



**2021 - 2022**

**INTERIM REPORT Q1**

**OCTOBER 2021 - DECEMBER 2021**

**CS MEDICA A/S | 33871643 | [www.cs-medica.com](http://www.cs-medica.com)**

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# Performance highlights

## First quarter (October 2021 – December 2021)

- In line with our previous expectations, our first quarter revenue, tDKK 127, is lower than the corresponding quarter in 2020/2021, tDKK 685, where revenue was generated through insale to the shelf of Matas 186 medicare shops. In this post IPO phase, we have restructured our organisation, preparing for the global rollout and our efforts are now paying off, through negotiations with several key pharmaceutical global players. We maintain our revenue expectation for the year of DKK 50 million, with the majority of the target to be realized in the latter half of the year.
- Operating profit in the first quarter, consequently decreased to tDKK -2.417 compared to 2020/2021 (tDKK 111).
- As of December 31, 2021, cash and cash equivalents in the Company amounted to 6.190 DKK (-456 DKK).
- At the end of the period, CS MEDICA's equity/asset ratio was 90% (4%).

	1. Oct 2021 - 31. Dec 2021	1. Oct 2020 - 31. Dec 2020
	Actual	Last Year
Net sales	127.258	685.022
Gross profit	- 20.714	491.521
Operating profit	- 2.417.021	110.678
Depreciation and amortisation	- 518.945	- 270.090
Net financials	- 141.579	- 69.779
Profit before taxes	- 3.074.824	- 229.192
Net profit	- 2.377.699	- 229.192
Cash and cash equivalents	6.190.210	- 456.698
Addition Research and development costs	921.809	772.888
Cash flow	- 3.805.874	- 753.562
Total Assets	23.173.090	5.112.966
Equity	20.809.961	157.168
Equity ratio	90%	4%
<b>Share performance</b>		
Total number of shares	10.902.000	
Closing share price	6,95	

## Significant events during the first quarter (October 2021 – December 2021)

- October 5, 2021, CS MEDICA announced extended product availability together with Kronan Apotek in Sweden. In accordance with the purchase agreement, the products are entering the shelf of the 326 local pharmacies of Kronans Apotek as of October 4, 2021.
- November 5, 2021, CS MEDICA announced entering a reseller agreement for CANNASEN® CBD products.
- December 3, 2021, CS MEDICA announced that the Company has obtained Free Sales Certificate (FSC) from the Danish Medicines Agency and The Danish Chamber of Commerce for medical devices and cosmetics products respectively. The FSC is valid until November 2023 and allows CS MEDICA to sell and distribute products to countries outside of the EU.
- December 9, 2021, CS MEDICA held its annual general meeting and approved the annual report presented and reelected the Board members.
- December 23, 2021, CS MEDICA A/S announced that an additional five Intellectual Property Rights (IPR) registrations have been made for CANNASEN, and the Company hereby provides an update on the Company's IPR and trademark.

## Significant events after the period

- January 6, 2022, CS MEDICA A/S: CS MEDICA recruited 4 new employees to strengthen the sales department.
- January 26, 2022, CS MEDICA A/S: Chairman of the Board bought shares in CS MEDICA.
- February 3, 2022, CS MEDICA A/S: CS MEDICA A/S held an extraordinary general meeting ("EGM"). The EGM resolved in accordance with the Board of Directors' proposal to approve the issue of up to 798,000 incentive/bonus warrants to newly hired sales employees, the issue of up to 600,000 incentive warrants to Diaz Capital Invest AB or companies/persons related to Diaz Capital Invest AB and the proposal to make a cash capital increase to be subscribed by Diaz (direct issue) of 100,000 shares at a price of DKK 8.50 per share.
- February 3, 2022, CS MEDICA A/S: CS MEDICA A/S signed a partnership with Ampilio AB, a subsidiary of SpectrumOne. Ampilio will assist CS MEDICA as a business strategist, growth specialist as CS MEDICA prepares to execute global expansion on Amazon. The partnership is a running agreement with a fixed annual fee of 270 000 SEK.
- February 15, 2022, CS MEDICA A/S see a strategic turnaround and new era for the CBD Medical treatment sector as Pfizer has announced the acquisition of Arena Pharmaceuticals. The acquisition exemplifies Big Pharma moving into the Cannabinoid treatment space and acknowledging Cannabinoids (CBD) in the medical treatment market.
- February 17, 2022, CS MEDICA announces today that their CANNASEN® CBD Anti-Hair Loss serum has been successfully approved in the United Arab Emirates. The CANNASEN® CBD Anti-Hair Loss serum has been through an approval procedure at the United Arab Emirates Health Authorities.
- February 17, 2022, CS MEDICA A/S announces today that CanNordic a/s and CANNASEN® CBD has been chosen as one of the participants in the Vitafoods Europe 2022 Innovation Tours after being considered as one of the most innovative companies with unique, cutting-edge ingredients, formulations, products, and services.

"CS MEDICA" refers to CS MEDICA A/S with company registration number 33871643. The number of shares in CS MEDICA as of December 31, 2021: 10 902 000 shares.

# Comments from the CEO

In this first quarter of 2021/2022, we have been in an all-encompassing process moving from being a R&D-centric company to becoming sales-focused. We are preparing to handle a global rollout and we are now looking forward to the upcoming release of our clinical trials/absorption's tests, officially demonstrating that our products do not pass into the bloodstream and thus do not interact with other drugs. We are astonished and surprised by the positive market reception of our products and have currently ongoing collaboration negotiations with several of the top global players within the pharmaceutical industry. The interest in cannabis over the counter products has taken a significant turn in this quarter, with Pfizer purchasing the US cannabis company, Arena Pharmaceuticals<sup>1</sup>, for the modest price of \$6.7 billions ensuring Pfizer's rapid access to the cannabis market. While Arena Pharmaceuticals Inc hasn't finalized their clinical studies, and still awaits revenue, this still has been a general eye-opener within the global pharmaceutical industry, which in general has been very reluctant in the cannabis market. Coinciding Pfizer, we see an increasing interest among big global pharmaceutical players, pursuing the market within cannabis treatment products, following the pharmaceutical legislation, either as a brand, white label, cobranding or through potential holdings.

Despite this encouraging progress, we are struggling with a general lack of knowledge in the European society within cannabinoids as well as the cannabinoid's regulations. Hence, we are currently redeeming ourselves by addressing this challenge in our restructuring and go to market strategy. We see a more mature, over the counter, cannabis market outside of Europe and with our recently achieved free sales certificate, in more than 40 countries outside of Europe, our immediately total order pipeline is now approaching 52 mill DKK before adding the sale expected to be generated from our current sales channels and our newly employed sales staff.

We are first mover, within the medical treatment cannabis industry and, of the knowledge of our board, we are still alone on the market, working within a legislation window of, currently, four years caused by the change from Medical Device Directive (MDD) to Medical Device Regulation (MDR). This gives us an immediately lead of at least 2-3 years before any competitors can enter the market. This window is followed by the extended requires in the new MDR, corresponding to the more restrictive FDA regulation in the US.

It is our goal to become a global leader in the medical cannabis treatment industry and one of our methods of doing so is by maximising our legislation window to its fullest, while continuing our development of new



innovative cannabinoids treatment solutions within the pharmaceutical legislation, to later enter the field of medicine. We are currently in the process of entering markets across various nations in and outside of Europe, keeping our main focus on finalising our order pipeline within this present financial year. Simultaneously our newly employed sales staff are securing a showcase in our local Nordic markets through, acceptance of our products in local disease organization and by entering major pharmacy chains online and on shelves.

We have broadened our technology platforms, where our Product Information Management system (PIM) now have been released to our current distributors in Belgium, the Netherlands and Germany (white label). We have also entered the last development phase of our Clinical Trial Information Management system (CIM), for the use within post-marketing clinical trials together with local disease organizations, such as Arthritis and Psoriasis. The CIM will also be made available for our distributors as a Software as a Service (SaaS), which allows us to collect clinical data to consolidate on a global level. The CIM is well in line with our corporate strategy documenting efficiency and trust and with market and sales expansion through word-of-mouth, influencers, and Key Opinion Leaders (KOL's). With this aspiration, we have reinforced our brand identity with assistance from the well-known Danish creative agency, Advance, and we look forward to launching our third quarter marketing campaign, based on our new tone of voice and visual identity. Overall, I strongly believe we are now well-positioned for success in the short, medium, and long term.

Looking to the future, I am confident that our clear corporate and go to market strategy will secure our leadership- and make us a valued partner within the global cannabis medical treatment industry.

Lone Henriksen – CEO, CS MEDICA

<sup>1</sup> [Pfizer purchase Arena Pharmaceuticals Inc's](#), with a pipeline of clinical stage cannabis Products connected to the therapeutics of cannabinoids, aiming to help treat e.g. bowel disease and other pain

disorders through the endocannabinoid receptors associated with the immune response system.

# CS MEDICA'S corporate strategy

## CS MEDICA at a glance

CS MEDICA is a global healthcare company, with headquarter in Denmark. Our key contribution is to discover and develop innovative medical technical products and make them accessible to patients throughout the world. We aim to lead within medical technical products containing cannabinoids from the cannabis plant.

Our corporate strategy has 4 distinct focus areas in which we operate. We aim to strengthen our leadership and treatment options using the therapeutic value of cannabinoids within the autoimmune disease area, secure leading positions within Psoriasis, Arthritis, pain, wound and sleeping disorders. Succeeding in this will drive sustainable growth for CS MEDICA.



All treatment products are focused on autoimmune- or stress-related disorders. The following products are available in each category. All Medical technical products (**M**) have been launched before the 26<sup>th</sup> of May 2021 before the change of legislation from MDD to MDR, some products in a smaller production are now sold out. These products are currently in production and will be launched in the first half of 2021/2022. The product currently on the market is marked (**TO**), products in production (**Pr**) and products in Pipeline (**Pi**)<sup>2</sup>.

### Skin disorders

1. Psoriasis Gel - immediately stops the itch and reduces the redness and scaling. (**M**) (**TO**)
2. PSOR+ATOPIC lotion – moisturize and soften the skin. (**Pr**)
3. Wound Gel – gives optimal wound healing environment and reduces the healing time. (**M**)

### Musculoskeletal disorders

4. Pain Patch – long-lasting pain relief – local treatment. (**M**) (**Pr**)
5. Arthritis Gel – immediately cooling effect and pain relief. (**M**) (**TO**)

### Respiratory disorders

6. Protective Nasal Gel – Protects against environmental antigens. (**M**) (**Pr**)
7. Nasal Spray Night – Improves breathing and sleep quality. (**M**) (**Pr**)

### Dermaceuticals

<sup>2</sup> Besides the below products CANNASEN has been participated in COVID-19 "Denmark-hjælpe-Denmark" with 2 COVID products.

8. Hair Regrowth Serum – increases the hair density, thickness and reduces hair loss. (TO)
9. Cosmetic line (5 products) – calm the skin and reduces rosacea flare-ups – redness (inflammation) of the skin. (Pi)
14. Eyelash Serum - stimulates the natural growth of lashes, up to 85% longer, 53% thicker and 43% denser. (Pi)
15. Anti-hair loss Shampoo & Conditioner (2 products). (Pi)
17. Anti-bacterial Hand crème. (TO)

Besides the above products, we have a clinical test finalised in H1 2021/2022, testing our Arthritis and Psoriasis gels in combination with our newly developed Food supplement. The first indications are showing that a combination treatment (oral + topical), from the inside and outside, results in an optimised efficacy, greater than the 2 products separately (1+1<2). If the clinical test shows positive results on all defined endpoints, we'll launch our food supplements in H2 2021/2022;

18. Arthritis Food supplement
19. Psoriasis Food supplement

A third Food supplement is developed for combination treatment within hair loss disorders but for now it awaits launching until CANNASEN® CBD Hair regrowth reaches a more mature market stage.

20. Hair loss Food supplement



## Background

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. Altogether, eleven of the products have a patent pending. The Company's product portfolio is featured under the trademark of CANNASEN® CBD.

## Business model

Our business is built around our purpose: Driving change in defeating autoimmune and stress-related disorders with the therapeutic values of cannabinoids. Our key contribution is to discover and develop innovative medical technical products and make them accessible to patients throughout the world. We strive to be a sustainable business, creating value for society and for our future business. We do business in a financially, environmentally, and socially responsible manner. By succeeding in this, we will create long-term value to patients, employees, partners, shareholders, and society.

## Technology Platforms

To ensure future success, CS MEDICA has developed a cannabinoid therapeutic strategy and continuously invests 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 the scale-up of the company. Since 2016, CS MEDICA has been using and refining these technologies and exploring the endocannabinoid system and the more than 140 currently known Phyto cannabinoids (from cannabis) to provide solutions for conditions in which those compounds offer treatment possibilities.

# CS MEDICA's opportunities

*in a large unmet medical technical CBD market across all therapy areas in scope*

With USD 1.9 billion in CBD sales globally during 2018, the estimated market growth is expected to match a 49 % compound annual growth rate (CAGR) until 2024.<sup>3</sup> In general, 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 expected to last for about a decade. The global markets disrupted by cannabis amounts to

**5 USD trillion<sup>4</sup>.**

which together with a large unmet market, within alternative treatment, across all therapies in scope cannot be overlooked;

SKIN DISORDERS	MUSCULOSKELETAL DISORDERS	RESPIRATORY DISORDERS	DERMACEUTICALS
<b>PSORIASIS</b>  <b>125M</b> People have <b>PSORIASIS</b> globally <b>50%</b> Of all Psoriasis patients are actively seeking for alternative treatment The <b>global PSORIASIS drugs market</b> was valued at <b>USD 13 billion</b> in 2020 and has a compound annual growth rate (CAGR) of 9,89 %. It is expected to reach USD 23,6 billion in 2026. <sup>17</sup>	<b>ARTHRITIS</b>  <b>330M</b> People have <b>ARTHRITIS</b> globally <b>75%</b> Of all Arthritis patients are actively seeking for alternative treatment The <b>global ARTHRITIS drugs market</b> was valued at <b>USD 23 billion</b> in 2019 and has a compound annual growth rate (CAGR) of 8,6%. It is expected to reach USD 32,0 billion in 2023. <sup>17</sup>	<b>SLEEPING DISORDERS</b>  <b>260M</b> People suffer from <b>SLEEPING disorders</b> globally Of <b>global INSOMNIA drugs market</b> was valued at <b>USD 79 trillion</b> in 2019 and has an estimated annual growth rate (CAGR) of 7,1%. <sup>9</sup>	<b>HAIR LOSS</b>  <b>56M</b> People suffer from <b>HAIR LOSS</b> disorders globally The <b>global HAIR CARE drugs market</b> was valued at <b>USD 483 billion</b> in 2020 and has predicted a CAGR of 3,4%.
<b>WOUND CARE</b>  The <b>global WOUND CARE market</b> was valued at <b>USD 9 billion</b> and is predicted to reach approx. USD 11 billion by 2024. <sup>6</sup>	<b>PAIN</b>  The <b>global PAIN CARE market</b> was valued at <b>USD 36 billion</b> in 2019 and has a compound annual growth rate (CAGR) of 8,6%. It is expected to reach USD 32,0 billion in 2023. <sup>17</sup>	<b>POLLEN, VIRUS &amp; BACTERIAL</b>  Of <b>global INSOMNIA drugs market</b> was valued at <b>USD 79 trillion</b> in 2019 and has an estimated annual growth rate (CAGR) of 7,1%. <sup>9</sup>	<b>SKIN PROBLEMS</b>  The <b>global HAIR CARE drugs market</b> was valued at <b>USD 483 billion</b> in 2020 and has predicted a CAGR of 3,4%.

5 Armstrong AW, Mehta MD, Schupp CW, Gondo GC, Bell SJ, Griffiths CEM. Psoriasis Prevalence in Adults in the United States. JAMA Dermatol. Published online June 30, 2021. doi:10.1001/jamadermatol.2021.2007

6 BIS Research (2019) Global advanced wound care market size 2024. A recent study reported a 90 percent success rate for healing chronic wounds when using experimental cannabinoid-based topical medicine.

7 <https://www.bccresearch.com/market-research/healthcare/the-global-market-for-pain-management-drugs-and-devices.html>

8 <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3397790/>

9 Research and Markets (2017). U.S. Insomnia Market by Non-Pharmacological Therapy (CBT-I, Hypnotherapy), Prescription Sleep Aids (Benzodiazepines, Non-Benzodiazepines (Zaleplon), Orexin Antagonist) and OTC Treatment (Antihistamine, Melatonin, Valerian Root) - Forecasts to 2021.

10 <https://www.alliedmarketresearch.com/allergy-treatment-market>

11 <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3397790/>

12 <https://www.bccresearch.com/market-research/pharmaceuticals/skin-disease-treatment-technologies-markets-report.htm>

3 BDSA (2021) BDS Analytics: The Global Cannabinoids Market, Will CBD Overtake THC.

4 "Cannabis market disruptor I" (2019) Cannabis Market Disruptor Handbook part I: An Introduction. Euromonitor International

## CS MEDICA's first-mover status

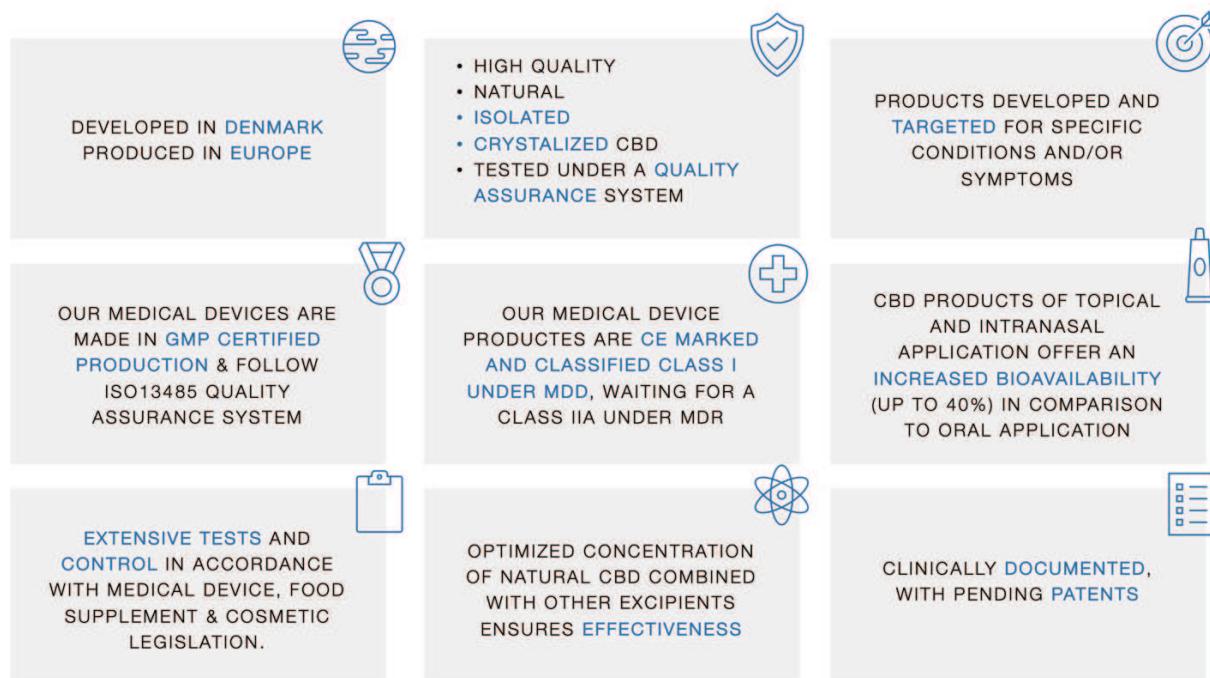
*provides a competitive advantage lasting at least 3 years, leaving the company alone on the market, of medical treatment from cannabinoids*

The main difference between the competition and CS MEDICA is the already obtained MD status of CS MEDICA's treatment products, all with patent pending. Due to the MD status, the Company is governed by tighter regulations and needs to comply with specific requirements, which in turn lowers the associated risk and generates a higher sense of trust for the customer. To the knowledge of the Board of Directors, no other MD products on the market contain CBD for the treatment of arthritis or psoriasis, nor any other diseases.

Up to May 26, 2021, Medical Devices were regulated under MDD, but today follows the MDR (Medical Device Regulation) (EU) 2017/745-35. Products filed under MDD as a class I will, with the new MDR, be lifted to a class IIa. For a transitional period of four years, permission has been granted for products certified as an MD class I before the 26th of May 2021, to remain on the market, provided that the extended requirements for the classification lift are initiated.<sup>5</sup> The Products are allowed to stay at the mark after the transition period provided that the extended requirements and the classification lift for class IIa are finalized.

All CANNASEN® CBD MD products were launched as a Class I under the MDD before the 26th of May 2021, and are thus allowed to remain marked, as a Class I under the MDR. To the knowledge of the Board of Directors, CS MEDICA is currently the only one on the market with products that contain cannabinoids regulated under MDR. This immediately gives a competitive advantage, as new products introduced to the market under MDR with cannabinoids must undergo the process applicable to MDR class IIa, corresponding to an application process period of three years. CS MEDICA will thus have a competitive advantage during this period.

Furthermore, legal CBD products only include cosmetics and Medical Devices delivered Topically and intranasally. The European Medicines Agency EMA and the UK have currently initiated a withdrawal of all oral CBD oils and other CBD supplements.<sup>37</sup> This currently results in a large portion of the current CBD products being removed from the market leaving only authorized Medical Devices and cosmetics products. As these two segments are the main focuses of the CANNASEN® brand, CS MEDICA believes that the change in the law is in the Company's favor.



<sup>5</sup>Ibid

# CS MEDICA Go-to-market strategy

*Our innovative and optimized strategy secures a timely market access and makes revenue goals achievable*

The Go-to-market section is, going forward, included to describe the future growth operational objectives of the company under the headline CS MEDICA Go-to-market strategy. The Go-to-market strategy is aspirations and objectives that CS MEDICA intends to work towards and are not a projection of CS MEDICA's financial outlook or expected growth.

## Go-to-market

CS MEDICA is first mover within medical technical cannabis products, and the company's ambition is to use this status to be leading within the field at a global level. We are currently in the process establishing our product line in major parts of Europe through sales channels (Nordic countries), and distributors, and later to expand on a global level.

In the Nordic Countries, market access is secured by our Nordic Sales director via Galaxa Pharma's sales channels, the pharmacies and drugstores.

Outside the region of the Nordic market, the sales run through our International Sales Director, with extensive experience in global rollout within the MedTech industry, and through several collaborations with local and global distributors. CS MEDICA believes that the use of local distributors and global collaborations together with growth hacking strategies ensure rapid growth and a high level of market penetration.

## Our sales process step-by-step - Distributors

With the help of local Embassies, potential distributors are identified and evaluated. Selecting the right distributor is crucial for our success and the selection of candidates is based on comprehensive analysis securing only distributors meeting our requirements are passing the first gateway.

We are focusing on novel agreements, local and global collaborations addressing drugstores and pharmacies with a knowledgeable sales force and the potential to bring our product to people living with serious immune or stress-related disorders.

We are interested in partnerships based on long-term commitment, mutual interest and sharing of knowledge and collaboration through our open platforms PIM (Product Information Management) and CIM (Clinical Information Management). Sharing of knowledge and data is a central part of our go-to-market strategy, and identification of the right partner is ensured through a structured and thorough sales process.

PHASE	PROCESS	WEEKS 1-6	WEEKS 2-4	WEEKS 10-12	WEEKS 25-30
I	Identification of potential distributors or sales channels	X			
II	Initial Product and company presentation		X		
III	NDA signature		X		
IIII	Product presentation, Study summary and White paper are released to the potential distributor		X		
V	Evaluation and Approval of products by their legal department			X	
VI	Agreement negotiation including local rights & Local approval of products outside EU			X	
VII	Distributor agreement is signed, and first order issued	X			
VIII	Design delivery from Private Label customer			X	
VIIII	Approval of design and claims – Private label customer		X		
X	Production. & Delivery				X

Potential distributors currently in progress divided in the above phases, is distributed, on the day of this report, as follows;

<b>Phase</b>	<b>Potential order value DKK</b>
II	35.500.000
III	500.000
V	5.000.000
VI	7.500.000
X	3.500.000
<b>TOTAL</b>	<b>52.000.000</b>

## Our sales process step-by-step – Sales Channels (pharmacies & drugstores)

In the Nordic countries all sales are handled through the sales channels of Galaxa Pharma, the pharmacies and drugstores. Currently sales agreement is finalized and active in Denmark and Sweden, in Denmark through Matas and all online pharmacy chains and drugstores and in Sweden through med24.se and Kronans. The Arthritis- and Psoriasis gel are on shelf in Matas (DK) and the Arthritis gel in Kronans (SE).

We are currently working on obtaining shelf space of the full product line in Matas and Kronans, and optimizing product availability online as well as offline in all pharmacy chains and drugstores in Denmark and Sweden. In Norway cannabinoids are following local regulation, where cannabinoids are categorized as drugs and prohibited as over the counter product. The Norwegian regulation are expected to follow EU in the near future, and the CANNASEN® CBD product line will, at that time, enter the Norwegian Market, starting with the pharmacy chain Apotek 1 which already approved the CANNASEN® CBD products for listing.

## Reinforcement of CANNASEN® CBD brand identity

The strategic marketing development and launch of the CANNASEN® CBD product line is currently being reinforced with assistance from the well-known Danish creative agency, Advance. The strategic marketing direction is being optimized, including the definition of brand, messaging hierarchy, creative platform as well as the development of the visual identity and core narratives, including;

- Activate CANNASEN® CBD, as a product line within autoimmune and stress related disorders – with the portfolio statement “RECOVER YOUR BODY’S NATURAL BALANCE” based on the platform - CANNASEN® CBD – SCIENCE IS IN OUR NATURE
- Explain and position CANNASEN® CBD product line as a NEW product group, “healthcare treatment”
- Build up the perception of having a “treatment umbrella” – same brand across “sub-brands”

The rationale behind SCIENCE IS IN OUR NATURE is, explained by science is fundamental to our approach, differentiating us from the rest of the cannabinoid field. The precision of our process gives us clinical control over the purity of our product. Tied to our logo, this tagline gives us a platform for trustworthy communication on market-leading safety and efficacy.

Based on the above the visual identity development is ongoing as well as the consumer journey mapping and the roll-out planning for the campaigns to be executed third and fourth quarter of 2021/2022 in Denmark and Sweden.

Building up our digital ecosystem and digital presence, we have in the process of designing our new brand shop; cannasen.dk – with a 100% focus on the CANNASEN® CBD product line supporting the consumer journey focusing on:

- Support awareness
- Ensure relevance and build trust
- Educate and motivate
- Support right usage
- Sell products
- Stimulate repurchase, create loyalty, and brand ambassadors
- Build up base audience and brand testimonials
- In general, to have a 100% native understanding of the digital behaviour of our end consumers

## Disclaimer

*Some statements in this chapter may contain forward-looking information. All statements, other than of historical fact, that address activities, events, or developments that the Company believes, expects, or anticipates will or may occur in the future (including, without limitation, statements regarding potential distributor agreements) are forward-looking statements.*

*Forward-looking statements are subject to several risks and uncertainties, many of which are beyond the Company's ability to control or predict, which may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements.*

*Although the Company has attempted to identify important factors that could cause actual results or events to differ materially from those described, there may be other factors that cause results or events not to be as anticipated, estimated or intended. The forward-looking statements included in this report are made as of the date of this report and the Company does not undertake any obligation to publicly update on such forward-looking statements to reflect new information, subsequent events, or otherwise unless required by applicable securities legislation.*

# CS MEDICA The future of R&D & market access

*is to focus on increasing the number of clinical assets while optimizing our first-mover advantage*

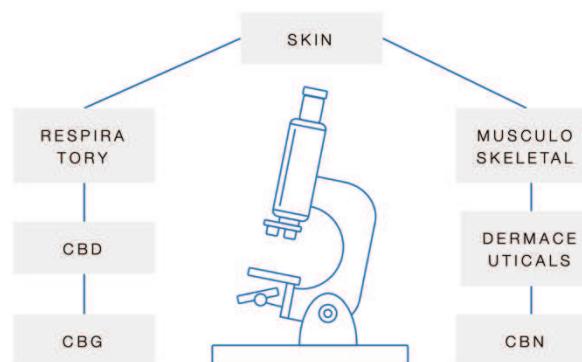
For the last 5 years, CS MEDICA has pioneering scientific breakthroughs within cannabinoid medical treatments for autoimmune and stress-related disorders. To ensure that we deliver value to society, we are continuously pursuing even higher levels of innovation, across more therapy areas and technology platforms and with more patients and partners.

Around the world, the number of people living with autoimmune, and stress-related disorders is growing fast and the need to supply improved treatments is critical. But ensuring that cannabinoids medical treatment reaches all those who require them, new ways of doing business are required.

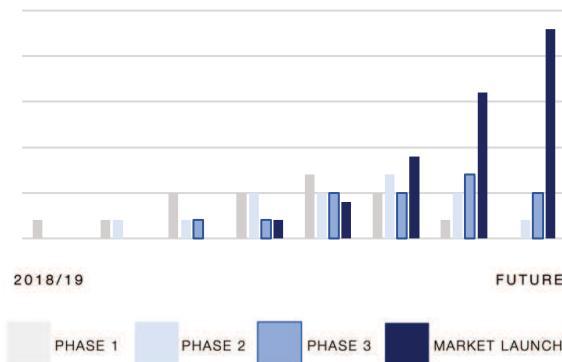
We are rising to the challenge by establishing a successful track record to pursue innovative approaches to fight autoimmune and stress-related disorders, as well as expanding our therapy area, focus and outreach. These approaches and outreach will rely not only on our cutting-edge cannabinoids engineering, but on novel technology platforms, the right application, concentration of cannabinoids as well as combined treatment to further advance our innovative pipeline for long-term success. Shifting gears for future growth in an increasingly competitive cannabinoid industry is imperative to ensure that we obtain a leading scientific position in the disruptive market and innovations that are set to transform cannabinoids products in the 21st century.

Our first-mover advantage will be utilized and maximized to ensure that medical treatment with the therapeutic efficacy from Cannabinoids is made available for patients and partners around the world.

R&D INVESTMENT IN CANNABINOID PRODUCTS WILL EXPAND BEYOND HISTORY FOCUS



INCREASED CLINICAL ASSETS DRIVING R&D INVESTMENTS INTO THE 21<sup>ST</sup> CENTURY



# CS MEDICA holds solid IPR protection

*high barriers to entry, and a collaborative approach to innovation*

CS MEDICA holds solid IPR protection, in a market with high barriers to entry, and a collaborative approach to innovation, while documenting efficacy and building trust through the Clinical Information management system (CIM) collecting post-marketing clinical test results in collaboration with distributors in local markets. Trust and efficacy are one of the key components in CS MEDICA's corporate strategy, addressed through market and sales expansion via word-of-mouth, influencers, and Key Opinion Leaders (KOL's).

CS MEDICA's POSITION IS PROTECTED BY PATENTS & TRADEMARKS	BARRIERS TO ENTRY FOR CANNABINOIDS SIMILAR PLAYERS	PARTNERSHIP, VALUE CHAIN SETUP AND SUPPORT FROM FUTURE R&D	EXENSIVE CLINICAL EVIDENCE AND TRUST
<b>EU PATENT PROTECTION</b> PA 2021 70056 2039 PA 2021 70171 2041 PA 2021 70213 2041 PA 2021 70269 2041 PA 2021 70207 2041 PA 2021 70268 2041  <b>TRADEMARKS</b> registration in class <b>03, 05, and 10<sup>15</sup></b> EU, N, CHF, CA ,IN, ID, MY, JP, NK, CN, KR, TH, US, VN, UK, BR, TR, AU, NZ, UAE	<b>RESEARCH &amp; DEVELOPMENT</b> <ul style="list-style-type: none"> <li>Needs to be approved under the MDR Class IIa</li> <li>Strict regulatory requirements in the EU and the US</li> </ul> <b>MANUFACTURING</b> <ul style="list-style-type: none"> <li>Approval under the pharmaceutical legislation</li> <li>Strict regulatory requirements in the EU and the US</li> </ul> <b>COMMERCIALIZATION</b> <ul style="list-style-type: none"> <li>Approval under the pharmaceutical legislation before <b>market entrance</b></li> <li>Technical documentation assessed by a <b>Notified Body</b></li> <li>Comprehensive description of <b>technology impact</b> and <b>testing</b> with reference to Cannabinoid's regulations, to ensure <b>market reception</b>.</li> <li>On-going conversion to <b>next generation</b> cannabinoid combination and market dynamics</li> </ul>	<b>HEMP PLANTS</b>  <b>CANNABINOIDS CRYSTALS</b>  <b>TOPICAL, ORAL &amp; COMBINATION</b> formulation of therapeutics   <b>PRODUCTION SITES</b> <b>OCEANIC</b>   <b>MEDICAL DEVICE REGULATION &amp; QUALITY CONTROL</b> , including HACCP, GMP, ISO through product lifecycle   	<b>RESEARCH &amp; DEVELOPMENT</b> <ul style="list-style-type: none"> <li>Monitor and evaluating global development within cannabinoids therapeutics</li> <li>On-going evaluation of cannabinoids combinations optimizing the overall efficacy</li> </ul> <b>DOCUMENTATION</b> <ul style="list-style-type: none"> <li>Updated technical documentation &amp; regulation according to MDR - MDR class IIa.</li> <li>Compliance with ICH and ISO 13485, ISO 22716, ISO 10993 &amp; GNP, GDP, GACP, GMP &amp; ISO 14971 (MDD).</li> </ul> <b>CLINICAL EVIDENCE EFFICACY &amp; TRUST</b> <ul style="list-style-type: none"> <li>New extensive Clinical trials under MDR</li> <li>Post-marketing clinical trials together with local disease organisation in CIM</li> <li>Global consolidation of test results through CIM provided as SaaS.</li> </ul>

<sup>14</sup> CS MEDICA strives towards granting patent acceptance on all present and future treatment products. All CS MEDICA's treatment products (topical and oral products) as of today are patented in accordance with PCT (Patent Cooperation Treaty) covering 153 nations across the globe. The Company currently has seven proceeding patents that are filed and pending. The patents pending are summarized above. The patents are intended to strengthen the protection of the Company's products. If granted, the patents will protect the technology to 2039 (patent filed in 2019) and 2041 (patents filed in 2021). The timelines state that before August 2025 for Arthritis and Psoriasis gel and 2027 for the last products, a national process should be in place, meaning the Company needs to determine in which countries and/or regions CS MEDICA intend to file the patent including all formalities. It is the current strategy to extend this protection worldwide, such as in the US, China, Europe, and the rest of the world.

<sup>15</sup> Trademark Classification.

Class 3 covers the cosmetics, such as for, essential oils and hair lotions.

Class 5: covers the Pharmaceutical and veterinary preparations.

Class 10 covers surgical, medical, dental and veterinary apparatus and instruments, artificial limbs, eyes and teeth.

# Strategic Outlook 2023

The Strategic Outlook is, going forward, included to reflect the broad aspects of CS MEDICA across therapy areas and geographies, describing the future growth aspirations and previous communicated operational objectives of the company under the headline Strategic Outlook 2023. The strategic outlooks are aspirations and objectives that CS MEDIA intends to work towards and are not a projection of CS MEDICA's financial outlook or expected growth.

## 2021/2022

H1	H2
<ul style="list-style-type: none"><li>Market launch of hair loss serum online in Kronans, Sweden – week 6 2022</li><li>Product launch in Denmark (3)<ul style="list-style-type: none"><li>CANNASEN® CBD Pain Patch</li><li>CANNASEN® CBD Protective nasal gel</li><li>CANNASEN® CBD Hair regrowth.</li></ul></li><li>Move the main production site of the Company's products from Germany to Poland.</li><li>Attend Arab Health - Global HealthCare Event - the largest healthcare exhibition &amp; congress in the Middle East</li><li>Hair serum approved and registered in United Arab Emirates</li><li>Completion of clinical trials(4) – test results on<ul style="list-style-type: none"><li>Psoriasis versus placebo</li><li>arthritis versus placebo</li><li>Psoriasis + supplements - versus placebo supplements</li><li>arthritis + supplements - versus placebo supplements</li></ul></li><li>Completion absorption test (2) - test results on<ul style="list-style-type: none"><li>Arthritis gel</li><li>Pain Patch</li></ul>(absorption test on Psoriasis gel previous finalized)</li><li>Product launches medical devices (2)<ul style="list-style-type: none"><li>Pain Patch</li><li>Protective nasal gel</li></ul></li><li>Product launches cosmetic (1)<ul style="list-style-type: none"><li>PSOR + ATOPIC lotion</li></ul></li><li>Finalizing and reporting of Innobooster project</li><li>Continuation of patent for Psoriasis and Arthritis gel in the following countries: PCT Application No. PCT / DK2020 / 050222 in Australia, Canada, China, Europe, India, Israel, Japan, New Zealand, South Korea and the United States.</li><li>Continuation of DK patent to PCT international patent food supplement in combination with arthritis / psoriasis gel P25365DKoo</li><li>Trademark update</li></ul>	<ul style="list-style-type: none"><li>Product launch in Denmark (2)<ul style="list-style-type: none"><li>CANNASEN® CBD wound gel</li><li>CANNASEN® CBD Nasal Night</li></ul></li><li>Global market launch of all launched CANNASEN® CBD products (7);<ol style="list-style-type: none"><li>CANNASEN® CBD Arthritis gel</li><li>CANNASEN® CBD Psoriasis gel</li><li>CANNASEN® CBD Pain Patch</li><li>CANNASEN® CBD Protective nasal gel</li><li>CANNASEN® CBD Pain Patch</li><li>CANNASEN® CBD Protective nasal gel</li><li>CANNASEN® CBD Hair regrowth</li></ol></li><li>Start up Launch Amazon sales channel in Germany, Sweden, and France.</li><li>Exhibit at the Vitafoods Europe 2022, Geneva, for international nutraceutical suppliers and experts from over 110 countries.</li><li>Clinical information Management System goes live</li><li>Launch of new updated web shop redeemed with updated brand identity and new tone of voice</li><li>Launch of CANNASEN brand Marketing campaign coordinated by Advance</li><li>Continuation of DK patent to PCT landing:<ul style="list-style-type: none"><li>CBD hair serum P24003DKoo</li><li>Nasal spray (sleep) P25076DKoo</li><li>Wound gel P25009DKoo</li><li>Pain patch P25075DKoo</li><li>Nose gel P25364DKoo</li></ul></li><li>Closing of major distributor agreements with key pharmaceutical global players covering brand and white labels agreements.</li><li>Scientific papers covering completed clinical trials Published on min. 2 Science platforms:<ul style="list-style-type: none"><li>Clinical trials (4)<ul style="list-style-type: none"><li>Psoriasis versus placebo</li><li>Arthritis versus placebo,</li><li>Psoriasis + supplements - versus placebo supplements</li><li>Arthritis + supplements - versus placebo supplements,</li></ul></li><li>Absorption tests (3)<ul style="list-style-type: none"><li>Arthritis gel</li><li>Pain patch,</li><li>Psoriasis gel</li></ul></li></ul></li><li>New Patent of CBD structure and activity in the human body.</li></ul>

## 2022/2023

### H1

- Partner identification of US distributor/partner.
- Product launches cosmetic (2)
  - Anti hair loss Shampoo
  - Conditioner
- If the clinical test performed in H1 2021/2022 of our combination treatment within psoriasis and arthritis meets all endpoint, the CANNASEN® CBD Food supplement for Arthritis and Psoriasis respectively will be launched in this half year.

## 2022/2023

### H2

- Finalised identification of US distributor/partner.
- Initiate FDA approval process
- Product launches cosmetic skincare line (total of 5 products)
  - Repair & Calm Facial Cleanser
  - Deep Clean & Calm Cleanser
  - Deep moisturising Cream
  - Recovery & Calm Cream
  - Repair Lip Balm
- Start-up development of Medical device under MDR
  - Eyelash growth/extension serum
- Start-up animal treatment line.
- Start up inhaler treatment line (medicine) - Expected development period three-four years and additional two years for achieving marketing authorization.

## 2023/2024

### H1

- FDA approval granted.
- Finalize US distributor agreement.
- Launch Amazon sales channel in US & Canada.

*Running update regarding new Distributors and private label agreements.*

*Running update regarding filing and registration of product approval globally*

# Corporate Governance

## Accounting and accounting principles

This interim report has been prepared following the provisions of the Danish Financial Statements Act governing reporting class B enterprises with the addition of certain provisions from reporting class C. The group and the parent company's accounting principles are unchanged compared with what is described in the annual report for 2019/2020. No other new or revised provisions of the Danish Financial Statements Act have entered into force that is expected to have any significant impact on the group.

## CS MEDICA's share

CS MEDICA's share is listed on Spotlight Stock Market, [www.spotlightstockmarket.com](http://www.spotlightstockmarket.com). The share has the ticker name CSMED and ISIN code DKoo61668225. The number of shares in CS MEDICA as of December 31, 2021: 10 902 000 shares.

## Review

This report has not been audited.

## Business-related risks and uncertainties

The risks and uncertainties to which CS MEDICA's operations are exposed are, in summary, related to e.g. COVID-19, the development, competition, technology development, patents, regulatory requirements, capital requirements, currencies, and interest rates. During the current period, no significant changes regarding risk or uncertainty factors have occurred. For a more detailed description of significant risk factors in CS MEDICAS' operations, please see the company's prospectus published in June 2021. Since then, no significant changes have occurred regarding risks or uncertainty factors.

## Owners and insider trade

In the table below, the largest ten shareholders as of December 31, 2021 are disclosed:

Name	Number of shares	Votes and capital (%)
Gitte Henriksen	4.000.000,00	36,69
Lone Henriksen	4.000.000,00	36,69
Finn-Ove Henriksen and Nina Henriksen	364.126,80	3,34
Ylber Rexhapi	252.926,40	2,32
Tony Sayeed	159.169,20	1,46
Michael Kaa Andersen	130.000,00	1,19
Kent Eklund	112.290,60	1,03
Taulant Bara	112.290,60	1,03
Thomas Gidlund	98.118,00	0,90
Andreas Kjær	97.027,80	0,89
Nils-Holger Olsson	83.945,40	0,77
Others	1.492.105,60	13,69
Total	10.902.000,00	100%

## Financial calendar

Half-year report October 2021 – March 2022	20 May 2022
Interim report October 2021 – June 2022	13 August 2022
Year-end report October 2021 – September 2022	18 November 2022
Annual report 2021/2022	25 November 2022
Annual General Meeting	9 December 2022

## Signatures

The Board of Directors and the CEO certify that these financial statements and interim report have been prepared in accordance with applicable legislations and Spotlight Stock Market's listing agreement and gives a fair view of the Company's and Parent Company's financial position and results of operations.

Copenhagen 18 February 2022  
CS MEDICA A/S (publ)

Jørgen Flemming Ladefoged  
Chairman of the Board

Stain Løkstad  
Member of the Board

Anders Permin  
Member of the Board

Gitte Henriksen  
Member of the Board, COO and CFO

Bo Unéus  
Member of the Board

Alexandre FEVRE  
Member of the Board

Lone Henriksen  
CEO and CSO

For further information, please contact:  
Lone Henriksen, CEO

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Website: [www.cs-medica.com](http://www.cs-medica.com)  
Orgnr: 33871643

# Financial Statements

## Comments on the financial results

### Income

In line with our previous expectations, our first quarter revenue, tDKK 127, is lower than the corresponding quarter in 2020/2021, tDKK 685, where revenue in 2020/2021 was generated through insale to the shelf of Matas 186 medicare shops. In this post IPO phase, we have restructured our organisation, preparing for the global rollout and our efforts are now paying off, through negotiations with several key pharmaceutical global players. We maintain our revenue expectation for the year of DKK 50 million, with the majority of the target to be realized in the latter half of the year.

Gross profit for the first quarter amounted to tDKK -21 (491). Profit before tax during the first quarter amounted to tDKK -3.074.824 DKK (-229).

While looking at the Income development, one should keep in mind that building a professional and efficient distribution network on a new brand from scratch, is a demanding and time-consuming process. Despite the huge impact on the worldwide retail business derived from COVID19, we are happy that we have succeeded in making agreements and listings, on essential sales channels and distributor networks.

However, we are facing less revenue this financial period compared to last year, mainly caused by 2 overall reasons:

1. COVID19 has had a great impact on consumer behaviour, which has drastically reduced the possibilities to utilize the listings and to bring great sell-out figures. This means that the great sell-in to our distributors did not result in retail sales. The stocks at our distributors are still sufficient.
2. Building relations to new distributors have been difficult and we have not been able to establish sufficiently new distributor contacts to create new pipeline filling.

To conclude; the circumstances following COVID19 are the only reason for our lacking sales revenue. The COVID19 pandemic has negatively affected not only sales but also reduced the speed and ability to create results in research and development, delaying both clinical trials and manufacturing processes. As of February 1st, we are looking into a new era with a substantial upgrade of our sales capabilities welcoming new team members with professional insights. At the same time, we are finalizing our brand platform and therefore ready to kick start growth and distribution partnerships in a post-COVID time. Even though we are ambitious regarding communicated goals, unfortunately we must be realistic towards the speed of consumer buying behaviour regarding customers returning to our point of sales.

With that in mind, we are still confident that we, with our ongoing restructuring efforts, our redeemed brand identity and distributor negotiations with key pharmaceutical global players, will reach our revenue expectation for the year of DKK 50 million. However, we still expect the majority of the target to be realized in the latter half of the year.

### Costs

The operating profit for the first quarter amounted to tDKK -2.417 (110). The cost mainly consisted of costs for goods sold, administrative costs and staff costs.

Part of the cost relating to our redeemed brand identity and newly optimised campaigns are incorporated under the marketing cost in this first quarter.

### Results

The result after financial items for the quarter amounted to tDKK -3.075 (-229).

### Financing and financial position

Cash and cash equivalents as of 31 December 2021 amounted to tDKK 6.190 (-457).

### Equity

At the end of the period, CS MEDICA's equity/asset ratio was 90% (4%).

# Consolidated Financial Statements

## Income statement

	Note	1. Oct 2021 - 31. Dec 2021 Actual	1. Oct 2020 - 31. Dec 2020 Last year	1. Oct 2020 - 30. Sep 2021 Last year
Revenue		127.258	685.022	3.179.557
Cost of goods sold		-147.971	-193.501	-1.815.700
<b>Gross Profit</b>		<b>-20.713</b>	<b>491.521</b>	<b>1.363.857</b>
Other operating income	1	37.503	0	1.987.950
Sales and distribution costs		-570.100	-299.079	-653.431
Administrative costs		-822.684	-81.764	-768.135
Staff costs	2	-1.041.026	0	-738.835
<b>Operating profit</b>		<b>-2.417.021</b>	<b>110.678</b>	<b>1.191.406</b>
Depreciation		-518.945	-270.090	-1.367.452
<b>Profit before net financials</b>		<b>-2.935.966</b>	<b>-159.412</b>	<b>-176.046</b>
Financial costs		-141.579	-69.779	-231.742
<b>Profit before tax</b>		<b>-3.074.824</b>	<b>-229.192</b>	<b>-407.788</b>
Tax on net profit or loss for the year		697.125	0	1.055.414
<b>Net profit or loss for the Period/Year</b>		<b>-2.377.699</b>	<b>-229.192</b>	<b>647.626</b>

1) Income related to grants.

2) Staff costs related to R&D are included under development project in progress.

## Balance sheet

	Note	31/12/2021 Actual	31/12/2020 Last year	30/09/2021 Last year
<b>ASSETS</b>				
Completed development projects, including patents and similar rights	3	8.749.012	3.954.219	8.346.148
Goodwill		4.311.599	0	4.431.174
<b>Total intangible assets</b>		<b>13.060.611</b>	<b>3.954.219</b>	<b>12 777 332</b>
Deposits		82.186	1.995	82.186
<b>Total Deposits</b>		<b>82.186</b>	<b>1.995</b>	<b>82.186</b>
<b>Total non-current assets</b>		<b>13.142.797</b>	<b>3.956.214</b>	<b>12.859.508</b>
Work in progress		64.428	64.428	64.428
Manufactured goods and goods for resale		1.110.873	1.023.874	1.164.688
<b>Total inventories</b>		<b>1.175.302</b>	<b>1.088.302</b>	<b>1.229.116</b>
Trade receivables		1.396.806	-69.754	1.635.557
Deferred tax assets		923.668	526.678	226.543
Other receivables		344.307	68.224	1.464.358
<b>Total receivables</b>		<b>2.664.782</b>	<b>525.148</b>	<b>3.326.458</b>
<b>Cash at bank</b>		<b>6.190.210</b>	<b>-456.698</b>	<b>9.996.085</b>
<b>Total current assets</b>		<b>10.030.293</b>	<b>1.156.7</b>	<b>14.551.659</b>
<b>Total assets</b>		<b>23.173.090</b>	<b>5.112.966</b>	<b>27.411.167</b>
<b>EQUITY AND LIABILITIES</b>				
Contributed capital		708.630	80.000	708.630
Reserve for net revaluation according to the equity method		1.387.251	0	1.387.251
Reserve for development costs		6.886.402	2.692.109	5.763.914
Retained earnings		11.827.679	-2.614.941	16.287.566
<b>Total equity</b>		<b>20.809.961</b>	<b>157.168</b>	<b>24.147.361</b>
Provisions for deferred tax		0	750.235	-
Other provisions		288.662	494.850	329.900
<b>Total provisions</b>		<b>288.662</b>	<b>1.245.085</b>	<b>329.900</b>
Subordinate loan capital		0	1.300.000	0
Other mortgage loans		1.630.126	1.927.334	1.718.807
<b>Total long-term liabilities other than provisions</b>		<b>1.630.126</b>	<b>3.227.334</b>	<b>1.718.807</b>
Trade payables		27.452	0	504.157
Other payables		416.889	483.379	710.942
<b>Total short-term liabilities other than provisions</b>		<b>444.341</b>	<b>483.379</b>	<b>1.215.099</b>
<b>Total liabilities other than provisions</b>		<b>2.074.467</b>	<b>3.710.713</b>	<b>2.993.906</b>
<b>Total equity and liabilities</b>		<b>23.173.090</b>	<b>5.112.966</b>	<b>27.411.167</b>

3) Development costs include salaries, IPR rights, and costs that can be directly attributed to development activities. At the end of the development work, capitalized development costs are depreciated on a straight-line basis over the estimated economic life of 3-10 years.

## Equity Statement

	Note	1. Oct 2021 - 31. Dec 2021 Actual	1. Oct 2020 - 31. Dec 2020 Last Year	1. Oct 2020 - 30. Sep 2021 Last Year
<b>Contributed capital</b>				
Equity beginning of period		708.630	80.000	80.000
Change		0	0	628.630
<b>Equity end of period</b>		<b>708.630</b>	<b>80.000</b>	<b>708.630</b>
<b>Reserve for net revaluation according to the equity method</b>				
Equity beginning of period		1.387.251	0	0
Change		0	0	1.387.251
<b>Equity end of period</b>		<b>1.387.251</b>	<b>0</b>	<b>1.387.251</b>
<b>Reserve for development costs</b>				
Equity beginning of period		5.763.914	<b>2.692.109</b>	2.692.109
Change		1.122.488	0	3.071.805
<b>Equity end of period</b>		<b>6.886.402</b>	<b>2.692.109</b>	<b>5.763.914</b>
<b>Retained earnings</b>				
Equity 1 October 2020		16.287.566	<b>-2.684.888</b>	-2.684.888
Share Premium				26.503.753
Reserve for net revaluation according to the equity method		0	0	-1.387.251
Deferred tax – Tax credit			<b>299.119</b>	
IPO cost		-959.700	0	0
Reserve for development costs		-1.122.488	0	-3.071.805
Net profit or loss for the Period/Year		-2.377.699	<b>-229.192</b>	647.626
<b>Equity end of period</b>		<b>11.827.679</b>	<b>-2.614.941</b>	<b>16.287.566</b>
<b>Total equity and liabilities</b>		<b>20.809.961</b>	<b>157.168</b>	<b>24.147.361</b>

## Cash flow Statement

	Note	1. Oct 2021 - 31. Dec 2021 Actual	1. Oct 2020 - 31. Dec 2020 Last year	1. Oct 2020 - 30. Sep 2021 Last year
Net Profit/loss for the period		-2.377.699	-229.192	647.626
Financial expenses, reversed		138.860	69.779	231.742
Depreciation, reversed		518.945	270.090	1.367.452
Changes in working capital	4	-65.610	-21.572	-3.735.019
<b>Cash flows from operating activities before net financials</b>		<b>-1.785.505</b>	<b>89.105</b>	<b>-1.488.199</b>
Investing in Development projects		-921.809	-772.888	-5.906.369
<b>Cash flow from investment activities</b>		<b>-921.809</b>	<b>-772.888</b>	<b>-5.906.369</b>
Share capital		0	0	188.630
Share premium		0	0	26.943.753
Financial expenses paid		-138.860	-69.779	-231.742
Cost IPO		-959.700	0	-3.719.889
Loan internal partners converted to capital & share exchange		0	0	-1.300.000
Goodwill share exchange				-4.786.984
<b>Cash flow from financing activities</b>		<b>-1.098.560</b>	<b>-69.779</b>	<b>17.093.768</b>
<b>Total cashflows for the period</b>		<b>-3.805.874</b>	<b>-753.562</b>	<b>9.699.201</b>
Cash, beginning of period		9.996.085	296.884	296.884
<b>Cash, end of period</b>		<b>6.190.211</b>	<b>-456.698</b>	<b>9.996.085</b>
<b>4. Change in working capital</b>				
Change in Finished goods		53.811	96.907	-43.907
Trade + other receivables		1.358.800	-62.898	-3.048.856
Trade + other payables		-770.756	-384.093	347.628
Other provisions		-41.238	33.832	-164.950
Deferred tax		-697.125	145.021	-534.219
Other change in working capital		-88.680	2.319	-290.715
		<b>-65.610</b>	<b>-21.572</b>	<b>-3.735.019</b>

## Parent Financial Statements

### Income Statement

Note	1. Oct 2021 - 31. Dec 2021 Actual	1. Oct 2020 - 31. Dec 2020 Last year	1. Oct 2020 - 30. Sep 2021 Last year
1	Revenue	204.063	0
	Other operating income	0	-11.050
	Cost of raw materials and consumables	0	0
	Other external costs	-236.799	0
<b>Gross Profit</b>		<b>-32.736</b>	<b>-11.050</b>
2	Staff costs	-489.317	-111.471
	Amortisation and impairment of intangible assets	-51.375	0
	<b>Operating profit</b>	<b>-573.428</b>	<b>-122.521</b>
	Income from equity investments in group enterprises	-1.579.033	705.535
	Other financial income	0	0
	Other financial costs	-14.176	-4.861
<b>Profit before tax</b>		<b>-2.166.637</b>	<b>578.153</b>
Tax on net profit or loss for the year		129.272	69.473
<b>Net profit or loss for the year</b>		<b>-2.037.365</b>	<b>647.626</b>

1) Income related to grants.

2) Staff costs related to R&D are included under development project in progress.

## Balance Sheet

Note	31/12/2021	31/12/2020	30/09/2021
	Actual	Last year	Last year
<b>ASSETS</b>			
Completed development projects, including patents and similar rights		0	616.514
3	832.292	0	0
<b>Total intangible assets</b>	<b>832.292</b>	<b>0</b>	<b>616.514</b>
Equity investments in group enterprises	4.867.141	493.885	6.446.175
<b>Total Deposits</b>	<b>4.867.141</b>	<b>493.885</b>	<b>6.446.175</b>
<b>Total non-current assets</b>	<b>5.699.433</b>	<b>493.885</b>	<b>7.062.689</b>
Trade receivables	0	0	00
Receivables from group enterprises	9.604.310	164.000	7.891.940
Deferred tax assets	199.340	0	70.068
Other receivables	50.000	0	124.600
<b>Total receivables</b>	<b>9.853.650</b>	<b>164.000</b>	<b>8.086.608</b>
<b>Cash on hand and demand deposits</b>	<b>5.855.832</b>	<b>624</b>	<b>9.149.276</b>
<b>Total current assets</b>	<b>15.709.483</b>	<b>163.376</b>	<b>17.235.884</b>
<b>Total assets</b>	<b>21.408.915</b>	<b>330.509</b>	<b>24.298.573</b>
<b>EQYITY &amp; LIABILITIES</b>			
Contributed capital	708.630	80.000	708.630
Reserve for net revaluation according to the equity method	1.387.251	0	1.387.251
Reserve for development costs	689.260	0	480.881
Retained earnings	18.365.155	-39.532	21.570.599
<b>Total equity</b>	<b>21.150.297</b>	<b>40.468</b>	<b>24.147.361</b>
Provisions for deferred tax	0	290.041	0
Other provisions		0	0
<b>Total provisions</b>	<b>0</b>	<b>290.041</b>	<b>0</b>
Subordinate loan capital	0	0	0
Other mortgage loans	0	0	0
Payables to group enterprises	0	0	0
<b>Total long-term liabilities other than provisions</b>	<b>0</b>	<b>0</b>	<b>0</b>
Trade payables	314.796	0	60.000
Other payables	-56.178	0	41.212
<b>Total short-term liabilities other than provisions</b>	<b>258.618</b>	<b>0</b>	<b>151.212</b>
<b>Total liabilities other than provisions</b>	<b>258.618</b>	<b>0</b>	<b>151.212</b>
<b>Total equity and liabilities</b>	<b>21.408.915</b>	<b>330.509</b>	<b>24.298.573</b>

3) Development costs include salaries, IPR rights, and costs that can be directly attributed to development activities. At the end of the development work, capitalized development costs are depreciated on a straight-line basis over the estimated economic life of 3-10 years

## Equity Statement

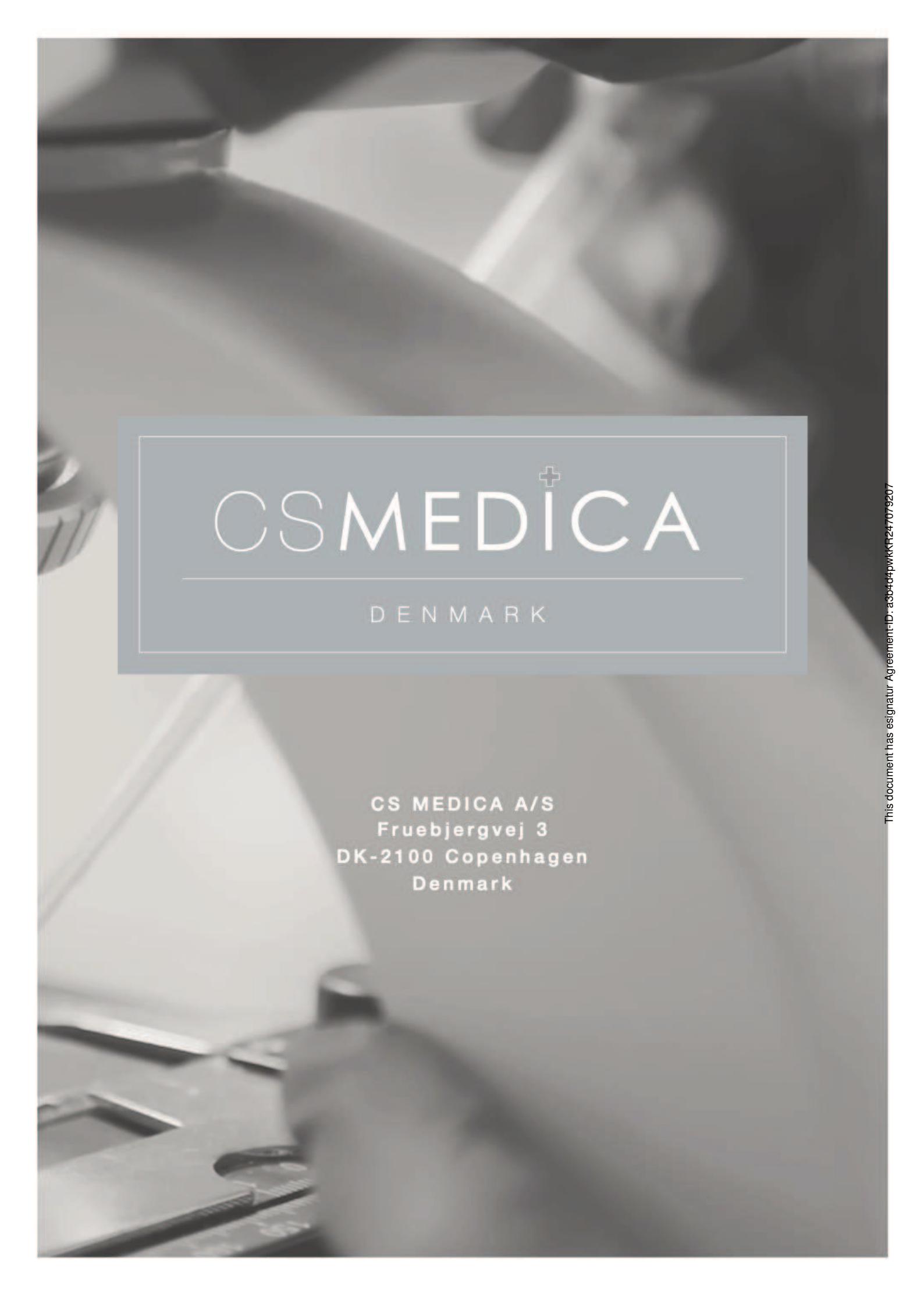
	1. Oct 2021 - 31. Dec 2021 Actual	1. Oct 2020 - 31. Dec 2020 Last Year	1. Oct 2020 - 30. Sep 2021 Last Year
<b>Contributed capital</b>			
Equity beginning of period	708.630	80.000	80.000
Change	0	0	628.630
<b>Equity end of period</b>	<b>708.630</b>	<b>80.000</b>	708.630
 <b>Reserve for net revaluation according to the equity method</b>			
Equity beginning of period	1.387.251	0	0
Change	0	0	1.387.251
<b>Equity end of period</b>	<b>1.387.251</b>	<b>0</b>	<b>1.387.251</b>
 <b>Reserve for development costs</b>			
Equity beginning of period	480.881	0	0
Change	208.379	0	480.881
<b>Equity end of period</b>	<b>689.260</b>	<b>0</b>	<b>480.881</b>
 <b>Retained earnings</b>			
Equity 1 October 2020	21.570.599	7.241	7.241
Share Premium			26.503.753
Reserve for net revaluation according to the equity method	0	0	-1.387.251
IPO cost	-959.700	0	-3.719.889
Reserve for development costs	-208.379	0	-480.881
Net profit or loss for the year	-2.037.365	-46.773	647.626
<b>Equity end of period</b>	<b>18.365.155</b>	<b>-39.532</b>	<b>21.570.599</b>
<b>Total equity</b>	<b>21.150.297</b>	<b>40.468</b>	<b>24.147.361</b>

## Cash flow Statement

Note	1. Oct 2021 - 31. Dec 2021	1. Oct 2020 - 31. Dec 2020	1. Oct 2020 - 30. Sep 2021
	Actual	Last year	Last year
Net profit or loss before tax	-2.037.365	-46.773	647.626
Financial expenses, reversed	14.176		4.861
Depreciation, reversed	51.375		
Changes in working capital	4	-80.602	46.773
<b>Cash flows from operating activities before net financials</b>	<b>-2.052.416</b>	<b>0</b>	<b>-8.855.483</b>
Investing in Development projects	-267.153	0	-616.514
<b>Cash flow from investment activities</b>	<b>-267.153</b>	<b>0</b>	<b>-616.514</b>
Share capital	0	0	188.63
Share premium	0	0	26.943.753
Financial expenses paid	-14.176	0	-4.861
Cost IPO	-959.700	0	-3.719.889
Loan internal partners converted to capital & share exchange	0	0	-4.786.984
<b>Cash flow from financing activities</b>	<b>-973.876</b>	<b>0</b>	<b>18.620.649</b>
<b>Total cashflows for the period</b>	<b>-3.293.444</b>	<b>0</b>	<b>9.148.652</b>
Cash, beginning of period	9.149.276	624	624
<b>Cash, end of period</b>	<b>5.855.832</b>	<b>624</b>	<b>9.149.276</b>

### 4. Change in working capital

Change in Finished goods	0	0	0
Trade + other receivables	74.599	0	0
Trade + other payables	107.407	0	-124.600
Other provisions	0	0	151.212
Deferred tax	-129.272	290.041	69.473
Loan subsidiaries	-133.336	-243.268	-9.464.514
Other change in working capital	0	0	-595
<b>Change in working capital</b>	<b>-80.602</b>	<b>46.773</b>	<b>-9.507.970</b>



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