

CSMEDICA⁺

INVITATION TO SUBSCRIBE FOR UNITS IN CS MEDICA A/S

SUBSCRIPTION PERIOD 17-31 AUGUST 2021

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“CS MEDICA has an excellent competitive advantage and a unique standing in a fast-growing industry, being the only company in the world with registered over the counter medical device treatment products containing cannabinoids with optimal bioavailability, and low medical interaction - eleven with patents pending, available on the market.”

CEO, Lone Henriksen

IMPORTANT INFORMATION

The following summary is not an offer but is to be viewed as an introduction to CS MEDICA A/S ("CS MEDICA" or the "Company") prospectus and does not necessarily contain all information for an investment decision to be made. The investor is advised to consult the prospectus which is available on CS MEDICA's website (www.cs-medica.com), before making an investment decision to take note of the potential risks associated with the decision to invest in the securities. CS MEDICA A/S, CVR.no. 33871643.

CS MEDICA is a Danish medical company founded in 2011. CS MEDICA is committed to developing, manufacturing, and commercializing over-the-counter (OTC) medical device products and cosmetics containing cannabinoids (such as CBD, CBG, and CBN). The Company currently focuses on 20 products with cannabidiol (CBD) for autoimmune-related disorders such as the treatment of psoriasis, arthritis, and stress-related symptoms such as hair loss, with eleven products available on the European market, and a further nine products to be launched before the end of 2022. Altogether, eleven of the products have a patent pending. CS MEDICA now seeks external capital in connection with an upcoming IPO to reach the Company's ambition of establishing products in major parts of Europe via its agents and distributors, and later to expand towards the US and Canada.

For the last five years, CS MEDICA has researched, formulated and tested medical devices which are now being introduced to the market.

The Company's product portfolio featured under the trademark of CANNASEN® consists of two product lines;

- CANNASEN® CBD Treatment line, available on the market in more than 200 stores in the EU (with another 326 outlets expected in October 2021),
- CANNASEN® CBD Skincare Restoring and Calm line, to be introduced to the market in 2022.

CS MEDICA is in the process of entering markets across the nations of Europe, with several distribution agreements signed. With a growing demand for products containing cannabinoids on the European market, CS MEDICA is preparing to scale its business with the ambition to enter new strategic partnerships, and launch products on the larger European market.

To ensure future success, CS MEDICA has developed a cannabinoid therapeutic strategy and continuously invest in new and ground-breaking technologies. Today, CS MEDICA has technology platforms that cover several core areas that are important for driving innovation across the target diseases and to facilitate scale up of the company.

Since 2016, CS MEDICA have been, using and refining these technologies and exploring the endocannabinoid system and the more than 140 currently known phytocannabinoids (from cannabis) to provide solutions for conditions in which those compounds offer treatment possibilities.

THERAPEUTIC STRATEGY BASED ON CANNABINOIDS

The endocannabinoid system, also called ECS, is a complex nerve cell signaling system responsible for the transfer of information between the cells and the brain. The human body produces its own cannabinoids, which are called endocannabinoids.

SUMMARY OF THE OFFERING

Subscription period: 17th – 31st of August 2021.

Subscription price: DKK 38.50 per unit. Each unit consists of five (5) shares and two (2) warrants of series TO 1. The price per share thus equals DKK 7.70. The minimum subscription post is 120 units, which corresponds to DKK 4,620, and thereon after subscription may be made in any number of units. Brokerage fee may occur.

Volume of issuance: Initially approx. DKK 22.3 million (before issue costs of approx. DKK 1.8 million), of which approx. DKK 3.9 million pertains to bridge loan financing, and approx. DKK 0.8 million is attributable to compensation (in the form of units) to bridge financiers and will thus not be provided to the Company. Furthermore, a previously obtained bridge loan (with no interest) of approx. DKK 2.8 million is to be redeemed against units in this offer. The Company can be provided with additionally approx. DKK 10.8 million before issue costs, upon full exercise of warrants of series TO 1 in August-September 2022.

Valuation (pre-money): Approx. DKK 61.6 million.

Subscription commitments: The Company has received subscription commitments of approximately DKK 13.4 million, corresponding to approximately 60 percent of the initial issue of units.

Number of shares before the issue of units: 8,000,000.

Expected the first day of trading on Spotlight Stock Market: 14th of September 2021.

Ticker and ISIN: CSMED and DK0061668225.

Endocannabinoids are neurotransmitters, which play a key role in the orchestration of almost any physiological function required to survive, grow and thrive. If a specific endocannabinoid is absent or reduced in function, a state of serious illness may follow. Phytocannabinoids bind to cannabinoid receptors in the human body. Realizing the potential of phytocannabinoids in treatment, CS MEDICA devotes their work to building expertise and pioneering the introduction of phytocannabinoids in the medical and cosmetic industries.

CS MEDICA does this by using advanced cannabinoid technologies to generate optimal effect and treatment; to choose the right combination of phytocannabinoids and other ingredients.

DIGITAL SOLUTIONS

To keep up with the pace of global changes, CS MEDICA focuses on digital solutions, which still are not common in the medical industry.

An Open Access Repository System (OARS) dedicated to the investigation of cannabinoids and cannabinoids-based therapies is inaugurated at the brand site (www.cannasen.com). The OARS is an open-source system available to the public and is intended to provide and share all recent clinical test results, studies, journal publications and a variety of other educational resources within pain and autoimmune-related disorders. The OARS will be crucial for the research and development and in the implementation of the go-to-market strategy as a help to the consumers to understand the benefits using cannabinoids in treatment.

Together with CS MEDICA's Product Information Portal (PIM) and Clinical Information Management system (CIM), great value is added to the collaboration between CS MEDICA and the distributor. Both portals, available for CS MEDICA and partners, will reduce manual workload, increase roll-out speed, and ensure the same level of quality to stakeholders in all locations. Moreover, the CIM will allow CS MEDICA as well as distributors to perform post-marketing clinical trials in collaboration with local organizations, such as arthritis and psoriasis organizations. This facility ensures optimal local knowledge sharing via the organizations representing the factual disease profile.

CS MEDICA's aim is to lift the therapeutic potential of Cannabinoids into the next generation of life-changing medical treatments and to offer life-changing treatments to even more people in the future.



SUMMARY OF THE WARRANTS

Exercise period: September 2022.

Exercise price: One (1) warrant gives the right to subscribe for one (1) share at DKK 9.30 during the subscription period for the warrants.

Issue volume: If all warrants are exercised during this period, the Company will receive an additional of approx. DKK 10.8 million before deduction of transaction-related costs.

Ticker and ISIN: CSMED TO 1 and DK0061668308.

MARKET OVERVIEW

Cannabis-derived compounds are claimed to have market-disrupting potential. Due to hemp's composition, the disruption is supposed to cover multiple industries, including medical and cosmetic. The disruption is ongoing and supposed to last for about a decade depending on the region. By estimates from 2018, the size of the prize of all the global markets disrupted by cannabis is 5 USD trillion.¹

Regarding the CBD market, with USD 1.9 billion in CBD sales globally during 2018, the estimated market growth is expected to reach a 49 percent compound annual growth rate (CAGR) until 2024. CBD is currently present on EU Commission's Cosmetic Ingredient Database. This opening of regulations related to CBD can be expected to stimulate CBD market growth. Products with cannabis attributes fit modern consumer trends in health and wellness due to their nature-oriented functionality, sustainability, and fitting ethical living trend.²

THE FORECASTED MARKET VALUE OF MEDICAL CANNABIS FOR THE RESPECTIVE TARGET MARKET BY 2028³

Denmark:	€ 1.1 B
Germany:	€ 7.7 B
UK:	€ 8.8 B
Sweden:	€ 0.5 B
Norway:	€ 0.5 B
Finland:	€ 1.1 B



BUSINESS MODEL

Inspired by nature, created by scientists

CS MEDICA distributes products across Europe and is headquartered in Copenhagen, Denmark. The Company runs its business through two fully-owned subsidiaries;

- **Galaxa Pharma A/S (B2B, B2C)**

- Distributor and representative of foreign manufacturers in the Nordic countries.

- Registered medical device product distributor.

- **CanNordic A/S (B2B)**

- Research and development, production, and sales of the CANNASEN brand.

- Registered medical device product developer, manufacturer and distributor.

The CBD isolate used in the CANNASEN products is derived from the Cannabis sativa L. plant, with no trace of THC. The cultivation, the extraction, and the crystallization of CBD isolate for medical use are done in Italy or the Czech Republic with the Company's audited and approved subcontractors. The CBD crystals are in a later stage sent to the production site to be included in the manufacturing of CANNASEN® CBD products at the Company's partners in Germany, and Poland.

CS MEDICA, together with their partners, comply with Good Manufacturing Practice (GMP), Good Distribution Practice (GDP) and ISO standards compliant with the medical device regulation within research, design & development, production, logistics and warehousing.

¹ Euromonitor International (2019) Cannabis Market Disruptor Handbook Part I: An Introduction. January 2019

² Euromonitor International (2019) Cannabis Market Disruptor Handbook Part II: An Introduction. February 2019

³ Prohibition Partners. (2019). Projected market value of medicinal cannabis in Europe in 2028, by country (in billion euros). In Statista.

CEO, LONE HENRIKSEN COMMENTS

In 2016, our team found untapped potential in substances contained in the Cannabis sativa L. plant that had not yet been exploited in the treatment sector. We believe the previously neglected potential was caused due to a lack of confidence in the existing CBD products' effectiveness, efficiency, and safety. However, through extensive research, on our end and the market at large, the knowledge about the differences between CBD (cannabidiol, the medical part of cannabis), THC (tetrahydrocannabinol), and other cannabinoids, have increased. This led to a drastic increase in demand for products containing the cannabinoids and their respective prosperities, a demand which we now supply.

With the ongoing COVID-19 pandemic CS MEDICA's sales opportunities got affected negatively. This has begun to improve. We have continued increasing our sales with total revenues of approx. DKK 1.8 million for our CANNASEN® product lines since the launch of the products, with additional confirmed orders of approx. DKK 3 million to be delivered before the end of September.

Our vision is to be in constant development, exploring how CS MEDICA can support patients in their battle against disease, the pain, and the sorrow it brings. Two of CS MEDICA's current focus areas are within treatment for autoimmune inflammatory disorders, arthritis and psoriasis. The consequences for people suffering from arthritis are high levels of pain combined with impaired mobility – while psoriasis manifests itself in the skin, replacing skin cells every

three to five days instead of the normal 30 days, causing pain, itching, and discomfort. In addition to existing products (topicals) for arthritis and psoriasis, we expect to increase the number of product categories, especially within autoimmune-related disorders as this is where cannabinoids have shown the greatest efficacy. In the future, the Company also foresees great possibilities in systemic treatments, combining gels/serum and complementing it with food supplements to enhance the efficacy of the treatment.

To the knowledge of the Board of Directors, CS MEDICA has an excellent competitive advantage in a fast-growing industry. Being the first mover, with classified medical device treatment products containing cannabinoids with optimal bioavailability, and low medical interaction - all with patents pending, available on the market. Complimented by a competitive advantage in two to three years following the change from MDD to Medical Device Regulation (MDR) in May 2021, where new cannabinoids products introduced to the market are lifted from a MD class I under MDD to a class IIa under MDR with extended time to market. This gives a unique standing and collectively, our finely crafted team of experts, our technology platforms, together with this unique opportunity to work solely with this regulatory advantage creates fantastic conditions to thrive. We truly believe in the impact we as a company can make. Moving ahead, we want to further our advancements across European borders, working with carefully selected partners to establish our CANNASEN® product lines.

The now forthcoming IPO will enable fast growth as we move ahead. Expanding on market activities across Europe, continued clinical studies, research, and development activities are a few of the ways we will use the proceeds moving forward. We will also use the proceeds to initiate the FDA process with the goal of being operational in the US and Canada by H2 2023.

I now look forward to leading CS MEDICA into the next phase as a listed company, and we welcome you to join us as an investor on this exciting journey ahead.



"The most important for the Company is the response of our customers, a testimonial from a customer of Arthritis Gel:

'This morning I took the bike to the bakery - I have not been biking for 15 years.'

This is what it's all about."

Lone Henriksen
CEO, CS MEDICA A/S

OPERATIONAL OBJECTIVES

2020/
2021*

Q4

- Market launch of CANNASEN® Anti-Hair loss serum
- Seven patents to be filed, covering eleven (11) products.
- Finalize distributor agreements (France, Spain, Germany, Italy, Switzerland, Ireland, Austria, and Norway).
- Listing on Spotlight Stock Market.

2021/
2022*

H1

- Market launch of CANNASEN® Nasal Spray Night, Pain Patch, Protective Nasal Gel, Psoriasis Lotion, Anti-Hair loss, Arthritis - and Psoriasis food supplement.
- Move the main production site of the Company's products from Germany to Poland.
- Clinical test result on arthritis and psoriasis gel versus placebo and in combination with food supplement versus placebo food supplement. Expected complementary (oral and topical) effect given 1 + 1 is more than 2.

H2

- Market launch of CANNASEN® Immune booster food supplement
- Launch Amazon sales channel in Sweden and France.
- Initiate FDA approval process.
- Finalizing distributor agreements with Poland, Czech Republic, Hungary.

2022/
2023*

H1

- Market launch of CANNASEN® Skincare Restoring and Calm line.
- Finalize US distributor agreement.
- Finalize US production agreement.
- Launch Amazon sales channel in Denmark (if possible).

H2

- FDA approval granted.
- Finalizing distributor agreements in Canada, Greece, China, and India.
- Amazon sales channel US and Canada.
- Startup animal treatment line.
- Startup inhaler treatment line (medicine) - expected development period three to four years and an additional two years for achieving marketing authorization.

*The Company's financial year runs from the 1st of October to the 30th of September.

FINANCIAL EXPECTATIONS

Based on the Company's growth strategy, the Board of Directors has adopted the following financial expectations.

2020/2021:

Sales turnover of more than approx. DKK 7 million.

2021/2022:

Sales turnover of more than approx. DKK 50 million.

2022/2023:

Sales turnover of more than approx. DKK 150 million.



For more information about the offer
and how to subscribe for units visit
www.sedermera.se

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