

Q3



Scandinavian ChemoTech AB (publ)
Interim report Q3 January – September 2020
Executive Summary of the third quarter

Third quarter

- Net sales amounted to kSEK 41 (9)
- The order book amounted to kSEK 527 at the end of the third quarter
- Profit before tax amounted to kSEK -2 851 (-2 872)
- Earnings per share amounted to SEK -0,47 (-0,84)
- Cash flow from operating activities totaled to kSEK -2 836 (-2 919)

Period 1 January - 30 September

- Net sales amounted to kSEK 131 (484)
- Profit before tax amounted to kSEK -8 872 (-7 655)
- Earnings per share amounted to SEK -1,95 (-2,35)
- Cash flow from operating activities totaled to kSEK -8 701 (-8 066)

Important events during the quarter

- ChemoTech creates a new subsidiary, Vetique AB, for its veterinary operations.
- Vetique AB receives its first order from AniCura Animal Hospital in Jönköping.
- In early July, ChemoTech and Healthcare Global Enterprises Ltd (HCG) held their first global joint conference on Tumour Specific Electroporation (TSE) with participants from almost 10 countries. As a result of the global pandemic, the conference was conducted via an online platform.
- ChemoTech receives its first delivery of CE-marked treatment kits.

SUMMARY

Despite the current pandemic, which has greatly affected ChemoTech and especially the operations in India, we are pleased with our teams' achievements has achieved during the quarter. Sales were lower as predicted due to continued difficulties in training and delivering placed orders to customers. During the late summer and autumn the Company worked intensely with the CE-marking and the establishment of our new business area within the veterinary market.

Sales for the quarter were also affected and installations and deliveries to both Ukraine and Nigeria are continuously postponed. The order book amounts to kSEK 527 at the end of the quarter. Profit before tax amounted to kSEK -2,851, compared with kSEK -2,557 in the previous quarter. Cash flow from operating activities amounted to kSEK -2,836, compared with kSEK -1,745 in the previous quarter.

The start-up and training of doctors at the HCG Group's hospital in Bengaluru was successfully completed during week 45. HCG is beginning its important introduction and evaluation of the IQwave and TSE. There's a great interest in both IQwave and vetIQure and the number of inquiries from new hospitals and interested distributors from different parts of the world is increasing.

We added another qualified senior consultant to help secure the documentation in our technical file, for the IQwave CE-marking, which was sent to our Notified Body in October. We are now awaiting further notice of the next step. We reached an important milestone when receiving the CE-marking of our treatment kits which is of great importance for the CE-marking of the IQwave.

The second phase of the Horizon application is now in progress and will be submitted in the beginning of 2021. If we are selected, it can provide a grant of mSEK 30.

During the quarter, ChemoTech's subsidiary Vetique AB was formed and took over the launch of the ChemoTech technology for veterinary use. The collaboration with Anicura Animal Hospital in Jönköping has resulted in our first order. We are continuing according to our marketing strategy with the aim of expanding with additional Swedish reference centers before expanding to our neighboring countries.

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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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