

Q3



Scandinavian ChemoTech AB (publ) Interim report Q3 January – September 2021 **Executive Summary of the third quarter**

Third quarter

- Net sales amounted to kSEK 9 (41)
- Profit before tax amounted to kSEK -5 732 (-2 851)
- Earnings per share amounted to SEK -0,65 (-0,47)
- Cash flow from operating activities totaled to kSEK -7 014 (-2 836)

Important events during the quarter

- Vetiqure AB signs an agreement with Diversified Consultant Group LLC in the USA
- ChemoTech carries out two directed new issues that provide the Company with approximately mSEK 19 after transaction costs

Period 1 January - 30 September

- Net sales amounted to kSEK 39 (131)
- Profit before tax amounted to kSEK -12 313 (-8 872)
- Earnings per share amounted to SEK -1,48 (-1,95)
- Cash flow from operating activities totaled to kSEK -13 428 (-8 701)
- The order book amounted to kSEK 1 100 (527) at the end of the period

Important events after the quarter

- Vetiqure AB signs an agreement with Evidensia animal hospital in Helsingborg
- ChemoTech's COO ends his interim assignment in the Company
- ChemoTech secures CE-marked electrodes for deep-seated tumours
- Preliminary results of the first TSE treatment at Evidensia Specialistdjursjukhuset Helsingborg points to a result that is better than expected

SUMMARY

This quarter can in many ways be considered as one of the strongest for the Company where we have been able to market IQwave™ as a CE-marked technology. We have carried out a significant strategic analysis in order to identify the Company's long-term opportunities and position. Our intention is to create a clearer vision for ChemoTech's clinical and commercial focus.

During the quarter, ChemoTech completed its largest directed issue which gave the Company mSEK 19 after issue costs. In addition to increasing the Company's working capital the Company also settled the short-term credits that the Company received during the beginning of year.

Restrictions are unfortunately still creating problems and amongst other things inhibits our international travels. This causes our turnover to be continuously low. Although interest has increased considerably from new potential customers and distributors the order book during the quarter remained unchanged and amounted to approximately kSEK 1,100 at the end of the quarter. This was however expected.

The increased market activity and adjustments in our quality system, which is a result of our CE marking, have contributed to increased costs during the quarter and thus had a negative effect on cash flow apart from the issue proceeds. Cash flow amounted to kSEK 13,526 (kSEK 1,700) for the first nine months of the year.

In the spring we began preparations for a major evaluation of distributors and strategic collaborations for clinical development. Our goal is to complete some of these negotiations during the last quarter of the year.

The final compatibility tests were successfully completed which means that we now have CE-marked treatment kits that can be used for deep-seated tumours with both IQwave™ and vetIQure™. We hope that we at the beginning of next year will be able to start dialogues with clinics as well as the doctors in the USA and the EU who have already shown their interest regarding studies on pancreatic cancer and other deep-seated tumours.

During the summer, our business area Animal Care began a feasibility study with the aim of mapping Vetiqure's opportunities to launch our treatment for small animals in the USA. This evaluation has exceeded our expectations and our vetIQure™ and TSE™ treatment has received a lot of attention. Other countries, outside the USA, have also begun to show a lot of interest which shows that this segment, which previously only has had access to first-generation technology for electrochemotherapy, is very positive about the possibilities that TSE can bring.

We have an interesting time ahead of us where it is becoming increasingly clear that our investment in veterinary medicine was just right. The number of potential partners with commercial and academic interests is increasing every week and we see that the global launch of vetIQure™ is likely to exceed our own expectations.

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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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