumour specific electroporation, available for treatment of both for humans and animals. There are a large number of cancer patients whose tumours for various reasons cannot be treated by conventional methods but where tumour specific electroporation can be a solution. Therefore, the company continuously evaluates new opportunities and areas of application for the technology. ChemoTech's shares (CMOTEC B) are listed on Nasdaq First North Growth Market in Stockholm and Västra Hamnen Corporate Finance AB is the company's Certified Adviser. Read more at: www.chemotech.se.

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