

Q2



Scandinavian ChemoTech AB (publ) Interim report Q1 January – June 2021

Executive Summary of the second quarter

Second quarter

- Net sales amounted to kSEK 5 (0)
- Profit before tax amounted to kSEK - 3 796 (-2 557)
- Earnings per share amounted to SEK -0,44 (-0,61)
- Cash flow from operating activities totaled to kSEK -850 (-1 745)
- The order book amounted to kSEK 1 122 (596) at the end of the quarter

Important events during the quarter

- Eva Ståhl Wernersson assumed the role of QM /RA Director
- Vetiqure AB recruited a product specialist Elin Wallin and ChemoTech recruited COO Urban Widén
- ChemoTech signed a loan in April for kSEK 2 000 with a loan promise of kSEK 10 000
- ChemoTech received CE marking for its product IQwave
- ChemoTech investigated the possibility of conducting studies in the US for treatment of pancreatic cancer

Period 1 January - 30 June

- Net sales amounted to kSEK 30 (90)
- Profit before tax amounted to kSEK -6 581 (-6 021)
- Earnings per share amounted to SEK -0,81 (-1,59)
- Cash flow from operating activities totaled to kSEK -6 414 (-5 865)
- The order book amounted to kSEK 1 122 (596) at the end of the period

Important events after the quarter

- Vetiqure AB signed an agreement with Diversified Consultant Group Int. LLC in the US to implement a feasibility study for its Go-To-Market strategy when vetIQure launches in the US

SUMMARY

The most important event of the second quarter was obtaining the CE certificate for our innovation IQwave 3.0 CE, for the treatment of various cancer indications in human medicine. Although the CE marking primarily gives us permission to start marketing and sales within Europe, it also opens up for markets outside the EU, where CE marking provides a direct or indirect access.

Within Animal Care, the product vetIQure is already on the market in Sweden and we will now start a launch in the rest of Europe. In the initial market analyses that were carried out, before the establishment of the subsidiary, we can see that there is a great potential for Animal Care in the US. We have now started a feasibility study for a Go-To-Market model in the US to ensure that our strategy is optimised for the world's largest animal market.

Sales were kSEK 5 during the period and the result was kSEK -3 796 compared to kSEK -2 557 for the same period last year. We still have several machines in our order book but due to the continuation of strict restrictions, these deliveries have been further postponed. Cash flow was for the period, kSEK -2 298, compared to kSEK 5 864 same period last year. The Company received new credit from external financiers during the quarter. The loan promise is kSEK 10 000 and during the quarter the company lifted kSEK 2 000 of these.

The CE-marking has made it possible for us to now open up markets where we already have established distributor agreements with experienced business developers in oncology and we will invest in these markets in the upcoming year. We will also establish contacts to generate more clinical data for countries with national treatment regimes that require this. The product development of new electrodes to treat deep-seated tumours is still ongoing and our goal is still to have a CE marked treatment kit ready by the end of this year.

An important part of the company's product development is also to continue to strengthen the patent portfolio. We received a pre-notice for a granted EU patent for the treatment of skeletal cancer and cancer of the spine. This success can also have a positive impact on our Horizon application.

As part of the strategic work, we will continue with the development of our international organization. This is to promote both sales and the capacity to start and run clinical studies. This development will be absolutely crucial as we now expand to new indications and include Europe and the USA to our main markets. During the spring, we conducted an in-depth analysis and negotiations with market participants and potential distributors in most countries and regions there.

Vetiqure AB, which of course has also continuously been impacted by the restrictions, has conducted extensive planning and is now ready to start active market processing and thus get sales started. Vetiqure signed an agreement with Diversified Consultant Group Int. LLC in the US to conduct a feasibility study to identify how the company will act in its Go-To-Market strategy for the US. A survey of the larger chains of veterinary clinics in the US has already been carried out.

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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™ (TSE), available for treatment of both humans and animals. There are a large number of cancer patients whose tumours for various reasons cannot be treated by conventional methods but where TSE 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 Erik Penser Bank is the company's Certified Adviser. Read more at: www.chemotech.se

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