CSMEDICA

WORLD-CHANGING PRODUCTS FOR A BETTER EVERY DAY

Table of Contents

COMMENTS FROM THE MANAGEMENT

Growing through transformation and in turbulent times

While 2022 was a year of learning, 2023 is the year of implementing and impacting. As we experience market challenges like many other companies and are not fortune-tellers, we listen to the experts' predictions on the times ahead of us, combined with the learnings we gain to transform into the next generation of CS MEDICA.

Experts and the prediction in the media suggest less consumption, recession, etc. Yet, in previous crises, recessions, and e.g., during covid, the categories within beauty, at-home self-care, and alternative healthcare products, such as home treatments and over-the-counter (OTC) products, showed an increased demand as consumers opted for cheaper alternatives to prescription drugs during a recession.

We operate in new territories within healthcare treatments, and with the cannabis industry's early stages of regulations and transparency, we witness a grey market lacking clear restrictions, insights, and guidelines. However, with the growing trend and request for regulated products with cannabinoids and increasing demand for alternative OTC products, we believe, as a first mover bridging R&D with patent-pending products registered as medical devices with cannabidiol under the pharmaceutical regulation, Medical Device Directive (MDD), currently transitioning to Medical Device Regulation (MDR), in continuing our growth journey.

2023 what to expect

We will undoubtedly be surprised again, but we have stronger plans with our learnings to adjust and act to deliver our core business. Some say when in trouble, double, and we do not shy away from challenges but face them and find solutions. We aim to invest to keep momentum, capitalize on our competitive advantage and regulated strategy, and ensure our growth plans are strong on agility from a-z and with a focus on maneuvering in unpredictable times.

Following the macroeconomic challenges, CS MEDICA is currently working with a production period of 3-6 months, challenging the beginning of 2022/23 as the end of 2021/22 performance almost emptied our stock. Despite initiating new productions, we experienced delays from our CMOs (Contract Manufacturing Organizations), which resulted in the first quarter of 2022/2023 (October – December 2022) delivering a decrease of 44,8% percent in net sales (based on delivered products). However, the order intake was mDKK 1.1 in Q1, strengthening our confidence that we continue to build customer base and territories with our competitive offering and brand.

For 2022/2023, the tracking of order intake reflects a 130% growth rate; however, with the unpredictable market trends challenging our supply chain agility, we aim for a growth span of 120-130%. Intensifying the order intake of new markets and customers, focusing on shorter legislation-window products and revenue streams, and optimizing the supply chain lead time are some of the core presumptions delivering sustainable sales growth.

CS MEDICA will not become operational cash flow positive within 2022/2023 due to several projects in different growth stages as a Medtech with discovery, new developments, manufacturing, and commercialization. The company is therefore exploring and evaluating the best solutions, including strategic partnerships to fund the continuous growth, R&D, and transitioning of the MDR requirements to maximize the company's acknowledged first-mover advantages. The financial advisory firm, Kapital Partner, has been engaged in this respect. Hence, the company received a loan from the two founders' mother of 3,5M in January 2023 to decide on the best funding strategy going forward.

PERFORMANCE HIGHLIGHTS

Financial highlights for Q1 2022/2023

- In this first quarter of 2022/2023 (October – December 2022), CS MEDICA received orders corresponding to mDKK 1.1, which are currently in production, with delivery planned for Q2 and Q3 of 2022/2023. Following the macroeconomic challenges of 2022, CS MEDICA is working with a production period of 3-6 months, after a legislation window of 1 or up to 8 months, depending on the region. When all stock was sold out at the end of 2021/2022, new orders are piled up for delivery and invoice in the second quarter of 2022/2023. Thus, the Net sales amounted to only tDKK 70 this quarter compared to tDKK 127 last year.
- Operating profit for the first quarter amounted to tDKK -4.371 (-2.936). The cost mainly consisted of costs for new design and production startup, administrative- and staff costs.
- As of June 30, 2022, cash and cash equivalents in the Company amounted to tDKK 68 (tDKK 6.190). In January 2023, CS MEDICA received a loan from the two founders' mother of tDKK 3.500. Additionally, the Company's factoring arrangement with Svea secured day-to-day liquidity and a new funding strategy is in progress.
- CS MEDICA is currently first mover on the market with OTC medical device products based on the therapeutic values of cannabinoids. To secure and capitalize on CS MEDICA's competitive advantage and secure growth, the Company has engaged financial advisor Kapital Partner.
- Cash and cash equivalents as of 31 December 2021 amounted to tDKK 68 (6.190).
- At the end of the period, CS MEDICA's equity/asset ratio was 86% (92%).

	Quarter		Year-To-Date	
	2022/2023	**2021/2022**	**2022/2023**	**2021/2022**
Net sales	70.272	127.258	70.272	127.258
Gross profit	43.564	73.447	43.564	73.447
Operating profit	-4.371.339	-2.935.966	-4.371.339	-2.935.966
Depreciation and amoritsation	-518.945	-518.945	-518.945	-518.945
Net financials	-31.388	-138.860	-31.388	-138.860
Profit before taxes	-4.402.727	-3.074.824	-4.402.727	-3.074.824
Net profit	-3.471.403	-2.377.699	-3.471.403	-2.377.699
Cash and cash equivalents	68.339	6.190.210	68.339	6.190.210
Addition Research and development costs	359.591	802.235	359.591	802.235
Cash flow	-2.865.444	-3.805.874	-2.865.444	-3.805.874
Total Assets	24.898.308	23.006.390	802.235	-971.261
Equity	21.455.141	21.165.769	802.235	-971.261
Financial Ratios				
Gross margin	62%	58%	62%	58%
Operating margin	-6221%	-2307%	-6221%	-2307%
Addition research and development in % of sales	512%	630%	512%	630%
Net profit margin	-4940%	-1868%	-4940%	-1868%
Equity ratio	86%	92%	100%	100%
Share performance				
Basic earnings per share	-28%	-22%	-28%	-22%
Total number of shares	12.322.635	10.902.000	12.322.635	10.902.000
Closing share price	11,0	7,6	11,0	7,6

These unaudited consolidated financial statements for the first three months of 2022/2023 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and additional Danish disclosure requirements for listed companies. The accounting policies adopted in the preparation are consistent with those applied in the Annual Report 2021/2022 of CS MEDICA.

Significant events during the first quarter (October – December 2022)

- Oct 10, 2022, CS MEDICA announces that the Company will close the year with a revenue of 10.6M DKK delivered with well-known partners within the industry. Alliance Healthcare Romania, part of the Alliance Healthcare, one of the largest wholesalers in Europe, will market the Cannasen® brand and all products. Whereas, the Spanish Aldo-Union will bring the unique formulas and products in their own brand to patients in Spain.
- Oct 25, 2022, Board member Bo Unéus notified CS MEDICA A/S that he resigns as a member of the board of directors of CS MEDICA.
- Dec 16, 2022, CS MEDICA A/S announces that the company has signed a deal with Cleanpure Scandinavia AB & Cleanpure UK Ltd, who will distribute the entire CANNASEN® portfolio on the Swedish market and the Amazon channels in the United Kingdom as Sweden.
- Dec 19, 2022, CS MEDICA A/S announces that The European Union Health Commissioner has proposed delaying enforcement of the Medical Devices Regulation (MDR) by three to four years, which is promising news for the company. It can give the company an additional four years ahead of competition. With patents and trademark protecting the company, a potential extension of the MDR transition will strengthen the company's market position.
- Dec 28, 2022, CS MEDICA A/S announces that additional three clinical trials and several in-vitro tests have been initiated, and the Company hereby provides an update on the Company's clinical trials and in-vitro test.

Significant events after the period

- Jan 18, 2023, CS MEDICA A/S terminates negotiations with Inner Mongolia Rong Shi Hi-Tech Co.("RongShi"), Ltd as the companies fail to reach acceptable terms. The negotiation with Heilongjiang FuYu ShengKun Textile Industry Co, is being closed conjointly.
- Jan 18, 2023, CS MEDICA received in January 2023, a loan of 3,5 MDKK, from Nina Henriksen, the mother of the two founders, CEO Lone Henriksen and CFO Gitte Lund Henriksen.
- Feb 13, 2023, CS MEDICA A/S announces that the Company has entered into an agreement with the financial advisor Kapital Partner in Denmark. With this cooperation, the company secures valuable insights and guidance on financial decisions and strategies as well as assistance in sourcing financial partners and maximizing shareholder value.

STRATEGIC ASPIRATIONS

CS MEDICA is a science-based company that combines research, technology, and nature within healthcare. We are categorized as a MedTech company, part of the pharmaceutical industry.

We are the efficient OTC alternative. For individuals, who seek efficient and cleaner treatments over the counter, CS MEDICA revolutionizes with innovative products and technology within the cannabis and medical industries. From discovery to manufacturing, we commit to improving people's lives with world-changing products that make a difference.

We research, develop, manufacture, commercialize, and build brands. Our over-the-counter portfolio surpasses competitive products as we are already selling registered medical devices with cannabidiol under the pharmaceutical/ medico legislation in Europe, and with 160 free sales certificates outside Europe.

The market is competitive when we look at OTC products and alternative offerings for autoimmune diseases and stress-related disorders; however, when looking at efficient, safe products with cannabinoids, there are few regulated treatments on the market. Therefore, our core business offers our customers a quality product with high efficiency and bioavailability and registered healthcare treatment with the therapeutical benefits of cannabinoids.

CS MEDICA prioritizes the following presumptions to deliver sales growth in five core areas in 2022/23:

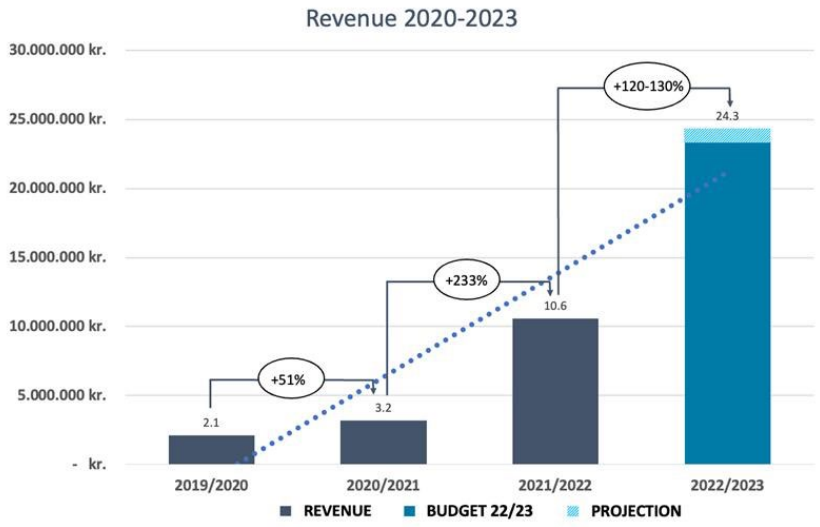
5 ways to sustain high growth	Fundamentals in control
1 NEW MARKETS	• Expand territories and distribution channels to reach more customers. • Ensure 'products in the hand' – get that first trial due to the high level of proof of concept.
2 NEW SEGMENTS	• Expand categories within cosmeceuticals, focusing on shorter revenue streams with faster legislation windows, while building longer lead time, and regulated solutions for medical devices. • Utilize data and analytics to better understand customer behavior and preferences. • Identify and target new customer segments.
3 MDR	• By transitioning to MDR, ahead of competition, we gain new customer listings and especially relevance for Big Pharma, and joint ventures.
4 OPERATIONAL EXECELLENCE	• Optimize supply chain to ensure products to market, competitive pricing, and agility • Digital transformation for insights, ROI control & customer-centric marketing plans. • Improve the efficiency of the sales

5 FUNDING	• Investing to boost our growth stages as MedTech:
	  • Keep the competitive advantage with R&D technologies, development, and MDR compliance
	  • Shorten our manufacturing process by ensuring resource stocking and flexibility
	  • Increase brand awareness, marketing, and advertising efforts
	  • Enhance the customer experience through data, education, and Sharing is Caring concept

OUTLOOK

OUTLOOK 2022/2023 (October 2022 – September 2023)

The current expectations for 2022/2023 are summarized below:



Expectations are as reported, if not otherwise stated	Expectations 2022/ 2023 (by 15. February)
Sales growth	120-130%
Operating profit growth	200%
Financial items (net)	Approx. 1,2 MDKK
Investment in development projects	Approx. 6 MDKK
Depreciation and amortization	Approx. 2,1 MDKK

For 2022/2023, **net sales growth** is expected to grow by 120-130%. The tracking of order intake is currently reflecting a 130% growth rate; however, with the unpredictable market trends challenging our supply chain agility, we aim for a growth span of 120-130%. The guidance reflects expectations for continued sales growth (for delivered products) in both International and Nordic operations. The guidance reflects expectations for sales growth across categories, mainly driven by Skin (Psoriasis and Wound) and Pain (Arthritis) treatment while expanding into new markets and segments (Vet and Sport). Intensifying the order intake pipeline, focusing on shorter legislation-window products and revenue streams, and optimizing the supply chain lead time are some of the core presumptions delivering sustainable sales growth for 2022/23.

Operating profit growth is expected to be 200%. The expectation for operating profit growth primarily reflects the sales growth outlook and continued investments in growth drivers across the value chain, including the focus on operational excellence, MDR track as well as continued roll-out of the Cannasen® brand while building the pain and skin markets and launch of sport and vet product lines. Furthermore, resources are allocated to both early and late-stage pipeline activities, including expected initiations of several phase 2a clinical trial programs in 2022/2023. While focusing on the global rollout we continue controlling costs in all processes and operations of CS MEDICA. Furthermore, we have intensified our effort and endeavors within reducing the cost of goods and production time. Hence, the growth in operating profit surpasses the estimated sales growth. The outlook is based on several assumptions related to the severity and duration of impacts from the macro-economic challenges from 2022. Consequently, volatility in quarterly results should be expected.

For 2022/2023, CS MEDICA expects **financial items (net)** to amount to a loss of around MDKK 1.2, mainly reflecting interests associated with a loan to Vækstfonden and new loans.

The **effective tax rate** for 2022/2023 is expected to be in the range of 19-22%.

Investment in R&D development projects is expected to be around MDKK 6 in 2022/2023.

Depreciation and amortization are now expected to be around MDKK 2.1 reflecting phasing of depreciation of development projects, Rights, and IPR rights, including costs related to the adoption of the new MDR.

Funding status
We will not become operational cash flow positive within 2022/2023 due to several projects in different growth stages as a Medtech with discovery, new developments, manufacturing, and commercialization.

The company received a loan from the two founders mother of 3,5M in January 2023, so we could decide on a funding strategy going forward. We will search for funding short term and again when we are to push for our R&D developments into medicine (inhalators).

We are currently exploring and evaluating the best solutions, including strategic partnerships to fund the continuous growth, R&D, and transitioning of the MDR requirements to maximize the company's acknowledged first-mover advantages. The financial advisory firm, Kapital Partner, has been engaged in this respect.

INNOVATION AND THERAPEUTIC FOCUS

Innovation and Therapeutic focuses 2022/2023

Our business includes the following categories and key products available or in late clinical trial phase in each category. All registered products have been launched before the 26th of May 2021 before the change of legislation from MDD to MDR.

Patents, Trademarks and MDR transitioning.

SKIN DISORDERS

1. Psoriasis Gel CE - immediately stops the itch and reduces the redness and scaling.
2. PSOR+ATOPIC lotion – moisturizes and softens the skin.
3. Wound Gel CE – gives the optimal wound healing environment and reduces the healing time.

MUSCULOSKELETAL DISORDERS

4. Pain Patch CE – long-lasting pain relief – local treatment.
5. Arthritis Gel CE – immediate cooling effect and pain relief.

RESPIRATORY DISORDERS

6. Protective Nasal Gel CE – protects against environmental antigens.
7. Nasal Spray Night CE – improves breathing and sleep quality.
8. Infect Protect Lozenges (COVID-19 protection) in production

DERMACEUTICALS

9. Anti-Hair Loss Serum – increases hair density, thickness and reduces hair loss.
10. Anti-Hair Loss shampoo & mask (2 products) in production
11. Anti-Bacterial hand cream.

For our future product pipeline:

- We leverage our portfolio, non-THC to drive greater market exposure.
- Push forward New Product Developments with shorter legislation windows, for faster Go-to-Market and revenue.
- Create line extensions for additional categories and segments, with the same formula (i.e., the medical device product Arthritis gel moves to a cosmetic Sport gel, under the same patent, and clinical trials but under different legal registrations and target groups).
- The VET product line is moved forward due to a high customer request from different regions. It will additionally provide a faster G2M and revenue with low investment, as the products are already on the market. Hence, the product line will only need new packaging and clinical test for the new segment. All marketing will be through distributors or professionals.
- Aim to cover all delivery methods for Cannabinoids:
  - Topical
  - Nasal
  - Inhalation, under Medicine.
- Postpone the food supplement line

Product Registration	Desease indications	Development Stage: I – II – III – IV
Medical Device	Arthritis Gel*	LAUNCHED
	Psoriasis Gel*	LAUNCHED
	Pain Patch*	LAUNCHED
	Wound Gel*	LAUNCHED
	Protective Intranasal Gel*	LAUNCHED
	Insomnia Nasal Spray*	LAUNCHED
	Immune Booster	Q2 2023
	Pain Patch Hot	Q3 2024
Medical device Veterinary	Hotspot Gel – Dogs*	Q3 2023
	Mud Fever Gel – Horses*	Q3 2023
	Pain Patch – Horses*	Q3 2023
	Pain Gel – Dogs & Horses*	Q3 2023
Cosmeceuticals	Hair regrowth*	LAUNCHED
	PSOR + ATOPIC Lotion	LAUNCHED
	Sport Gel 1000*	Q3 2023
	Sport Patch*	Q3 2024
	Skincare line	Q4 2023
	Anti-Hair loss Shampoo	Q2 2023
	Anti-Hair loss Mask	Q2 2023
	Psoriasis Shampoo	Q4 2023
Medicine	Inhalator – CBD	
	Inhalator – CBD + THC	
	Inhalator – CBD + Other Cannabinoid	

I: Concept and Feasibility - **II:** Research and Development - **III:** Clinical Development - **IV:** Regulatory Approval & Market Launch
* Patent Pending

Innovation and Therapeutic focuses 2025

We operate in different growth stages from discovery, development, manufacturing & certification, and commercialization.

	2023 - CALENDER YEAR				2024				2025			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
R&D (START UP)	INHALATOR PSOR HAIRCARE VET SPORT	PAIN PATCH LX SPORT LX	SKIN CARE						SUPPLEMENTS			
TRIALS (RUNNING)	PSOR VS PLACEBO	VET CBD ACTIVE		PAIN PATCH LX + SPORT LX			SKIN CARE	EST INHALATOR				SUPPLEMENTS
MDR	MDR TRANSITION	MDR TRANSITION	MDR TRANSITION	MDR TRANSITION	MDR COMPLETED ON SELECTED SKUS	MDR COMPLETED ON SELECTED SKUS	MDR COMPLETED ON SELECTED SKUS	MDR COMPLETED ON SELECTED SKUS				
GMP					GMP PROCESS							
CERTIFICATION				ISO13485	MDR CERTIFIED	MDR CERTIFIED	MDR CERTIFIED	MDR CERTIFIED	GMP CERTIFIED (AGAIN)			
PATENTS	DK PATENT TO PCT LANDING	PCT LANDING	PCT LANDING	PCT LANDING								
NEW PRODUCT LAUNCHES (NPDs)			HAIRCARE LX SPORT COVID LOZENGES	VET	SKIN CARE						EST INHALATOR	
MARKET AIMS - changes can occur based on local registration development	EUROPE THE UK PARTNER ID FOR US AND INDIA, INCL JOINT VENTURE	EUROPE AUSTRALIA CANADA MENA	US MARKET CHINA SOUTH KOREA JAPAN	AFRICA INDIA NZ			BRAZIL MEXICO					
DIGITAL CHANNELS	AMAZON FR, IT, UK, ES ON TOP OF DE AND SE		CANNASEN ECOMMERCE									
PRODUCT MRK		NEW PACKAGING NEW IFUS	NEW PACKAGING NEW IFUS									
BRAND & COMMUNICATION	BRAND AWARENESS & TRAFFIC REFRAMED EQUITY STORY & COMMUNICATION STRATEGY	BRAND PLAYBOOKS ECOMMERCE MVP	AWARENESS SOCIAL COMMERCE INCL LIVE SHOPPING TESTING	AWARENESS COMMUNITY								
FUNDING	NEW FUNDING NEW ADVISORS & 3-TIER FUNDING STRATEGY PREP TO MAIN MARKET (IFRS)	NEW FUNDING LAUNCH 'STAKEHOLDER COMMUNICATION ALWAYS ON' CONCEPT	POTENTIAL MOVE TO DK/NEW STOCK MARKET & REPOSITION									

SHARE INFORMATION

CS MEDICA´s share
CS MEDICA´s share is listed on Spotlight Stock Market, www.spotlightstockmarket.com. The share has the ticker name CSMED and ISIN code DK0061668225. The number of shares in CS MEDICA as of December 31, 2021: 12.322.635 shares.

Share price performance Q1 2022/2023
At the first quarter of 2022/2023, the closing price of CS MEDICA's shares, 31th of December 2022, on Spotlight Denmark was DKK 11,00, up 9,2% since year-end 2021/2022, with a closing price of DKK 10,9.

The trading volume of CS MEDICA's shares on Spotlight Denmark was 1.801.747 in Q1 2022/2023 equivalent to 15% of shares issued. As per December 31, 2022, the market capitalization of CS MEDICA was MDKK 135,5.

Dev. %	Dev.	Last	High	Low	Average	No. of Trades	Volume	Turnover
7,3%	0,75	11,00	12,50	8,04	9,58	4 908	1 801 747	17 339 048

*Hist.Dev.	%	High	Low	T/O / day
1 week	8,9%	12,15	9,74	479 216
1 month	23,3%	12,50	8,70	331 023
3 months	0,9%	13,30	8,04	304 153
This year	50,7%	20,90	4,90	342 849
1 year	50,7%	20,90	4,90	342 849
3 years	31,0%	20,90	4,70	335 803
5 years	31,0%	20,90	4,70	335 803

*development up until and including 2022-12-31

Data	
Average MCAP	117 216 846
VWAP	9,74
Average Spread	3,16%
Volatility	76.77%
Turnover Rate (yearly)	57.78%
Number of Days Traded	64
Number of Days Traded	100.00%
Index Development	1,88%

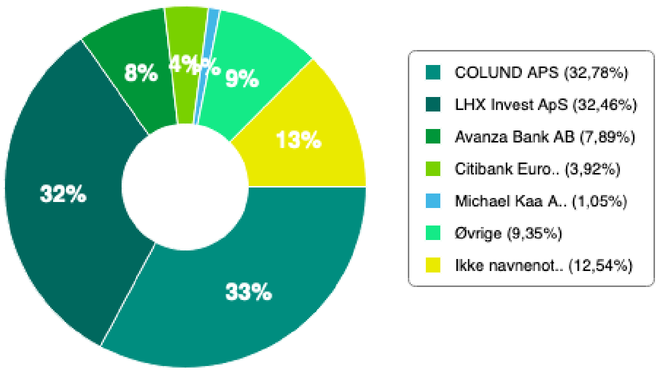
Ownership
On December 31, 2022, CS MEDICA had 2.504 registered shareholders. The three largest shareholders own approximately 70% of the share capital. Shareholders owning more than 5% of the share capital in CS MEDICA according to latest shareholding notifications, are:

• Lone Henriksen, CEO/CSO & Founder of CS MEDICA A/S (LHX Invest Aps)

• Gitte Lund Henriksen, CFO/CIO & Founder of CS MEDICA A/S (CoLund Aps)

• Nina Henriksen, mother of the 2 Founders of CS MEDICA A/S

Shareholder composition



New communication strategy
Through open and proactive communication, we aim to provide the basis for fair and efficient pricing of the CS MEDICA share. To keep investors updated, we host conference calls with management following the release of financial results and FAQs prior to a call.

Group Management and Investor Relations will preserve constructive contact with existing and potential investors within the MAR rules and ensure engagement with investors and analysts. The company will prioritize stakeholder management and initiate corporate branding to clearly understand the CS MEDICA DNA, market, presumptions, and growth expectations as optimal shareholder profile.

For more information about analyst coverage, please visit : https://www.cs-medica.com.

MANAGEMENT STATEMENT

The Board of Directors and Executive Management have reviewed and approved the financial report of CS MEDICA A/S for the first three months of 2022/2023. The financial report has not been audited or reviewed by the company's independent auditors.

The financial report for the first three months of 2022/2023 has been prepared in accordance with IAS 34 'Interim Financial Reporting' and additional Danish disclosure requirements for listed companies. The accounting policies adopted in the preparation are consistent with those applied in the Annual Report 2021/2022 of CS MEDICA A/S. In our opinion, the financial report for the first three months of 2022/2023 gives a true and fair view of the Group's assets, liabilities and financial position at 31. December 2022, and of the results of the Group's operations and cash flow for the period 1 October to 31. December 2022. Furthermore, in our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the results for the period and of the financial position of the Group as well as a description of the most significant risks and elements of uncertainty facing the Group in accordance with Danish disclosure requirements for listed companies. Besides what has been disclosed in the quarterly financial report, no changes in the Group's most significant risks and uncertainties have occurred relative to what was disclosed in the consolidated Annual Report 2021/2022.

Copenhagen, 15. February 2023

Executive Management

Lone Henriksen
CEO and CSO

Heidi Ahlefeldt-Laurvig
COO and CMO

Mikkel Raahauge Nielsen
CCO

Board of Directors

Jørgen Flemming Ladefoged
Chairman of the Board

Anders Permin
Member of the Board

Alexandre Fevre
Member of the Board

Gitte Henriksen
Member of the Board
CIO and CFO

About CS MEDICA

CS MEDICA A/S is a Danish-based MedTech company operating within research, development, manufacturing, commercializing, and a part of the pharmaceutical industry. The company combines science and nature with the purpose of creating products for a better every day by using modern technology to research and utilize different compounds found in the cannabis plant. CS MEDICA offers efficient, safe OTC alternative treatments for autoimmune and stress-related disorders under the trademark CANNASEN® or own label options.

The company is listed on Spotlight Stock Market in **Denmark (symbol: "CSMED")**. For more information, visit cs-medica.com and LinkedIn.

Financial calendar

Q2: Interim report January 2023 – Marts 2023	17 May 2023
Q3: Interim report April 2023 – June 2023	18 July 2023
Q4: Year-end report October 2022 – September 2023	17 November 2023
Annual report 2022/2023	1 December 2023
Annual General Meeting	14 December 2023

Contacts for further information

Media:
Heidi Ahlefeldt-Laurvig +45 8175 9440 hal@cs-medica.com

Investors:
Lone Henriksen +45 7120 3047 lh@cs-medica.com
Gitte Henriksen +45 2774 2280 glh@cs-medica.com
Heidi Ahlefeldt-Laurvig +45 8175 9440 hal@cs-medica.com

Forward-looking statements

CS MEDICA's reports in continuation of the publication of the Annual Report 2021/2022, and written information released, or oral statements made, to the public in the future by or on behalf of CS MEDICA, may contain forward-looking statements. Words such as 'believe', 'expect', 'may', 'will', 'plan', 'strategy', 'prospect', 'foresee', 'estimate', 'project', 'anticipate', 'can', 'intend', 'target', 'presume' and other words and terms of similar meaning in connection with any discussion of future operating or financial performance identify forward-looking statements. Examples of such forward-looking statements include, but are not limited to:

- statements of targets, plans, objectives, or goals for future operations, including those related to CS MEDICA's products, product research, product development, product introductions and product approvals as well as cooperation in relation thereto,
- statements containing projections of or targets for revenues, costs, income (or loss), earnings per share, capital expenditures, dividends, capital structure, net financials and other financial measures,
- statements regarding future economic performance, future actions and outcome of contingencies such as legal proceedings, and
- statements regarding the assumptions underlying or relating to such statements.

In this document, examples of forward-looking statements can be found under the headings 'Outlook', 'Research and Development update' and 'Equity'

These statements are based on current plans, estimates and projections. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific. CS MEDICA cautions that a number of important factors, including those described in this document, could cause actual results to differ materially from those contemplated in any forward-looking statements.

Factors that may affect future results include, but are not limited to, global as well as local political and economic conditions, including interest rate and currency exchange rate fluctuations, delay or failure of projects related to research and/or development, unplanned loss of patents, interruptions of supplies and production, product recalls, unexpected contract breaches or terminations, government-mandated or market-driven price decreases for CS MEDICA's products, introduction of competing products, reliance on information technology, CS MEDICA's ability to successfully market current and new products, exposure to product liability and legal proceedings and investigations, changes in governmental laws and related interpretation thereof, including on intellectual property protection and regulatory controls on testing, approval, manufacturing and marketing, perceived or actual failure to adhere to ethical marketing practices, investments in and divestitures of domestic and foreign companies, unexpected growth in costs and expenses, failure to recruit and retain the right employees, failure to maintain a culture of compliance and epidemics, pandemics or other public health crises.

For an overview of some, but not all, of the risks that could adversely affect CS MEDICA's results or the accuracy of forward-looking statements in this document, reference is made to the overview of risk factors in 'Risk Management' of the Annual Report 2021/2022.

Unless required by law, CS MEDICA is under no duty and undertakes no obligation to update or revise any forward-looking statement after the distribution of this document, whether as a result of new information, future events or otherwise.

FINANCIALS

Financial comments

Income Statement

In this first quarter of 2022/2023 (October – December 2022), CS MEDICA received orders corresponding to mDKK 1.1, which are currently in production, with delivery planned for Q2 and Q3 of 2022/2023. Following the macroeconomic challenges of 2022, CS MEDICA is working with a production period of 3-6 months, after a legislation window of 1 or up to 8 months, depending on the region. When all stock was sold out at the end of 2021/2022, new orders are piled up for delivery and invoice in the second quarter of 2022/2023. Thus, the Net sales amounted to only tDKK 70 this quarter compared to tDKK 127 last year.

The decline in **gross profit** reflects the lack of net sale in the quarter. The Gross margin in the quarter amounts to 62% compared to 57% in 2021/2022. The increase is mainly countered by a positive product mix driven by productivity improvements in line with the strategic aspiration of driving operational efficiencies.

Other operating income (net) was tDKK 41 compared with tDKK 37 in the first three months of 2021/2022. Other Operating income relates to periodic revenue recognition of previously received grants from Innoboster, recognized as development projects.

Sales and distribution costs increased from tDKK 664 in first quarter 2021/2022 to tDKK 1.100 in 2022/2023. The increase in costs is driven by incentivized travels as well as inline marketing costs at our sales channels in the Nordic countries. Moreover, the cost increase was impacted by low net sales level in the first quarter of 2021/2022 due to the macro-economic challenges.

Administration costs increased by 37% to tDKK 1.125 (tDKK 823), reflecting low spend in the first 3 months of 2021/2022.

Staff costs was tDKK 1.712 , compared to tDKK 1.041 in the first 3 months of 2021/2022. The increase relates to new hires in the sales department.

Depreciation and amortization are unchanged, tDKK 519, in the first three months of 2022/2023 and 2021/2022.

Operating profit decreased to -4.371 (-2.936). The cost mainly consisted of costs for new design and production startup, administrative- and staff costs.

Financial items (net) showed a net cost of tDKK 31 (tDKK 138) in the first three months of 2021/2022. The cost mainly reflects interest on the loan to Vaekstfonden.

The effective tax rate is 22% in the first three months of 2022/2023, as well as in 2021/2022.

Net loss increased by 46% to tDKK 3.471 compared to tDKK 2.377 in 2021/2022.

Cash flow and capital allocation

Capital expenditure in Research and development projects was tDKK 360 (802) the first 3 months of 2022/2023. The investment relates to the adoption of MDR, while also reflecting the progression of the product pipeline added with additional product test and documentation to secure added revenue streams.

Free cash flow in the first 3 months of 2022/2023 was reflected with an outflow of tDKK 2.865 compared to an outflow of tDKK 3.806 in 2021/2022. The increased outflow was mainly caused by the increased Net loss in the first Quarter compared to 2021/2022.

Equity Statement

Total equity was tDKK 21.455 at the end of the first three months of 2022/2023, equivalent to 86% of total assets, compared with 92% at the end of the first three months of 2021/2022. Please refer to the Equity statement for further elaboration of changes in equity.

Financing and financial position

Cash and Cash equivalents, totally tDKK 68 (6.190) at the end of the first Quarter of 2022/2023 are subsequently reinforced with a loan from the two founders mother, totally tDKK 3.500. With this in place and in combination with the factoring agreement with Svea, the liquidity in the day-to-day operation is secured.

We will not become operational cash flow positive within 2022/2023 due to several projects in different growth stages as a Medtech with discovery, new developments, manufacturing, and commercialization. We are currently exploring and evaluating the best solutions, including strategic partnerships to fund the continuous growth, R&D, and transitioning of the MDR requirements to maximize the company’s acknowledged first-mover advantages. The financial advisory firm, Kapital Partner, has been engaged in this respect.

Financial Statements

Income Statement 1. October – 31. December 2022

Q1 2022/2023

	Quarter		Yeart-To-Date	
	2022/2023 DKK	2021/2022 DKK	2022/2023 DKK	2021/2022 DKK
Income Statement				
Net Sales	70.272	127.258	70.272	127.258
Costs of goods sold	-26.708	-53.811	-26.708	-53.811
Gross Profit	**43.564**	**73.447**	**43.564**	**73.447**
Other operating income	41.238	37.503	41.238	37.503
Sales and distribution cost	-1.100.118	-664.261	-1.100.118	-664.261
Administrative costs	-1.125.540	-822.682	-1.125.543	-822.682
Staff costs	-1.711.538	-1.041.026	-1.711.538	-1.041.026
Depreciation and amoritsation	-518.945	-518.945	-518.945	-518.945
Operating profit	**-4.371.339**	**-2.935.964**	**-4.371.342**	**-2.935.964**
Financial costs net	-31.388	-138.860	-31.385	-138.860
Profit or loss before tax	**-4.402.727**	**-3.074.824**	**-4.402.727**	**-3.074.824**
Tax on net profit or loss for the year	931.324	697.125	931.324	697.125
Net profit or loss for the year	**-3.471.403**	**-2.377.699**	**-3.471.403**	**-2.377.699**
Comprehensive income				
Net profit or loss for the year	-3.471.403	-2.377.699	-3.471.403	-2.377.699
Other comprehensive income:				
Cost Diret Issue & IPO	0	-959.700	0	-959.700
Total comprehensive income for the year	**-3.471.403**	**-3.337.399**	**-3.471.403**	**-3.337.399**

Balance

31. December 2022

	31. December 2022	31. December 2021	30. September 2022
	DKK	DKK	DKK
Balance Sheet			
Assets			
Development projects & IPR rights	9.522.203	8.749.012	9.561.982
Rights	3.833.301	4.667.409	3.952.876
Equity investments in group enterprises	0	-1	0
Deferred tax assets	4.436.944	923.668	3.505.700
Deposits	143.709	82.186	109.012
Total non-current assets	**17.936.157**	**14.422.274**	**17.129.570**
Current assets			
Inventories			
Work in progress	0	64.428	0
Manufactered goods and goods for resale	1.612.806	1.110.873	1.348.534
Trade receivables	5.281.332	1.396.806	6.493.623
Other receivables	-326	-178.201	10
Cash on hand and demand deposits	68.339	6.190.210	2.933.783
Total current assets	**6.962.152**	**8.584.116**	**10.775.951**
Total assets	**24.898.308**	**23.006.389**	**27.905.520**

Balance

31. December 2022

	31. December 2022	31. December 2021	30. September 2022
	DKK	DKK	DKK
Equity and liabilities			
Share Capital	800.971	708.630	800.971
Reserve for net revaluation according to the equity method	0	1.387.251	0
Reserve for development costs	7.427.318	6.886.402	7.435.878
Retained earnings	13.226.851	12.183.487	16.689.694
Other Capital reserves	0	0	0
Total equity	**21.455.141**	**21.165.769**	**24.926.543**
Provissions for deferred tax	0	0	0
Other privisions	123.710	288.662	164.948
Subordinate loan capital	1.250.000	0	0
Interest bearing liabilities	489.060	1.208.923	594.924
Total non-current liabilities	**1.862.770**	**1.497.585**	**759.872**
Interest bearing liabilities	464.482	421.204	448.025
Trade payables	1.140.570	27.452	1.186.419
Other payables	-24.654	-105.619	584.660
Total current liabilities	**1.580.398**	**343.037**	**2.219.105**
Total liabilities	**24.898.308**	**23.006.390**	**27.905.520**

Equity Statement

Q1 2022/2023

	Quarter		Yeart-To-Date	
	2022/2023	**2021/2022**	**2022/2023**	**2021/2022**
	DKK	DKK	DKK	DKK
Balance at 1. October 2022	800.971	708.630	800.971	708.630
Change	0	0	0	0
Contributed capital, at 31. December 2022	**800.971**	**708.630**	**800.971**	**708.630**
Balance at 1. October 2021	0	1.387.251	0	1.387.251
Change	0	0	0	0
Reserve for net revaluation, at 31. December 2022	**0**	**1.387.251**	**0**	**1.387.251**
Balance at 1. October 2022	7.435.878	5.763.949	7.435.878	5.763.949
Change	-8.560	1.122.453	-8.560	1.122.453
Reserve for development costs, at 31. December 2022	**7.427.318**	**6.886.402**	**7.427.318**	**6.886.402**
Balance at 1. October 2022	16.689.694	16.287.572	16.689.694	16.287.572
Share premium	0	0	0	0
Reserve for net revaluation according to the equity method	0	0	0	0
Deferred tax	0	355.766	0	355.766
IPO cost	0	-959.699	0	-959.699
Reserve for development costs	8.560	-1.122.453	8.560	-1.122.453
Retained earnings for the period	-3.471.403	-2.377.699	-3.471.403	-2.377.699
Retained earnings,at 31. December 2022	**13.226.851**	**12.183.487**	**13.226.851**	**12.183.487**
Total Equity,at 31. December 2022	**21.455.141**	**21.165.769**	**21.455.141**	**21.165.769**

Cash flow and capital allocation

Q1 2022/2023

	Quarter		Yeart-To-Date	
	2022/2023	2021/2022	2022/2023	2021/2022
	DKK	DKK	DKK	DKK
Cash Flow statement				
Profit/loss before tax	-3.471.403	-2.377.699	-3.471.400	-2.377.699
Financial expenses, reversed	31.388	138.860	31.385	138.860
Depreciation, reversed	518.945	518.945	518.945	518.945
Changes in working capital	536.013	-96.505	536.013	-96.505
Cash flows from operating activities	**-2.385.057**	**-1.816.400**	**-2.385.057**	**-1.816.400**
Investing in Developnment projects	-359.591	-802.235	-359.591	-802.235
Cash flow from investment activities	**-359.591**	**-802.235**	**-359.591**	**-802.235**
Share capital	0	0	0	0
Share premium	0	0	0	0
Financial expenses paid	-31.388	-138.860	-31.388	-138.860
Cost IPO	0	-959.700	0	-959.700
Loan converted to capital & share exchange	0	0	0	0
Credit institutions	-105.865	-105.189	-105.865	-105.189
Credit institutions - short	16.457	16.509	16.457	16.509
Cash flow from financing activities	**-120.795**	**-1.187.240**	**-120.795**	**-1.187.240**
Total cashflows end of period	**-2.865.444**	**-3.805.874**	**-2.865.444**	**-3.805.874**
Cash, beginning of period	2.933.783	9.996.085	2.933.783	9.996.085
Cash, end of period	**68.339**	**6.190.210**	**68.339**	**6.190.210**

	Quarter		Yeart-To-Date	
	2022/2023	2021/2022	2022/2023	2021/2022
	DKK	DKK	DKK	DKK
Change in working capital				
Change in Finished goods	-264.272	53.811	-264.272	53.811
Trade + other receivables	1.212.627	1.756.710	1.212.627	1.756.710
Trade + other payables	-655.163	-1.142.053	-655.163	-1.142.053
Other provisions	-41.238	-41.238	-41.238	-41.238
Deferred tax	-931.244	-723.735	-931.244	-723.735
Loan subsidiaries	1.250.000	0	1.250.000	0
Deposits	-34.697	0	-34.696	1
	536.013	**-96.505**	**536.013**	**-96.505**

Financial Statements Parent

Income Statement 1. October – 31. December 2022

Q1 2022/2023

	QUATER		Year-To-Date	
	2022/2023 DKK	**2021/2022** DKK	**2022/2023** DKK	**2021/2022** DKK
Net Sales	281.917	204.063	281.917	204.063
Gross Profit	**281.917**	**204.063**	**281.917**	**204.063**
Sales and distribution cost	-69.554	0	-69.554	0
Administrative costs	-495.622	-236.800	-495.622	-236.800
Staff costs	-878.454	-489.317	-878.454	-489.317
Depreciation and amoritsation	307.348	-170.950	307.348	-170.950
Operating profit	**-854.364**	**-693.004**	**-854.364**	**-693.004**
Income from equity investments in group enterprises	-2.868.032	-1.579.034	-2.868.032	-1.579.034
Financial costs net	-6.304	-14.172	-6.304	-14.172
Profit or loss before tax	**-3.728.700**	**-2.286.209**	**-3.728.700**	**-2.286.209**
Tax on net profit or loss for the year	257.297	129.272	257.297	129.272
Net profit or loss for the year	**-3.471.403**	**-2.156.937**	**-3.471.403**	**-2.156.937**

Balance

31. December 2022

	31. December 2022	31. December 2021	30. September 2022
	DKK	DKK	DKK
Balance Sheet			
Assets			
Development projects & IPR rights	1.111.795	832.292	1.106.225
Equity investments in group enterprises	2.898.719	4.747.566	5.408.027
Deferred tax assets	1.643.539	199.340	1.386.242
Total non-current assets	**5.654.054**	**5.779.198**	**7.900.494**
Current assets			
Inventories			
Receivables from group enterprises	17.783.258	9.604.310	15.604.974
Other receivables	0	50.000	0
Cash on hand and demand deposits	**-8.534**	**5.855.832**	**2.061.343**
Total current assets	**17.774.723**	**15.510.142**	**17.666.317**
Total assets	**23.428.777**	**21.289.341**	**25.566.812**

	31. December 2022	31. December 2021	30. September 2022
	DKK	DKK	DKK
Equity and liabilities			
Share Capital	800.971	708.630	800.971
Reserve for net revaluation according to the equity method	0	1.387.251	0
Reserve for development costs	867.200	689.260	862.855
Retained earnings	19.786.969	18.245.582	23.262.717
Total equity	**21.455.141**	**21.030.723**	**24.926.543**
Subordinate loan capital	1.250.000	0	0
Total non-current liabilities	**1.250.000**	**0**	**0**
Trade payables	278.110	314.796	218.721
Other payables	445.527	-56.178	421.548
Total current liabilities	**723.636**	**258.618**	**640.268**
Total liabilities	**23.428.777**	**21.289.341**	**25.566.812**

Equity Statement

Q1 2022/2023

	QUATER		Year-To-Date	
	2022/2023	**2021/2022**	**2022/2023**	**2021/2022**
	DKK	DKK	DKK	DKK
Balance at 1. October 2021	800.971	708.630	800.971	708.630
Change	0	-	0	0
Contributed capital, at 30. September 2022	**800.971**	**708.630**	**800.971**	**708.630**
Balance at 1. October 2021	0	1.387.251	0	1.387.251
Change	0	0	0	0
Reserve for net revaluation, at 31. December 2022	**0**	**1.387.251**	**0**	**1.387.251**
Balance at 1. October 2021	862.855	480.881	862.855	480.881
Change	4.345	208.379	4.345	208.379
Reserve for development costs, at 31. December 2022	**867.200**	**689.260**	**867.200**	**689.260**
Balance at 1. October 2021	23.262.717	21.570.600	23.262.717	21.570.600
IPO cost	0	-959.700	0	-959.700
Reserve for development costs	-4.345	-208.379	-4.345	-208.379
Retained earnings for the period	-3.471.403	-2.156.939	-3.471.403	-2.156.939
Retained earnings, at 31. December 2022	**19.786.969**	**18.245.582**	**19.786.969**	**18.245.582**
Total Equity , at 31. December 2022	**21.455.141**	**21.030.723**	**21.455.141**	**21.030.723**

Verification

Transaction 09222115557487204905

Document

CS MEDICA Q1 2022 2023
Main document
25 pages
Initiated on 2023-02-15 15:03:11 CET (+0100) by Victoria-Maria Brogaard Kristensen (VBK)
Finalised on 2023-02-16 16:14:17 CET (+0100)

Initiator

Victoria-Maria Brogaard Kristensen (VBK)
CANNORDIC
vk@cannordic.com
+4553888736

Signing parties

Gitte Henriksen (GH)
CS MEDICA
glh@cs-medica.com
+4527742280

Signed 2023-02-15 15:17:31 CET (+0100)

Heidi Ahlefeldt-Laurvig (HA)
CS MEDICA
hal@cs-medica.com
+4581759440

Signed 2023-02-16 09:55:02 CET (+0100)

Mikkel Raahauge Nielsen (MRN)
CANNORDIC
mn@cannordic.com
+4553557442

Signed 2023-02-15 15:12:18 CET (+0100)

Lone Henriksen (LH)
CANNORDIC
lh@cannordic.com
+4571203047

Signed 2023-02-15 19:51:03 CET (+0100)

Anders Permin (AP)
aper@unibrains.dk
+4561611561

Signed 2023-02-16 16:14:17 CET (+0100)

Alexandre Fevre (AF)
feer1966@yahoo.com
+33677668912

Verification

Transaction 09222115557487204905

Signed 2023-02-16 10:12:24 CET (+0100)

Jørgen Flemming Ladefoged (JFL)
jfl@rnc.dk
+4521201870

Signed 2023-02-16 10:26:47 CET (+0100)

This verification was issued by Scrive. Information in italics has been safely verified by Scrive. For more information/evidence about this document see the concealed attachments. Use a PDF-reader such as Adobe Reader that can show concealed attachments to view the attachments. Please observe that if the document is printed, the integrity of such printed copy cannot be verified as per the below and that a basic print-out lacks the contents of the concealed attachments. The digital signature (electronic seal) ensures that the integrity of this document, including the concealed attachments, can be proven mathematically and independently of Scrive. For your convenience Scrive also provides a service that enables you to automatically verify the document's integrity at: https://scrive.com/verify