

# 2022 - 2023 Q4 Year-end-REPORT

JULY – SEPTEMBER 2023  
CS MEDICA A/S | 33871643 | [www.cs-medica.com](http://www.cs-medica.com)

CSMEDICA<sup>+</sup>  
WORLD-CHANGING PRODUCTS FOR A BETTER EVERY DAY



## Introduction to CS MEDICA A/S

*CS MEDICA is a science-based company that combines research & development, technology, and nature to advance human health.*

**Who we are**

*We discover and develop effective treatments with fewer side effects for immune and stress-related diseases. Our ethos revolves around fostering innovation, ensuring safety, and curating premium-quality offerings in our finished products; topical gels and nasal sprays.*

*Our purpose is to drive change to treat autoimmune and stress-related diseases, built upon our knowledge of the endocannabinoid system and our experience in the pharmaceutical industry. We do so by pioneering scientific breakthroughs, expanding access to our treatments, and working to prevent the pain caused by the diseases we treat.*

**We are patient-focused**

*We deliver effective and safe treatments with fewer side effects. We want our treatment to be available to patients globally. Our treatments are made available as OTC (over-the-counter) through pharmacies, drugstores, retail, clinics/hospitals, and online.*

**Why patent our treatments**

*We have invested heavily in preclinical, clinical trials, clinical evaluation, and dossier for each treatment, which we need to protect via patents, our know-how, science, and technology.*

**EU MDR registration**

*We need and want to be compliant with the new stricter regulation MDR and therefore we have already initiated the approval process with BSI, the Notified Body 2797. This approval process requires resources and has a high cost.*

**Why register our treatments**

*We are first movers with treatments utilizing the functionality of cannabinoids in the human endocannabinoid system within our treatment areas. To benefit from the competitive advantage, we need to expand into worldwide markets, while our patents protect our science and technology.*

*We invest in registration with local legal representative in selected countries, at the local medical agencies to make our treatments available.*

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## COMMENTS FROM THE CEO

CS MEDICA continues to adapt and evolve in these demanding times as we navigate through a period marked by significant industry challenges and supply chain disruptions with limited resources.

We're leveraging our limited resources, ensuring every decision and action aligns with our long-term growth strategy. This approach is not just about navigating the present; it's about laying a robust foundation for our future success as a MedTech company.

Our unique Intellectual Rights (IR) and innovative product portfolio set us apart in the healthcare sector. These investments provide a competitive edge, enabling us to offer innovative treatments and maintain our position as a first mover in the industry. Our IR rights, in particular, are a testament to our commitment to innovation and excellence.

However, longer lead times to market and delayed production cycles affecting sales and cash flow have required us to reevaluate and fine-tune our action plans. Despite these obstacles, our commitment to delivering excellence and innovation remains determined. It's in these challenging moments that our resilience intensifies, and our ability to adjust becomes an essential asset.

Last year, we expanded our treatments into 10 new European markets with stocked products and approved EU registration, delivering revenue growth.

However, we endured a different growth track in the fiscal year 2022/2023, welcoming 12 new customers and 18 new markets covered by new and current expanding customers. With first-year orders averaging mDKK 1.3 per customer annually, we deliver an order pipeline of 14.5 mDKK in 2022/2023. From order to delivery and invoiced revenue, we currently hold an average lead time of 10+ months, pending local market registration approval and production time. This means the pipeline will be executed in the fiscal year 2024, with a risk that some orders may be delayed further if local registration takes longer.

Despite the growth of new markets and customers choosing our treatments globally, it challenges our revenue and liquidity goals, motivating us to persist in adapting and shortening the lead time from order to revenue while also identifying new profit pools with faster revenue streams.

Due to these constraints and in response to supply chain and financial challenges, we adjusted our revenue target in Q3 for the financial year 2022/2023 to 1 MDKK. Closing this quarter, we reached a revenue of mDKK 1.05, and our supplementary order pipeline for 2022/2023

amounts to mDKK 14.5, with deliveries scheduled for 2024.

On the positive side, we have effectively delivered on the industry's four core challenges this quarter:

**1 Challenge: *Loss of patents, bringing competition from biosimilars.***

- This quarter, we received two patents out of the seven that were pending: Nasal Spray Night and Nasal Protect Gel. These give us market lead time while recovering the expenses for research and development.

**2 Challenge: *High R&D and Compliance costs.***

- We achieved two MDR-compliant products, the Psoriasis Gel and Pain Patch. We are progressing with the MDR transition as planned for the rest of the portfolio with BSI The Netherlands (2797), a leading Notified Body.
- We received local registration of our Pso+Atopic Lotion and Anti-Hair Loss Serum in India.
- We received brand trademark registration in Australia, supporting our future launch with our partner.
- We have initiated registration in Malaysia for a stronger foothold in Asia.
- Finally, we launched our new VET portfolio at CPHI Barcelona in October to exploit existing R&D costs with a new segment.

**3 Challenge: *Fundraising challenges.***

- Bio & medtechs will always need capital to drive their DNA of R&D, IPRs, and market launches. As a post-IPO medtech that has near-term capital needs in challenging public markets, we remain focused on the execution of long-term strategies, finding alternative financing solutions, incl. new profit pools and licensing (Business Development & Licensing).
- The RongShi Investment Agreement of 60 MDKK is crucial for our funding and expansion. Unfortunately, unforeseen delays in finalizing our Chinese FDA agreement have delayed the first 30 MDKK investment tranche. In collaboration with RongShi, we are exploring alternative scenarios to advance. We recently secured a 4.9 MDKK payment for the IP transfer to our strategic JV partner.
- Danske Bank extended a 1,2 million DKK credit line to CS MEDICA for short-term capital support, reaffirming its confidence in our company.
- Finally, we were selected as finalists in the 2023 European Lifestars Awards. The company has been recognized in the category of "Post-IPO Raise of the Year," organized by LSX, a network for life science executive leaders and investors.

**4 Challenge: *A strong requirement of implementing M&A to strengthen the pipeline.***

- One strategy for staying resilient in uncertain times as a medtech company is to invest in supply chain flexibility and vertical integration. We have this in scope for 2024 due to fundraising priorities.
- We onboarded a new team member responsible for Supply Chain optimization of our processes, cogs, time to market, and predictions.

In conclusion, although the road ahead may have challenges, I am confident in our ability to emerge stronger. With our strategic approach, unique treatments, resilient spirit, and team, CS MEDICA is well-positioned to thrive in the healthcare sector and deliver value to you, our shareholders.

*Lone Henriksen, CEO of CS MEDICA*

# PERFORMANCE HIGHLIGHTS

## Financial highlights for Q4 2022/2023

- In this fourth quarter of 2022/2023 (July – September 2023), CS MEDICA delivered **net sales** of tDKK 73 (9.255) meeting the revised goal of Net Sales Year-to-date of mDKK 1. In the quarter we obtained an order intake of mDKK 2.8 in Q4, which accumulates to mDKK 14,5 year-to-date.
- **Operating loss** for the fourth quarter amounted to tDKK 4.640, compared to tDKK 99 last year.
- **Cash and Cash equivalents** at the end of the fourth Quarter of 2022/2023, close at tDKK -415 (2.934). To fortify CS MEDICA's liquidity, the focus remains on short-term sales and the factoring agreement with Svea. Concurrently, we're looking into the possibilities of facilitating a swift bank transfer in collaboration with our Investor, RongShi, while exploring alternative funding solutions to ensure financial stability.
- The **long-term funding** is attained by the company's Investment Agreement with RongShi, with a cash capital increase (direct issue) at a share price of DKK 28.13. The direct issue amounts to mDKK 60 corresponding to 14.76% of CS MEDICA 's outstanding shares on a non-diluted basis.
- At the end of the period, CS MEDICA's **equity/asset ratio** was 40% (89%).

	Quarter		YTD	
	2022/2023	2021/2022	2022/2023	2021/2022
Net sales	72.992	9.255.045	1.067.275	10.583.029
Gross profit	46.769	4.073.313	913.546	4.620.726
Operating profit	- 4.639.841	- 98.547	-17.898.645	-13.334.043
Depreciation and amoritsation	- 519.045	- 518.945	- 2.076.080	- 2.075.780
Net financials	- 212.772	- 487.550	- 568.148	- 828.462
Profit before taxes	- 4.852.613	- 586.096	-18.466.793	-14.162.501
Net profit	- 3.714.834	- 131.181	-14.512.764	-10.802.970
Cash and cash equivalents	- 415.014	2.933.783	- 415.014	2.933.783
Addition R&D costs	740.062	671.662	2.188.336	2.813.316
Cash flow	- 64.366	1.097.661	- 3.348.796	- 7.062.302
Total Assets	25.855.057	27.905.520	25.855.057	27.905.520
Equity	10.413.779	24.926.543	10.413.779	24.926.543
<b>Financial Ratios</b>				
Gross margin	64%	44%	86%	44%
Operating margin	-6357%	-1%	-1677%	-126%
Addition R&D cost in % of sale	1014%	7%	205%	27%
Net profit margin	-5089%	-1%	-1360%	-102%
Equity ratio	40%	89%	40%	89%
<b>Share performance</b>				
Basic earnings per share	-30%	-1%	-118%	-88%
Total number of shares	12.322.635	12.322.635	12.322.635	12.322.635
Share Price	3,98	10,9	3,98	10,9

These unaudited consolidated financial statements for the fourth quarter 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 third quarter (July – September 2023)

- [Sep 18, 2023](#), CS MEDICA announces the initiation of the registration process for its six medical devices in Malaysia. This initiative is undertaken in partnership with Rongshi MEDICA Co. Ltd. ("RongShi Medica" or the "Joint Venture"). 5
- [Sep 06, 2023](#), CS MEDICA's Joint Venture with RongShi Successfully Represented at CPHI & PMEC China 2023. 4
- [Aug 30, 2023](#), CS MEDICA achieves Milestone with Patent on Nasal Night Spray. 3
- [Jul 18, 2023](#), CS MEDICA releases Q3 2022/2023 report. 2
- [Jul 14, 2023](#), CS MEDICA finalized the establishment and registration of CANNORDIC India Pvt. Ltd to Expand Presence in India. 1



## Significant events after the period

- [Oct 31, 2023](#), CS MEDICA received its second-issued patent on its "Nasal Protect Gel," providing protection against pollen, bacteria, viruses, and pollution.
- [Oct 26, 2023](#), CS MEDICA received certificates of registration for the trademark CANNASEN® in Australia.
- [Oct 12, 2023](#), CS MEDICA Announces Indian State's FDA Approval for Two Cosmetic Products.
- [Oct 10, 2023](#), Danske Bank has extended a 1,2 million DKK credit line to CS MEDICA, reaffirming its confidence in the company. This funding bolsters CS MEDICA as they await China-backed support, linked to Chinese FDA approval of 3-5 Medical Device products.
- [Oct 09, 2023](#), CS MEDICA, is selected as a finalist in the 2023 European Lifestars Awards. The company has been recognized in the category of "Post-IPO Raise of the Year," organized by LSX, a network for life science executive leaders.

# STRATEGIC ASPIRATIONS

The company's BtBtC strategy is to internationalize the business further through the CANNASEN® brand or own-label solutions, as well as make vertical integrations.

CS MEDICA prioritizes the following presumptions to deliver control and grow the business in five core areas:

5 ways to sustain growth	Fundamentals in control
1 NEW MARKETS	<ul style="list-style-type: none"><li>Expand territories and distribution channels to reach more patients</li><li>Ensure 'products in the hand' - due to a high level of proof of concept; Get that first trial</li></ul>
2 NEW SEGMENTS	<ul style="list-style-type: none"><li>Expand categories within cosmeceuticals, focusing on revenue streams with faster legislation time, while building longer lead time and regulated solutions for medical devices</li><li>Utilize data and analytics to better understand customer behaviors and preferences</li><li>Identify and target new segments and markets based on insights</li></ul>
3 MDR & COMPLIANCE	<ul style="list-style-type: none"><li>By transitioning to MDR, ahead of competition, we gain new customer listings and especially relevance for Big Pharma, joint ventures.</li></ul>
4 OPERATIONAL EXCELLENCE	<ul style="list-style-type: none"><li>Optimize supply chain to ensure products to market, competitive pricing, and agility</li><li>Digital transformation for insights, ROI control &amp; customer-centric marketing plans</li><li>Improve the efficiency of sales</li></ul>
5 FUNDING	<ul style="list-style-type: none"><li>Investing to boost our growth stages as Medtech:<ul style="list-style-type: none"><li>Keep the competitive advantage with R&amp;D technologies, development, MDR compliance</li><li>Shorten our manufacturing process by ensuring resource stocking and flexibility</li><li>Increase brand awareness, marketing, and advertising efforts</li><li>Enhance the customer experience through data, education, and Sharing is Caring concept</li></ul></li></ul>

Areas of importance this quarter are enclosed below.

## 1 - New Markets

It was a quarter with a high focus on onboarding new partners with a broad reach of markets in the European region. The expected pipeline for new order intake was reached with a slightly higher volume, ending at **mDKK 2.8**, divided among three new partners covering 14 markets, with 9 being new. Additionally, we have three existing European partners expanding into 3 new markets, with one being for CS MEDICA territory. As some new markets are outside the European Union, we have a more extended registration time and time-to-market. However, our regulatory department is already in progress supporting our partners.

**A total of 10 new markets** relating to the order intake in Q4 2022/2023. New orders in this quarter are adding up to 72.300 units, with the Pain category accounting for 83% of new orders. Our existing partners are signaling proof of concept as they wish to explore new marketplaces and sales channels.

## Status on China as market and Joint Venture

Rongshi Medica (Ordos) Co., Ltd. ("JV") owned 49% by CS MEDICA and 51% by RongShi, is covering the Asian market, exclusively India. The JV will market and sell European-produced CANNASEN® CBD MD and cosmetic products in Asia until the JV production site has been established, expectedly in December 2026. The CANNASEN® CBD products will be registered and approved in each Asian country they are marketed in, commencing in Asian countries with the least restrictive cannabis approval processes. Until the production facilities are installed, products for the Asian market are produced and supplied by CS MEDICA and sold to the JV, which will sell to the end customer.

The JV uses CANNASEN® CBD as its brand, with new packaging adapted to the Asian market.

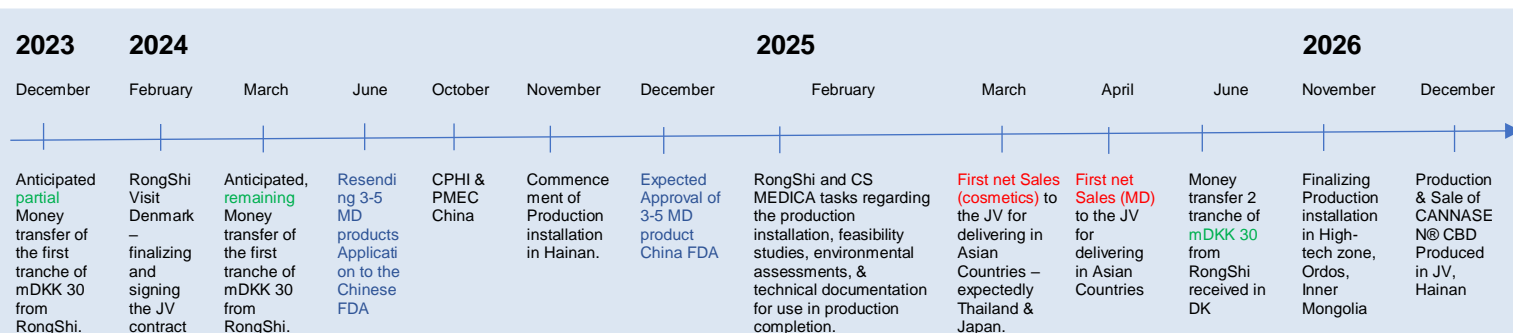
The Chinese FDA application process of the OTC CANNASEN® product line, initiated in May 2023, marks a ground-breaking milestone as the first of its kind for Medical Device Cannabis OTC products in China. Due to the combination of Medical Devices and cannabinoids, the approval process has extended beyond the initial estimates.

In response to these circumstances, CS MEDICA together with their Joint Venture, is exploring various options to access other Asian countries outside of China. In collaboration, they are actively pursuing product registrations in several other Asian countries to facilitate market entry within the territories covered by the Joint Venture. Additionally, as part of this endeavour, the joint venture has relocated from Inner Mongolia to Hainan, situated within a free sales zone. This strategic move positions RongShi MEDICA to leverage expedited pathways, within the Hainan province in China.

During this fourth Quarter and subsequent events; the JV

- Participated at the CPHI & PMEC, China, 4-6 September 2023<sup>1</sup>.
- RongShi applied for a visa for their planned visit to Denmark<sup>2</sup>.

In the below timeline, we have listed the updated expected timeline. Due to the complexity of the Chinese FDA approval, the Asian regulation, and the complexity of the activities in the Joint Venture, changes may occur regularly. Significant updates are communicated via press releases, and other updates in connection with quarterly reports in this section.



Find more information about the JV progress in [PM](#) published on the 27<sup>th</sup> of April 2023.

### Status on India as market and subsidiary

India continues to show strong growth and retains its pole position among the world's major economies in IMF's latest forecast on economic growth rates. The Indian economy is expected to grow at an average rate of 6.3% in FY24, higher than the earlier projection and more than China's rate. Additionally, India is the 3<sup>rd</sup> largest producer of medicine in the world with high-quality, cost-effective productions.

Hence, CS MEDICA sees India as a core market, and the importance of a subsidiary in India, CANNORDIC India Pvt. Ltd., obtaining approval from Indian regulatory authorities for marketing and sales of the CANNASEN® product line. This strategic move is in line with our commitment to expanding our global presence and offering innovative solutions to customers worldwide.

This fourth quarter we achieved two cornerstones:

- CANNORDIC India Pvt. Ltd is established.<sup>3</sup>
- CANNORDIC India Pvt. Ltd. had the Indian State's FDA Approval for Two Cosmetic Products, the CANNASEN® Atopic Lotion, and CANNASEN® Hairloss.<sup>4</sup>

Below we have listed the timeline expected for the Indian market<sup>5</sup>. Due to the complexity of the Indian FDA approval, the Indian regulation, and the complexity of the activities, changes may occur regularly. Significant

<sup>1</sup> see more about the fair in press released dated the 6<sup>th</sup> of October 2023 [here](#).

<sup>2</sup> Originally the visit was planned for July, but due to the FDA approval delay the visit is currently postponed.

<sup>3</sup> For more information we refer to [PM](#) the 14<sup>th</sup> of July 2023.

<sup>4</sup> For more information we refer to [PM](#) the 12<sup>th</sup> October 2023.

<sup>5</sup> For more detailed information about the India venture, we refer to [PM](#) published on the 14<sup>th</sup> of April 2023.

2023

July	August	October	November	February	March
Approval of Company name & Company Establishment	Starting the registration of 2 Cosmetic products in India (Anti-Hair loss Serum and the PSO+ATOPIIC Lotion)	Registration finalized of the 2 Cosmetic products in India (Anti-Hair loss Serum and the PSO+ATOPIIC Lotion)	Initiated registration of Pain & Arthritis Gel as medical device	Expected reg. of Pain & Arthritis Gel as Medical Device	Expected Finalizing agreements with CDMO(manufacture of Cosmetic & Medical device) in India

## 2. New segments

The current manufacturing strategy due to priority and financial terms, is Make to Order (MTO) in which products are only made after a confirmed order is received, as marketing will be through distributors or VET professionals.

A core strategic focus for sustainable growth and competitive advantage lies within our MDR transition. As a medical device manufacturer with leading CBD technology, we have been approved by regulatory authorities to extend the transition period to the Medical Device Regulation (MDR) until the end of 2028. We now have 2 MDR medical devices – Psoriasis Gel & Pain Patch which are compliant and MDR registered.

After approval is granted CS MEDICA can market and sell the CANNASEN® product line. The full registration overview can be found below:

Countries	Legal rep.	Registered
UK	AF Pharma	Medical Device and Cosmetic
India	CANNORDIC India PVT LTD	Cosmetic
Israel	Forbe Healthcare ltd	Medical Device Pain patch
EU	CANNORDIC	Medical Device and Cosmetic

Countries	Legal rep.	Status
Japan	CMIC	in process
China	R&G Pharma	in process
Malaysia	Andaman Medical	in process
Thailand	Andaman Medical	in process
Australia	Icon medipharm	in process
Israel	Forbe Healthcare ltd	in process
Kuwait	Advanced technology company	in process
India	CANNORDIC India PVT LTD	in process
USA	AF Pharma	in process

## 4. Operation Excellence

Operational excellence (OpEx) is an important focus area for us to maneuver in uncertain times with very few resources. This approach to business management emphasizes continuous improvement across all aspects of the business and within all business processes by creating a culture where all are invested in business outcomes and empowered to implement change. This quarter, we have reframed our strategy to strengthen our positioning and value creation. We have also redefined our values and team to encourage a culture that boosts productivity, agility, employee engagement, and innovation.

As a medtech pioneer, we've taken on an active role as providers of relevant information and research data concerning the therapeutic values of cannabinoids. Our digital solutions are an integral part of our business and global strategy, and we aim to intensify the digitalization starting as soon as we have funding.

In our research and development, the selection of the most effective cannabinoid or cannabinoid combinations is crucial and based on comprehensive research within cannabis clinical test results, studies, literature, and educational resources. We have chosen to structure these research findings, currently covering 60 diseases, and make them available to the public through our Open Access Repository System (**OARS**) represented by our [disease database](#), at [www.cannasen.com](http://www.cannasen.com). With this information public available, we are aiding our go-to-market strategy by educating consumers and other stakeholders about the benefits of cannabinoid treatments.

For BtB partners, we have partner portals such as a Product Information Management system (**PIM**) and Clinical Information Management system (**CIM**). The PIM is used for sharing all product-related information with partners. In contrast, the CIM enables post-market campaign tests or clinical trials in partnership with local organizations, fostering consolidated test results and knowledge sharing at a global level.

Focusing on continuous improvement and optimizing business processes and systems to achieve better results, we have revisited all SOPs and mapped potential delays to optimize speed-to-market. This quarter, we onboarded a new role within the Supply Chain to reduce friction and challenges and to scale faster.

## 5. Funding

During this fourth quarter, the **short-term funding** was secured by:

- Loan from founders and family
- Debtor payments and factoring agreement with Svea
- Credit from Dansk Bank
- An extraordinary payment with Chinese partner RongShi is in progress

CS MEDICA postponed the Q4 2022/2023 quarterly report two days due to this information on the Company's Chinese cooperation. The Company acknowledges that substantial challenges in cash transfers from China as part of the Investment Agreement affect the Company's short-term liquidity with RongShi.

The primary cause of the delay is the shortage of flexibility in the first cash transfer from China and the Chinese FDA approval of 3-5 products.

**The status of the Investment Agreement** with RongShi is complicated by delays in the Chinese FDA approval of 3-5 products initiating the agreement's first mDKK 30 investment tranche. Collaborating closely with RongShi, CS MEDICA is actively exploring alternative scenarios for the progression of product registration, and for facilitating a monetary transfer to support CS MEDICA's financial situation.

CS MEDICA, in collaboration with its Chinese partners and their Danish law firm Bech-Brun, has successfully established a Danish Holding Company to streamline future liquidity transactions. This Chinese-owned Danish entity is now officially registered with CVR number 44341859. Within this Holding Company, CS MEDICA will assist their Chinese partner in establishing a bank account and a shared deposit account in Denmark to streamline and expedite financial transactions.

### The Investment Agreement in brief

The **Long-term Funding** is secured by CS MEDICA's agreement with their Investor and Joint Venture Partner Ronghi Inner Mongolia Ltd (RongShi) established in March 2023. The Investment Agreement secures an investment of **DKK 60 million** through directed share issues at a share price of DKK 28.13. This represented a substantial premium of 454% compared to the closing price of DKK 5.08 on March 24, 2023. RongShi's investment amounts to 14.76% of CS MEDICA's outstanding shares and was divided into two tranches. The

first tranche is contingent upon the registration and approval of 3-5 CANNASEN CBD products by the Chinese FDA. The second tranche depends on CS MEDICA reaching revenues of at least DKK 62.4 million in the 12 months following the payment of the first tranche. Non-compliance with the second tranche's requirements would result in the issuance of new shares to RongShi.

For more information about the Long term funding please refer to the section "Financing and financial position" under Financial comments.

**Other solutions to the short-term liquidity challenges**

CS MEDICA is proactively investigating diverse funding avenues, presently relying on the Credit line facilitated by Danske Bank, factoring via Svea and upfront customer payments supported by the liquidity influx.



# STRATEGIC OUTLOOK

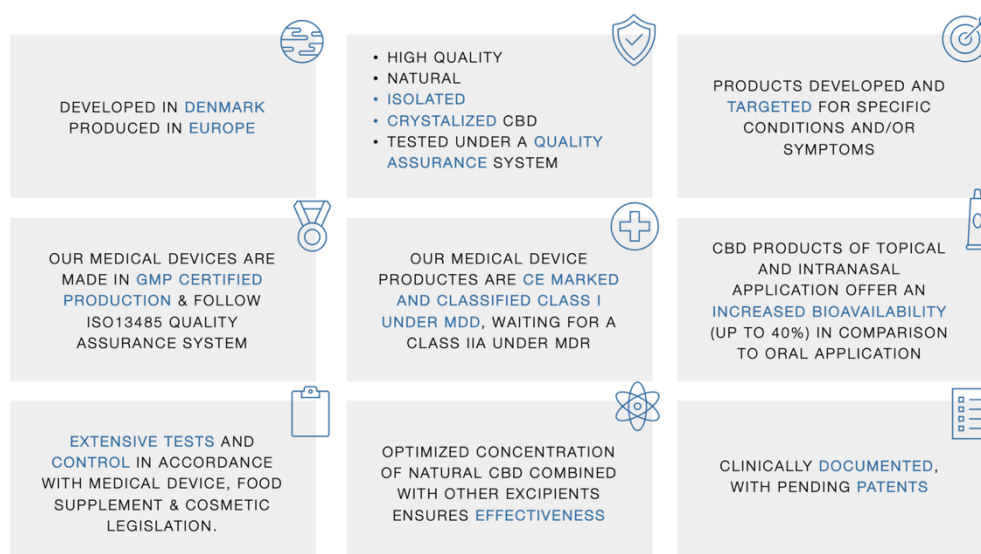
2023/2024 (October 2023 – December 2025)

The Strategic Outlook reflects the broad aspects of CS MEDICA across treatment areas and markets, describing the future growth aspirations and operational objectives of the company. The strategic outlooks are aspirations and objectives that CS MEDICA intends to work towards and are not a projection of CS MEDICA's financial outlook or expected growth.

Expectations	2022/2023	October December 2023 <sup>6</sup>	2024
Net Sales - mDKK	1.0	1.5	15
Gross Margin % (GM)	64	55	60
Order Pipeline- mDKK	14.5	+2.5	+20
New Markets	17	EU	EMEA/NAFTA/LATAM/APAC
Product Registration initiated in new markets	India, Israel, Malaysia, Israel, Kuwait, China - Main	US FDA, India, Australia, Japan, China - HaiNan	South Korea, UAE, Saudi, Turkey, Iraq, Zimbabwe, Mexico, Canada, Paraguay, Chile, Brazil, Argentina, Uruguay
Production time	4 months from print proof	4 months from print proof	Aim to reduce to 8-10 weeks
Clinical Trials Finalized	Nasal Protect Gel, Pain Patch	Nasal Night Spray, CBD Patch, Anti-hair loss Shampoo, Anti-hair loss Mask	Wound Gel

The outlook reflects the learnings for time-to-market challenges, from order intake to final launch in local markets. The delays in lead time from order to local registration approval, to production, will be highlighted in further detail in the annual report 2022/2023.

The execution of the strategic outlook at CS MEDICA is guided by a strong focus on our core quality standards, aligning closely with our primary areas of excellence. All our objectives, as outlined in the strategic outlook, are pursued in adherence to our quality standards, ensuring the company's commitment to excellence and quality in all operational aspects.



<sup>6</sup> CS MEDICA is transitioning its financial year from October 1 to September 30 to a calendar year, starting from January. The period from October to December will serve as a transitional phase.

# INNOVATION AND THERAPEUTIC FOCUS

## Innovation and Therapeutic focuses

Our business includes the following categories and key treatments, available or in the late clinical trial phase in each category. All registered products can sell on the market until the end of 2028 and are in the process of transitioning to MDR with a signed Notified Body, ahead of competitors.

### Development Stage

Treatment Registration	Disease indications	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
	Infect Protect Lozenges				LAUNCHED
	Pain Patch Hot				Q2 2025
Medical device Veterinary	Hotspot Gel – Dogs*				Q4 2023
	Mud Fever Gel – Horses*				Q4 2023
	Pain Patch – Horses*				Q4 2023
	Pain Gel – Dogs & Horses*				Q4 2023
Cosmeceuticals	Hair regrowth*				LAUNCHED
	PSOR + ATOPIC Lotion				LAUNCHED
	Sport Gel 1000*				Q4 2024
	Sport CBD Patch*				Q1 2024
	Sport Spray + Mg*				Q4 2024
	Anti-Hair loss Shampoo				Q2 2024
	Anti-Hair loss Mask				Q2 2024
	Psoriasis Shampoo				Q4 2024
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

## Updated packaging on Development Stage IV – launched treatments.

The debut of the renewed packaging at CPHI Barcelona 2023 in October encapsulates the company's driving force of bridging design with unparalleled functionality. The aesthetic evolution signifies a deeper commitment to consumer satisfaction and engagement, and especially visualize the positioning as the Efficient Alternative OTC product with CBD - offering the best from pharma and nature. The feedback from pharma professionals and consumers underlines we will move to this design in upcoming productions for the CANNASEN® brand.



## Clinical Trials

All treatments we have in our portfolio are backed with clinical trials, the status and detailed overview will be published in the Annual Report 2022/2023.

## IPR rights

### Patent Update

CS MEDICA strives towards granting patent acceptance on all present and future treatment products. All CS MEDICA's treatment products (topical and intranasal products) as of today are patent pending 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. A detailed overview of patents will be published in the Annual Report 2022/2023.

However, in this quarter we would like to highlight the achievement of its first Patents in Denmark:

- DK 181329: CANNASEN® Nasal Night Spray on August 30th.
- DK 181405: CANNASEN® Nasal Protect Gel on October 31st.

### Trademarks

The Company protects its IPR by the mentioned patents and global trademarks registration in class 03 (Cosmetic), 05 (Pharmaceutical and natural remedies; health and medicated food supplements), and 10 (medical devices). A detailed overview of trademarks will be published in the Annual Report 2022/2023.

For this quarter, on Oct 26, CS MEDICA A/S announced it had secured trademark approval for its brand name CANNASEN® in Australia.

Trademark	Country	Status	Renewal	Application	Classes *
CannaSen <w>	Australia	Registered		2021-11-12	03, 05, 10

Find more information on the CS MEDICA's IPR rights at [cs-medic.com](https://cs-medic.com) [here](#).

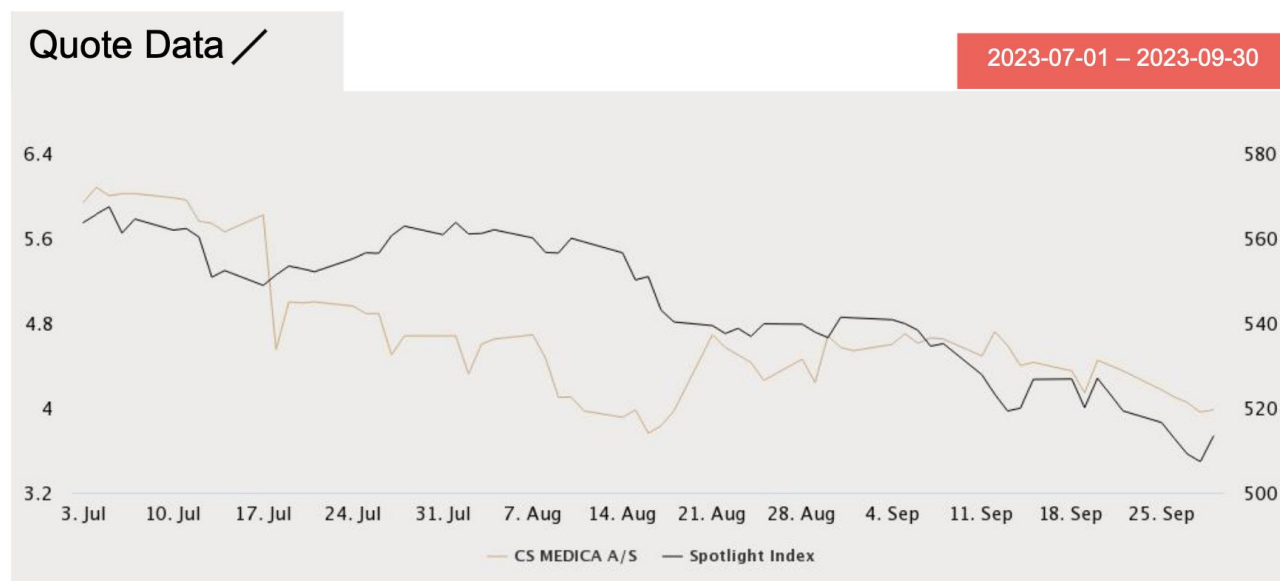
## SHARE INFORMATION

### 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 DK0061668225. The number of shares in CS MEDICA as of September 30, 2023: 12.322.635 shares and MCAP mDKK 49,02.

### Share price performance Q3 2022/2023

In the fourth quarter of 2022/2023, the CS MEDICA share reached an average price of 6,26 on Spotlight Denmark in the period, with a closing/last price of 5,86. The highest price reached 7,78 and the lowest level at 5,86. The trading volume of the CS MEDICA shares was 664.342, with a turnover of 2.962.292 and no. trades 985 in Q4 2022/2023, equivalent to 5,4% of shares issued. As of September 30, 2023, the market average capitalization (MCAP) of CS MEDICA was MDKK 57,9.

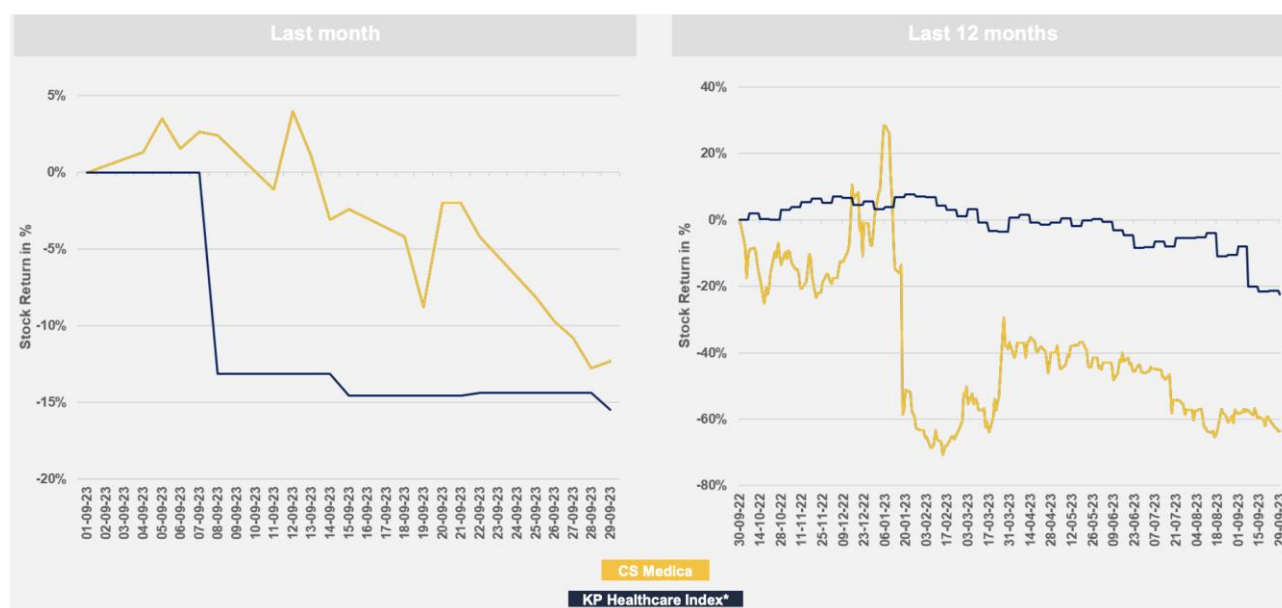


Dev. %	Dev.	Last	High	Low	Average	No. of Trades	Volume	Turnover
-33,0%	-1,96	3,98	6,26	3,20	4,70	985	664 342	2 962 292

*Hist.Dev. /	%	High	Low	T/O / day
1 week	-4,6%	4,32	3,20	18 729
1 month	-15,0%	4,95	3,20	27 858
3 months	-32,1%	6,26	3,20	45 819
This year	-66,3%	14,90	2,78	183 520
1 year	-63,5%	14,90	2,78	214 760
3 years	-52,6%	20,90	2,78	280 697
5 years	-52,6%	20,90	2,78	280 697

Data /	
Average MCAP	57 856 697
VWAP	4,66
Average Spread	9,20%
Volatility	83,63%
Turnover Rate (yearly)	19,69%
Number of Days Traded	65
Number of Days Traded	100,00%
Index Development	-8,97%

## Stock return in comparison with index

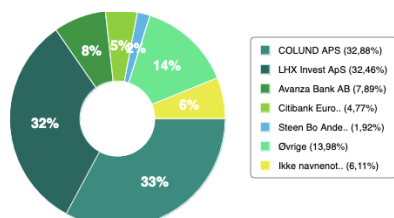


## Ownership

The three largest shareholders own approximately 71% of the share capital. Shareholders owning more than 5% of the share capital in CS MEDICA according to the 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



## Trade balance

### Net Buyer

Member	Net	Transactions Bid	VWAP-buy	Transactions Ask	VWAP-sell	Total Turnover
NON	494 841	593	4,42	520	4,50	3 860 169
NRD	123 090	45	4,74	5	4,39	153 064
ENS	118 567	20	4,52	0	0,00	118 567

### Net Seller

Member	Net	Transactions Bid	VWAP-buy	Transactions Ask	VWAP-sell	Total Turnover
AVA	- 781 641	304	4,55	436	4,42	1 597 414
SWB	- 17 161	12	4,31	15	4,18	107 281
PAS	- 471	4	4,10	6	4,41	12 699

## MANAGEMENT STATEMENT

The Board of Directors and Executive Management have reviewed and approved the financial report of CS MEDICA A/S for the period 01.10.2022 – 30.09.2023. The financial report has not been audited or reviewed by the company's independent auditors.

The financial report of 2022/2023 has been prepared in accordance with IAS 34 'Interim Financial Reporting' and additional Danish disclosure requirements for listed companies. In our opinion, the financial report gives a true and fair view of the Group's assets, liabilities and financial position at 30. September 2023, and of the results of the Group's operations and cash flow for the period 01.10.2022 – 30.09.2023. 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, 22. November 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



Karsten Adelmark  
Member of the Board



Gitte Henriksen  
Member of the Board  
CIO and CFO

## About CS MEDICA

CS MEDICA is a Danish-based MedTech company operating within research, development, manufacturing, commercializing, and operating within the pharmaceutical industry. The company combines science and nature with the purpose of creating over-the-counter treatments to fight autoimmune and stress-related diseases, built upon our knowledge of the endocannabinoid system, patients' needs, and our experience in the pharmaceutical industry. We do so by pioneering scientific breakthroughs, expanding access to our treatments, understanding patients globally, and working to prevent the pain caused by the diseases we treat.

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

### Financial calendar

Annual report 2022/2023	30 November 2023
Annual General Meeting	14 December 2023
Interim Period <sup>7</sup> , October 2023 – December 2023	19 February 2024
Annual report	14 March 2024
Annual General Meeting 2023	29 March 2024
Q1: Interim report, January – March 2024	17 May 2024
Q2: Interim report, April– June 2024	16 August 2024
Q3: Interim report, July– September 2024	14 November 2024
Q4: Year-end report, October– December 2024	14 February 2025
Annual report 2024	28 February 2025
Annual General Meeting 2024	14 March 2025

### Contacts for further information

Media:

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Investors:

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Gitte Henriksen +45 2774 2280 [glh@cs-medica.com](mailto:glh@cs-medica.com)

Heidi Ahlefeldt-Laurvig +45 8175 9440 [hal@cs-medica.com](mailto:hal@cs-medica.com)

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### 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 Net Sales, 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.

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<sup>7</sup> CS MEDICA is transitioning its financial year from October 1 to September 30 to a calendar year format. As a result, October to December 2023 will serve as an interim period, marking the intersection between the previous financial year and the forthcoming calendar year now adopted as the financial year.

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 fourth quarter of 2022/2023 (July – September 2023), CS MEDICA received orders of mDKK 2,8, corresponding to a total of mDKK 14,5 in 2022/2023. Due to macroeconomic challenges and supply chain disruptions, CS MEDICA has been facing a production period of 4 months. Furthermore, the company has been affected by financial limitations on production initiation, which has led to product delivery and invoicing being delayed. Consequently, the **net sales** for this quarter amounted to only tDKK 73, compared to tDKK 9.255 in the same quarter last year.

The **gross profit** margin in the fourth quarter has increased from 44% (tDKK 4.073) in 2021/2022 to 64% (tDKK 47) in 2022/2023.

**Other operating income** (net) was tDKK 41 in the fourth quarter of 2022/2023 compared to tDKK 122 in 2021/2022. Other Operating income solely relates to periodic Net grant recognition of previously received grants from Innoboster, recognized as development projects. In 2022/2023 this asset is fully recognized, hence the lower value.

**Sales and distribution costs** increased from tDKK 962 in the fourth quarter of 2021/2022 to tDKK 1.361 in 2022/2023. The increased costs are related to marketing support paid to distribution partners.

**Administration costs** decreased by 21% to tDKK 722 (tDKK 925), reflecting lower spending in general in the fourth quarter of 2022/2023 compared to last year. This reduction is a direct outcome of our cost reduction strategies, notably driven by relocating our office to a more cost-effective space, thereby reducing rent expenses. Alongside this move, our review and optimization of software expenses significantly contributed to these achievements.

**Staff costs** increased in the fourth quarter of 2022/2023 compared to 2021/2022 by 12% to tDKK 2.126 (tDKK 1.888), reflecting the result of increased employees within the compliance department and expanding business in general.

**Depreciation and amortization** are unchanged, tDKK 519, in the fourth quarter of 2022/2023 and 2021/2022.

**Operating profit** in the fourth quarter of 2022/2023 tDKK -4.640 The dramatic decrease in operating profit in the fourth quarter of 2022/2023, compared to tDKK -98 in 2021/2022, can be attributed to the challenges encountered within the Sales and invoicing processes.

**Financial items (net)** showed a net cost of tDKK 213 (tDKK 488) in the fourth quarter of 2022/2023. The cost relates to interest on loans from family and founders, with a monthly interest of 0.35% and Vækstlån with nominal yearly interest of 10,723% (Cibor 3 mdr +7,190%).

**The effective tax rate** is 23% in the fourth quarter of 2022/2023.

**The net loss** in the fourth quarter increased by 68% to tDKK -3,715, compared to tDKK -131 in 2021/2022. This significant rise is predominantly linked to decreased revenue, directly impacting the operating profit and consequently resulting in a substantial increase in the overall net loss for the period.

### Cash flow and capital allocation

**Capital expenditure in Research and development projects** was tDKK 740 (672) in the fourth quarter of 2022/2023. The investment relates to the adoption of MDR, while also reflecting the progression of the product pipeline added with additional product tests and documentation to secure added Net Sales streams.

**Cash flow from financing activities**, a totally tDKK 1.693 in the fourth quarter relates to loans raised from the CS MEDICA founders and their family.

In the fourth quarter of 2022/2023, **the total cash flow** depicted an outflow of tDKK 64, in contrast to an inflow of tDKK 1.098 in 2021/2022. Notably, in the fourth quarter of 2021/2022, funds were acquired following the optioning of TO1 reduced by the repayment of a bridge loan. Conversely, in the fourth quarter of 2022/2023,

the sole funding was obtained through a loan from CS MEDICA founders and family, totaling tDKK 8,098 (subordinate loan capital) at the end of this quarter.

## Equity Statement

Total equity was tDKK 10.414 (24.927) at the end of the fourth quarter of 2022/2023, equivalent to 40% of total assets, compared with 89% at the end of the fourth quarter of 2021/2022. Please refer to the Equity statement for further elaboration on the changes in equity.

## Financing and financial position

**Cash and Cash equivalents**, total tDKK -415 (2.933) at the end of the fourth Quarter of 2022/2023 are subsequently reinforced through prepaid sales and the release of debtor payments from the factoring agreement with Svea. Consistent with the previous period, CS MEDICA is actively exploring various short-term funding options while maintaining a strong commitment to ensuring financial stability and safeguarding shareholders' interests.

The long-term funding remains secured by the company's Investment agreement with RongShi, which was finalized in the second quarter, after a year-long negotiation about a cash capital increase (direct issue) of tDKK 60.000 at a share price of DKK 28.13. The direct issue corresponds to 14.76% of CS MEDICA 's outstanding shares on a non-diluted basis. The shares are subscribed with a nominal value of DKK 0.065 and a nominal amount of DKK 138,642. The capital is divided into two tranches each of DKK 30M<sup>8</sup>.

For further details concerning the direct issue and its correlation with the Joint Venture, please consult the Notice of Extraordinary General Meeting, which endorsed the direct issue, available at [cision](#). Additionally, quarterly events associated with the agreement, we refer to the 'Strategic Aspirations' section within this report for comprehensive insights.

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<sup>8</sup> The first tranche, 50% of the Investment Amount, will be paid by the RongShi by subscribing 1,066,477 new shares in the Company by cash contribution of tDKK 30.000 corresponding to a 7.38% ownership.

The second tranche, 50% of capital increase, will be paid by the RongShi by subscribing 1,066,477 (making a total of 2,132,954 shares) in the Company by cash contribution of tDKK 30.000 whereby tRongShi's ownership percentage is increased by 7.38% to 14.76%. The second tranche is subject to CS MEDICA reaching a Net Sales of a minimum DKK 62.4M in the 12 months following the payment of the first tranche. If CS MEDICA doesn't reach this Net sale, 1,066,477 new shares will be issued to RongShi at a share price of DKK 0,00 (zero), resulting in a net average share price for the total investment of DKK 14,065.

# Financial Statements

## Income Statement

1. July – 30. September 2023

	Quarter		Year-To-Date	
	2022/2023 DKK	2021/2022 DKK	2022/2023 DKK	2021/2022 DKK
<b>Income Statement</b>				
Net Sales	72.992	9.255.045	1.067.275	10.583.029
Costs of goods sold	-26.223	-5.181.732	-153.729	-5.962.303
<b>Gross Profit</b>	<b>46.769</b>	<b>4.073.313</b>	<b>913.546</b>	<b>4.620.726</b>
Other operating income	41.234	121.679	164.948	736.265
Sales and distribution cost	-1.360.763	-961.530	-4.615.345	-3.507.266
Administrative costs	-722.078	-924.667	-4.268.112	-5.648.016
Staff costs	-2.125.958	-1.888.398	-8.017.606	-7.459.971
Depreciation and amortisation	-519.045	-518.945	-2.076.080	-2.075.780
<b>Operating profit</b>	<b>-4.639.841</b>	<b>-98.547</b>	<b>-17.898.648</b>	<b>-13.334.043</b>
Financial costs net	-212.772	-487.550	-568.145	-828.460
<b>Profit or loss before tax</b>	<b>-4.852.613</b>	<b>-586.097</b>	<b>-18.466.793</b>	<b>-14.162.503</b>
Tax on net profit or loss for the year	1.137.780	454.914	3.954.029	3.359.531
<b>Net profit or loss for the year</b>	<b>-3.714.834</b>	<b>-131.183</b>	<b>-14.512.764</b>	<b>-10.802.972</b>
<b>Comprehensive income</b>				
Net profit or loss for the year	-3.714.834	-131.183	-14.512.764	-10.802.972
<b>Other comprehensive income:</b>				
Cost Direct Issue & IPO	0	-2.090.661	0	-2.042.661
<b>Total comprehensive income for the year</b>	<b>-3.714.834</b>	<b>-2.221.844</b>	<b>-14.512.764</b>	<b>-12.845.633</b>

## Balance

30. September 2023

	30. September 2023 DKK	30. September 2022 DKK	30. September 2021 DKK
<b>Balance Sheet</b>			
<b>Assets</b>			
Development projects & IPR rights	10.152.837	9.561.982	8.346.148
Rights	3.474.277	3.952.876	4.431.174
Deferred tax assets	7.459.648	3.505.700	226.543
Deposits	106.688	109.012	82.187
<b>Total non-current assets</b>	<b>21.193.451</b>	<b>17.129.570</b>	<b>13.086.052</b>
Manufactured goods and goods for resale	2.710.031	1.348.534	1.229.112
Trade receivables	2.451.646	6.493.623	1.635.557
Other receivables	-85.057	10	1.464.357
Cash on hand and demand deposits	-415.014	2.933.783	9.996.085
<b>Total current assets</b>	<b>4.661.606</b>	<b>10.775.950</b>	<b>14.325.111</b>
<b>Total assets</b>	<b>25.855.057</b>	<b>27.905.519</b>	<b>27.411.163</b>

## Balance

30. September 2023

	30. September 2023 DKK	30. September 2022 DKK	30. September 2021 DKK
<b>Equity and liabilities</b>			
Share Capital	800.971	800.971	708.630
Reserve for net revaluation according to the equity method	0	0	1.387.251
Reserve for development costs	7.919.213	7.435.878	5.763.914
Retained earnings	1.693.595	16.689.694	16.287.572
Other Capital reserves	0	0	0
<b>Total equity</b>	<b>10.413.779</b>	<b>24.926.543</b>	<b>24.147.367</b>
Other provisions	0	164.948	329.900
Subordinate loan capital	8.098.428	0	0
Interest bearing liabilities	489.060	594.924	1.314.112
<b>Total non-current liabilities</b>	<b>8.587.488</b>	<b>759.872</b>	<b>1.644.012</b>
Interest bearing liabilities	192.019	448.025	404.695
Trade payables	5.108.285	1.186.419	504.157
Other payables	1.553.486	584.659	710.932
<b>Total current liabilities</b>	<b>6.853.790</b>	<b>2.219.104</b>	<b>1.619.784</b>
<b>Total liabilities</b>	<b>25.855.057</b>	<b>27.905.519</b>	<b>27.411.163</b>

# Equity Statement

1. July – 30. September 2023

	Quarter		Year-to-Date	
	2022/2023 DKK	2021/2022 DKK	2022/2023 DKK	2021/2022 DKK
Balance at 1. January 2023 /1. October 2022	800.971	715.130	800.971	708.630
Change	0	85.841	0	92.341
<b>Contributed capital, at 30. June 2023</b>	<b>800.971</b>	<b>800.971</b>	<b>800.971</b>	<b>800.971</b>
Balance at 1. January 2023 /1. October 2022	0	1.387.251	0	1.387.251
Change	0	-1.387.251	0	-1.387.251
<b>Reserve for net revaluation, at 30. June 2023</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Balance at 1. January 2023 /1. October 2022	7.693.546	7.237.523	7.435.878	5.763.949
Change	225.667	198.355	483.335	1.671.929
<b>Reserve for development costs, at 30. June 2023</b>	<b>7.919.213</b>	<b>7.435.878</b>	<b>7.919.213</b>	<b>7.435.878</b>
Balance at 1. January 2023 /1. October 2022	5.634.096	5.341.475	16.689.694	16.287.572
Share premium	0	12.451.724	0	13.295.224
Deferred tax	0	-70.559	0	285.207
IPO cost	0	-2.090.661	0	-2.090.659
Reserve for development costs	-225.667	-198.355	-483.335	-1.671.929
Retained earnings for the period	-3.714.834	-131.181	-14.512.764	-10.802.972
<b>Retained earnings, at 30. June 2023</b>	<b>1.693.595</b>	<b>16.689.694</b>	<b>1.693.595</b>	<b>16.689.694</b>
<b>Total Equity, at 30. June 2023</b>	<b>10.413.779</b>	<b>24.926.543</b>	<b>10.413.779</b>	<b>24.926.544</b>

# Cash flow and capital allocation

1. July – 30. September 2023

	Quarter		Yeart-To-Date	
	2022/2023	2021/2022	2022/2023	2021/2022
	DKK	DKK	DKK	DKK
<b>Cash Flow statement</b>				
Profit/loss before tax	-3.714.834	-131.181	-14.512.761	-10.802.972
Financial expenses, reversed	212.772	487.550	568.145	828.460
Depreciation, reversed	519.045	518.945	2.076.080	2.075.780
Changes in working capital	1.965.516	-2.946.571	3.539.666	-6.142.842
<b>Cash flows from operating activities</b>	<b>-1.017.500</b>	<b>-2.071.257</b>	<b>-8.328.871</b>	<b>-14.041.575</b>
Investing in Development projects	-740.062	-671.662	-2.188.336	-2.813.316
<b>Cash flow from investment activities</b>	<b>-740.062</b>	<b>-671.662</b>	<b>-2.188.336</b>	<b>-2.813.316</b>
Share capital	0	85.841	0	92.341
Share premium	0	12.451.724	0	13.295.224
Financial expenses paid	-212.772	-487.550	-568.148	-828.462
Cost IPO	0	-2.090.661	0	-2.090.661
Loan internal partners	1.997.861	0	8.098.428	0
Credit institutions	70.570	-6.124.552	-105.865	-719.188
Credit institutions - short	-162.463	5.778	-256.006	43.330
<b>Cash flow from financing activities</b>	<b>1.693.196</b>	<b>3.840.580</b>	<b>7.168.410</b>	<b>9.792.585</b>
<b>Total cashflows end of period</b>	<b>-64.366</b>	<b>1.097.661</b>	<b>-3.348.796</b>	<b>-7.062.306</b>
Cash, beginning of period	-350.647	1.836.122	2.933.783	9.996.085
<b>Cash, end of period</b>	<b>-415.014</b>	<b>2.933.783</b>	<b>-415.014</b>	<b>2.933.783</b>

	Quarter		Yeart-To-Date	
	2022/2023	2021/2022	2022/2023	2021/2022
	DKK	DKK	DKK	DKK
<b>Change in working capital</b>				
Change in Finished goods	-1.002.766	1.317.663	-1.361.497	-183.850
Trade + other receivables	1.868.895	-5.121.017	4.127.045	-3.453.890
Trade + other payables	2.184.380	987.313	4.890.691	707.193
Other provisions	-41.234	-41.238	-164.948	-164.952
Deferred tax	-1.137.780	-374.540	-3.953.949	-3.305.767
Loan subsidiaries	0	285.249	0	285.249
Deposits	94.021	0	2.324	-26.826
	<b>1.965.516</b>	<b>-2.946.571</b>	<b>3.539.666</b>	<b>-6.142.842</b>

## Financial Statements Parent

### Income Statement

1. July – 30. September 2023

	QUATER		Year-To-Date	
	2022/2023 DKK	2021/2022 DKK	2022/2023 DKK	2021/2022 DKK
Net Sales	359.845	278.143	1.210.737	890.236
<b>Gross Profit</b>	<b>359.845</b>	<b>278.143</b>	<b>1.210.737</b>	<b>890.236</b>
Sales and distribution cost	-85.279	-73.157	-497.119	0
Administrative costs	-293.732	-217.583	-2.087.961	-2.613.942
Staff costs	-876.230	-1.006.750	-3.822.808	-3.246.870
Depreciation and amoritsation	-171.050	-170.950	-205.800	-683.798
<b>Operating profit</b>	<b>-1.066.445</b>	<b>-1.190.297</b>	<b>-5.402.952</b>	<b>-5.654.375</b>
Income from equity investments in group enterprises	-2.956.070	-4.090.948	-10.738.134	-6.345.098
Financial costs net	84.328	133.773	564.143	-119.674
<b>Profit or loss before tax</b>	<b>-3.938.186</b>	<b>-5.147.471</b>	<b>-15.576.944</b>	<b>-12.119.147</b>
Tax on net profit or loss for the year	223.352	357.238	1.064.180	1.316.174
<b>Net profit or loss for the year</b>	<b>-3.714.834</b>	<b>-4.790.233</b>	<b>-14.512.764</b>	<b>-10.802.972</b>
<b>Comprehensive income</b>				
Profit or loss before tax	-3.714.834	-4.790.233	-14.512.764	-10.802.972
<b>Other comprehensive income:</b>				
Cost Diret Issue & IPO	0	-2.090.661	0	-2.042.661
<b>Total comprehensive income for the year</b>	<b>-3.714.834</b>	<b>-6.880.895</b>	<b>-14.512.764</b>	<b>-12.845.633</b>

## Balance

1. July – 30. September 2023

	30. September 2023 DKK	30. September 2022 DKK	30. September 2021 DKK
<b>Balance Sheet</b>			
<b>Assets</b>			
Development projects & IPR rights	1.265.935	1.106.225	616.514
Equity investments in group enterprises	9.099.093	5.408.027	6.446.176
Deferred tax assets	2.450.422	1.386.242	70.068
Deposits	57.000	0	0
<b>Total non-current assets</b>	<b>12.872.449</b>	<b>7.900.494</b>	<b>7.132.758</b>
Receivables from group enterprises	12.918.671	15.604.974	7.891.939
Other receivables	-134.118	0	124.600
<b>Cash on hand and demand deposits</b>	<b>-265.411</b>	<b>2.061.343</b>	<b>9.149.276</b>
<b>Total current assets</b>	<b>12.519.142</b>	<b>17.666.317</b>	<b>17.165.815</b>
<b>Total assets</b>	<b>25.391.592</b>	<b>25.566.812</b>	<b>24.298.573</b>

	30. September 2023 DKK	30. September 2022 DKK	30. September 2021 DKK
<b>Equity and liabilities</b>			
Share Capital	800.971	800.971	708.630
Reserve for net revaluation according to the equity method	0	0	1.387.251
Reserve for development costs	987.430	862.855	480.881
Retained earnings	8.625.378	23.262.717	21.570.605
<b>Total equity</b>	<b>10.413.779</b>	<b>24.926.543</b>	<b>24.147.367</b>
Subordinate loan capital	8.098.427	0	0
Other Provisions	0	0	0
Interest bearing liabilities	12.900.428	0	0
<b>Total non-current liabilities</b>	<b>12.900.427</b>	<b>0</b>	<b>0</b>
Trade payables	1.712.395	218.721	110.000
Other payables	364.990	421.548	41.206
<b>Total current liabilities</b>	<b>2.077.385</b>	<b>640.268</b>	<b>151.206</b>
<b>Total liabilities</b>	<b>25.391.592</b>	<b>25.566.812</b>	<b>24.298.573</b>

## Equity Statement

1. July – 30. September 2023

	QUATER		Year-To-Date	
	2022/2023 DKK	2021/2022 DKK	2022/2023 DKK	2021/2022 DKK
Balance at 1. January 2023 /1. October 2022	800.971	715.130	800.971	708.630
Change	0	85.841	0	92.341
<b>Contributed capital, at 30. June 2023</b>	<b>800.971</b>	<b>800.971</b>	<b>800.971</b>	<b>800.971</b>
Balance at 1. January 2023 /1. October 2022	0	1.387.251	0	1.387.251
Change	0	-1.387.251	0	-1.387.251
<b>Reserve for net revaluation, at 30. June 2023</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Balance at 1. January 2023 /1. October 2022	926.310	833.382	862.855	480.881
Change	61.119	29.473	124.574	381.974
<b>Reserve for development costs, at 30. June 2023</b>	<b>987.429</b>	<b>862.855</b>	<b>987.429</b>	<b>862.855</b>
Balance at 1. January 2023 /1. October 2022	12.401.331	16.048.861	23.262.717	21.570.600
IPO cost	0	-2.090.661	0	-2.090.660
Reserve for development costs	-61.118	-29.473	-124.574	-381.974
Retained earnings for the period	-3.714.834	-4.790.233	-14.512.764	-10.802.972
<b>Retained earnings, at 30. June 2023</b>	<b>8.625.379</b>	<b>23.262.717</b>	<b>8.625.379</b>	<b>23.262.716</b>
<b>Total Equity, at 30. June 2023</b>	<b>10.413.779</b>	<b>24.926.543</b>	<b>10.413.779</b>	<b>24.926.543</b>

## Cash flow and capital allocation

1. July – 30. September 2023

	QUATER		Year-To-Date	
	2022/2023 DKK	2021/2022 DKK	2022/2023 DKK	2021/2022 DKK
<b>Cash Flow statement</b>				
Profit/loss before tax	-3.714.834	-4.790.233	-14.512.764	-10.802.972
Financial expenses, reversed	-84.328	-133.773	-564.142	119.675
Depreciation, reversed	171.050	170.950	684.098	683.798
Changes in working capital	1.656.540	-3.686.728	3.768.695	-13.070.454
<b>Cash flows from operating activities</b>	<b>-1.971.573</b>	<b>-8.439.785</b>	<b>-10.624.113</b>	<b>-23.069.953</b>
Investing in Development projects	-181.108	-89.161	-365.210	-695.210
<b>Cash flow from investment activities</b>	<b>-181.108</b>	<b>-89.161</b>	<b>-365.210</b>	<b>-695.210</b>
Share capital	0	85.841	0	92.341
Share premium	0	12.451.724	0	13.295.224
Financial expenses paid	84.328	133.773	564.142	-119.675
Cost IPO	0	-2.090.661	0	-2.090.660
Loan internal partners	1.997.861	0	8.098.427	0
Credit institutions	0	-6.046.498	0	0
<b>Cash flow from financing activities</b>	<b>2.082.190</b>	<b>10.034.179</b>	<b>8.662.569</b>	<b>16.677.230</b>
<b>Total cashflows end of period</b>	<b>-70.491</b>	<b>1.505.233</b>	<b>-2.326.754</b>	<b>-7.087.933</b>
Cash, beginning of period	-194.920	556.110	2.061.343	9.149.276
<b>Cash, end of period</b>	<b>-265.411</b>	<b>2.061.343</b>	<b>-265.411</b>	<b>2.061.343</b>

	QUATER		Year-To-Date	
	2022/2023 DKK	2021/2022 DKK	2022/2023 DKK	2021/2022 DKK
<b>Change in working capital</b>				
Trade + other receivables	134.118	50.000	134.118	124.599
Trade + other payables	-5.489.968	-229.954	1.437.117	489.058
Other provisions	4.802.000	369.432	4.802.000	0
Deferred tax	-223.352	-357.238	-1.064.180	-1.316.174
Loan subsidiaries	2.433.742	-3.518.968	-1.483.360	-12.367.936
Deposits	0	0	-57.000	0
	<b>1.656.540</b>	<b>-3.686.728</b>	<b>3.768.695</b>	<b>-13.070.454</b>

# Verification

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## Document

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