

Revolutionizing Alternative Medicine



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CSMEDICA⁺

Annual Report 23/24

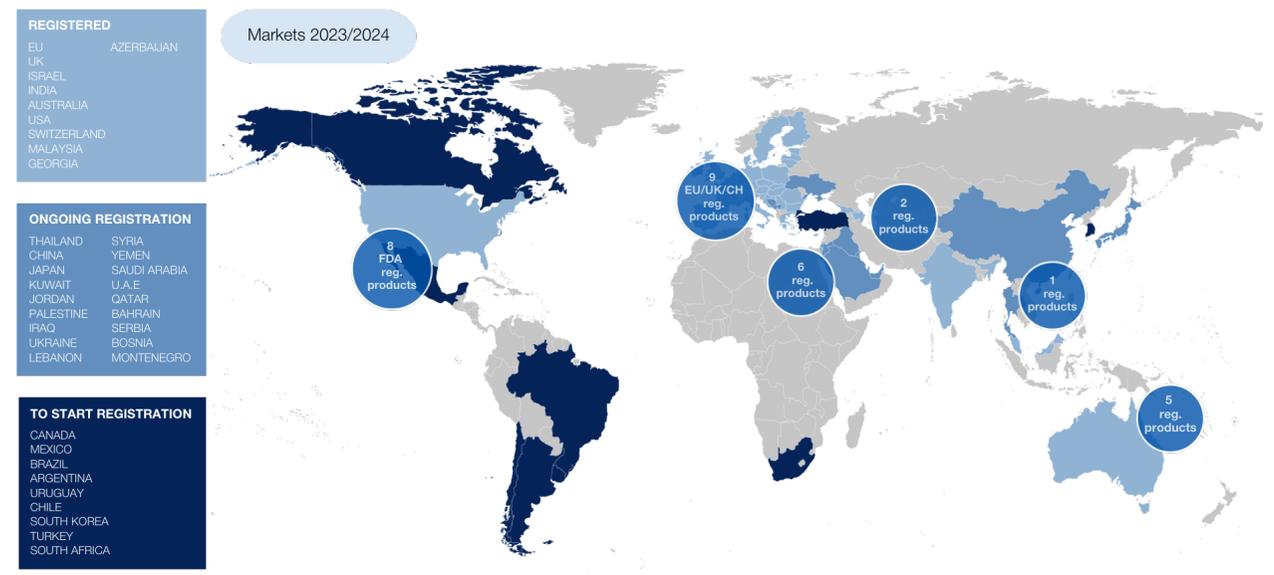
CS MEDICA in brief

CS MEDICA is a Danish MedTech company founded in 2011 that develops and currently sells 10+ CBD-infused medical device products and cosmetics for autoimmune and stress-related disorders.

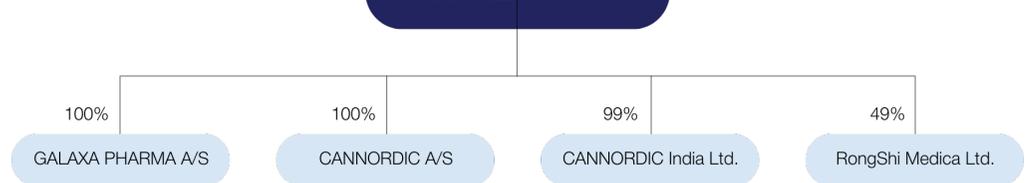
Product Overview

Pain	Skin	Protect	Night	Hair	Vet
<p>Pain & Arthritis Gel In process for classification with BSI Patent Pending</p>	<p>Psoriasis Gel Class I MDR Patent Pending</p>	<p>Nasal Protect Gel Confirmed Classification - Class IIa MDR by BSI Patented DK181405</p>	<p>Nasal Night Spray Confirmed Classification - Class IIa MDR by BSI Patented DK181329</p>	<p>Anti-Hair Loss Serum Cosmetic Patent pending</p>	<p>Pain Patch Patent pending Make-To-Order</p>
<p>Pain Patch Patent Pending</p>	<p>PSO + Atopic Skin Relief Lotion Cosmetic</p>	<p>Infect Protect Lozenges Medical Device</p>		<p>Anti-Hair Loss Shampoo Cosmetic Make-To-Order</p>	<p>Vet Pain Patch Patent pending Make-To-Order</p>
<p>Pain Patch Class I MDR Patent Pending</p>	<p>Wound Gel Confirmed Classification - class IIa MDR by BSI Patented DK181458</p>			<p>Anti-Hair Loss Shampoo Cosmetic Make-To-Order</p>	<p>Vet Pain & Arthritis Gel Patent pending Make-To-Order</p>
<p>Sports Spray Cosmetic Make-To-Order</p>				<p>Anti-Hair Loss Shampoo Cosmetic Make-To-Order</p>	<p>Vet Wound Gel Patent pending Make-To-Order</p>

Geographical Presence

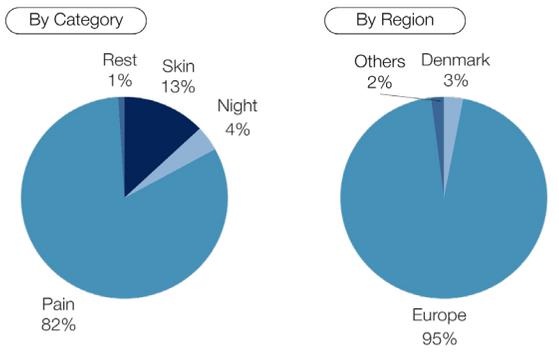


Structure & Brands



CANNASEN® Solutions available in our CANNASEN® brand or in White-Label solu-

Revenue Split



Sales FY23/24e	mDKK 8.1 (vs mDKK 1 LY) (vs mDKK 15 BU)
Order Pipeline FY23/24	mDKK 49 (mDKK 14.5 LY)
Operating Profit	-mDKK 12.5 (-17.9 LY)
Sales, Marketing & Admin cost	mDKK 4.5 (8.9 LY)
Net Profit 23/24	-mDKK 9.65 (vs -14.5 LY)

Table of Contents

Letter from Chair & CEO	4
-------------------------	---

INTRODUCTION

Introducing CS MEDICA	6
Business Performance	7
Financial Highlights – 5 years IRFS	8

BUSINESS

Company Structure	10
Competitive Quality & Positioning	11
Business Model & Strategy	12
Product Landscape & Pipeline	13
Research & Development	21
Regulatory Strategies	23
Patents & Other Intellectual Property Rights	24
Trademark	25
Commercial Growth & Performance	26
Segmentation & Markets	27
Supply Chain & Operations	29

CORPORATE GOVERNANCE

Board of Directors	31
Executive management	33
Corporate Responsibility	34

DIRECTOR’S REPORT

Risk Management	38
Strategic Outlook	41
Sustainability	42

FINANCIAL STATEMENTS

Income statements	47
Statement of financial position	48
Statement of changes in equity	49
Cashflow statement	50

NOTES

Notes	52
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ACCOUNTING POLICIES

Accounting policies	64
Segment information	69

STATEMENT & REPORTS

Statement by Management on the annual report	70
Auditor’s report	72

COMPANY INFORMATION

More information	74
Financial calendar	75

PARENT COMPANY

Income statement	76
Statement of Financial Position	77
Statement of changes in equity	78
Notes	79
Accounting policies	81



INTRODUCTION

Letter from Chair & CEO

This fiscal year has been both challenging and rewarding for CS MEDICA. We achieved a revenue of mDKK 8.1, a growth from mDKK 1 in the previous year, though below our anticipated mDKK 15. This growth was driven by leads from our yearly CPHI fair and strategic adjustments in our operations, including notable cost reductions and minimal marketing expenditure. Importantly, we managed to grow our top line while reducing our operating loss, marking an effective win in our growth performance.

While focusing on reaching a capital-light business model positioned at the intersection of the pharmaceutical and cosmetics industries, CS MEDICA offers clinically validated products with fewer side effects at competitive prices. Its hybrid product formulations—blending advanced R&D, clinical evidence, regulatory compliance, and the natural benefits of CBD—differentiate the company from competitors.

Key milestones this year included securing new patents and product registrations, successfully passing the BSI audits for the MDR transition, readying to receive the ISO 13485 certification, and achieving confirmation of the reclassification of our products. These regulatory successes strengthen our market position and expand our capabilities within the medical device sector and the cannabis market.

In response to cash flow challenges, we shifted our focus toward white-label sales, emphasizing markets and customer segments with faster decision-making processes and market access, primarily in Europe. This move aims to stabilize our cash flow and ensure more predictable revenue streams.

While we were delayed in pursuing an M&A track for vertical integration of the value chain, our focus remains on sustaining our business organically and reducing activities that do not generate immediate revenue. Hence, we adopted a two-tier strategy to balance our sales efforts.

We pursue short-term sales that allow faster invoicing and focus on white-label, cosmetic, distributors, and e-commerce segments. Simultaneously, we are building a sustainable long-term sales pipeline, mainly focusing on pharma segments with longer sales cycles but significant potential for robust growth and strong partnerships.

We appreciate all ongoing support and trust as we navigate these complex times and strive for sustainable growth and operational excellence.

Warm regards



Lone Henriksen
CEO & Founder



Flemming Heegaard
Chairman, Board of Directors



INTRODUCTION

INTRODUCTION

Introducing CS MEDICA Group

CS MEDICA is a Danish MedTech pioneer, founded in 2011, that specializes in developing and distributing CBD-infused treatments for autoimmune and stress-related conditions such as arthritis, psoriasis, and pain management. Operating with a capital-light business model, the company strategically focuses on research and development (R&D) while outsourcing production to trusted European partners.

Positioned uniquely at the intersection of the pharmaceutical and cosmetics industries, CS MEDICA offers clinically validated products with fewer side effects at competitive prices. Its hybrid product formulations—blending advanced R&D, clinical evidence, regulatory compliance, and the natural benefits of CBD—differentiate the company from competitors.

CS MEDICA successfully launched its first products in 2021, navigating stringent regulatory demands under the EU Medical Device Regulation (MDR) and other global standards. With strength in regulatory excellence, CS MEDICA stands out by offering products approved as medical devices under MDR, with certifications extending to major markets, including the US FDA and UK MHRA. These approvals ensure safety, efficacy, and consumer trust. Today, the company operates as a capital-lean organization, prioritizing resilience and adaptability.

Leveraging the proven antioxidative and anti-inflammatory properties of cannabidiol (CBD), CS MEDICA has developed a diverse portfolio of over 10 innovative products, including gels, creams, and sprays. These address a range of conditions—pain relief, sleep disorders, allergies, hair loss, skin and wound care—while delivering fewer side effects and often superior efficacy compared to traditional pharmaceuticals.

CS MEDICA has expanded beyond its European base in response to the rising global demand for non-pharmacological treatments. The company’s products are now approved and marketed in the EU, UK, Switzerland, Israel, India, Australia, Malaysia, Azerbaijan, Georgia, and the USA. Further growth is underway, with registration efforts in 22 additional countries, leveraging pharmacies as primary sales channels for its medical-grade products.

A pivotal milestone in 2021 saw CS MEDICA launch an IPO on the Swedish Spotlight exchange, followed by its listing on XETRA and German Growth Stock markets in July 2024. These steps bolstered the company’s international visibility and investor access. However, as CS MEDICA was delisted from Spotlight on January 9, 2025, it will focus on its short-term performance and ensure long-term resilience, paving the way for a future relisting or IPO in a new market.

9 treatments on international markets	4+7 4 patents + 7 patent pending	13+ products in pipeline	>500.000 tried our products the first year
700K units shipped	17 countries with registered trademark	3 research centers in 3 countries (Denmark, Germany & India)	4+2 approved production sites in 3 countries (Germany, Italy & Poland) with 1 in India and 1 in USA under evaluation.
18 regulatory registration	8+3 8 clinical studies & 3 academic trials performed	2+4 treatments reg. under MDR and 4 in MDR transition with BSI	7 to 12 employees and freelancers

“ As we continue to research, develop, manufacture, commercialize and build brands, we aim to revolutionize the medical and cannabis industries, with science and nature in our hearts

INTRODUCTION

Business Performance

Global demand for alternative treatments is surging, with the alternative medicine market projected to grow at an impressive 15.7% CAGR through 2031. CS MEDICA is strategically positioned to capitalize on this trend, particularly in high-potential, non-European markets like the US, MENA, and APAC. These regions present significant growth opportunities, provided regulatory challenges are addressed and social acceptance increases.

Annual Sales Performance Overview

During a challenging fiscal year, CS MEDICA achieved net sales of mDKK 8.1, showing substantial growth from mDKK 1.1 the previous year but falling short of our mDKK 15 target. This performance underscores our capability to efficiently convert leads from our annual trade fair and a lean order pipeline.

Our strategic shift this year focused on consolidating our market presence in Europe and targeting segments with quicker decision-making processes through white-label and direct sales. This approach not only stabilized cash flow but also ensured more predictable revenue streams amid financial pressures. The shortfall in reaching our target primarily stemmed from delays in finalizing a critical deal and challenges in scaling our production capabilities.

We successfully expanded our reach, delivering products to 17 countries, with the EU comprising 79.5% of our sales. White-label products played a crucial role, making up 73.6% of our sales, while the pain relief category dominated our product line, accounting for 81% of total sales.

Looking forward, we are dedicated to refining our production processes and implementing our 2-tier sales strategy. This strategy focuses on generating immediate revenue from short-term sales tracks to support the longer lead times required for closing deals in high-potential pharma segments. These initiatives are expected to drive robust growth and enhance our long-term financial stability.



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INTRODUCTION

Financial Highlights – 5 years IRFS

Performance Highlights

The fiscal year 2023/2024 demonstrated CS MEDICA's resilience and growth potential. Following the delisting from the Spotlight Stock Market in January 2025, the company secured the reactivation of the DKK 60 million investment agreement with their Chinese Partner at a share price of DKK 7.14, strengthening its financial position. Regulatory progress under MDR, with all products now classified as Class IIa, reduces risks and supports a DKK 49 million order pipeline, paving the way for sustainable growth and global opportunities.

- Revenue Growth:** Revenue reached mDKK 8.1, a significant increase from mDKK 1.1 in the previous year. Production delays pushed part of the revenue goal of mDKK 15 2023/2024 into the next fiscal year, keeping the mDKK 49 pipeline intact.
- Gross Profit:** Achieved mDKK 2.9 with a 35% margin. Adjusted for stock write-downs and free sample distribution, the underlying gross margin exceeded 40%, the goal set for 2023/2024.
- Net Profit and Operating Loss:** Net profit improved to -mDKK 9.65 from -mDKK 14.5 last year, while operating loss decreased by 30%, reflecting tighter financial management.
- Cash and Cash Equivalents:** Ended the year at mDKK -0.8, with subsequent credit repayment ensuring a stronger liquidity position.
- Funding to Support Growth and Scaling Initiatives:** A DKK 60 million investment agreement with the company's Chinese partner has been reactivated at a share price of DKK 7.14. To date, mDKK 1.15 of the first tranche of mDKK 2, has been received, with the remainder expected soon. The second tranche of mDKK 28 is contingent on fast-track regulatory approval expected in 3–6 months, and the final tranche of mDKK 30 is planned within 12 months following tranche 2.

	2023/2024 DKK	2022/2023 DKK	2021/2022 DKK	2020/2021 DKK	2019/2020 DKK
Net sales	8.075.306	1.067.275	10.583.029	3.179.557	2.110.729
Gross profit	2.848.847	913.546	4.620.636	1.676.176	682.654
Operating profit	- 12.484.963	- 17.898.645	- 13.334.133	- 176.047	450.398
Depreciation and amortisation	- 2.115.764	- 2.076.080	- 2.075.780	- 1.367.452	- 384.516
Net financials	- 1.525.886	- 568.148	- 828.456	- 231.738	- 143.253
Profit before taxes	- 14.469.990	- 18.466.793	- 14.162.592	- 407.786	- 77.371
Net profit	- 9.650.907	- 14.512.764	- 10.802.971	647.629	54.579
Credit bank /Cash and cash equivalents	- 795.371	- 415.014	2.933.783	9.996.085	296.884
Addition R&D costs	3.354.373	2.188.336	2.813.316	4.162.220	1.732.137
Cash flow	- 380.357	- 3.348.797	- 7.062.301	9.699.200	691.217
Total Assets	36.380.082	25.855.057	27.905.519	27.411.163	5.436.210
Equity	6.015.953	10.413.779	24.926.543	24.147.367	87.241
Financial Ratios					
Gross margin	35%	86%	44%	53%	32%
Operating margin	-155%	-1677%	-126%	-6%	21%
Addition R&D cost in % of sale	42%	205%	27%	131%	82%
Net profit margin	-120%	-1360%	-102%	20%	-3%
Equity ratio	17%	40%	89%	88%	2%
Share performance					
Basic earnings per share	- 0,56	- 1,18	- 0,88	0,06	0,68
Total number of shares	17.125.827	12.322.635	12.322.635	10.902.000	80.000
Share Price	5,94	3,98	10,9	6,2	

BUSINESS

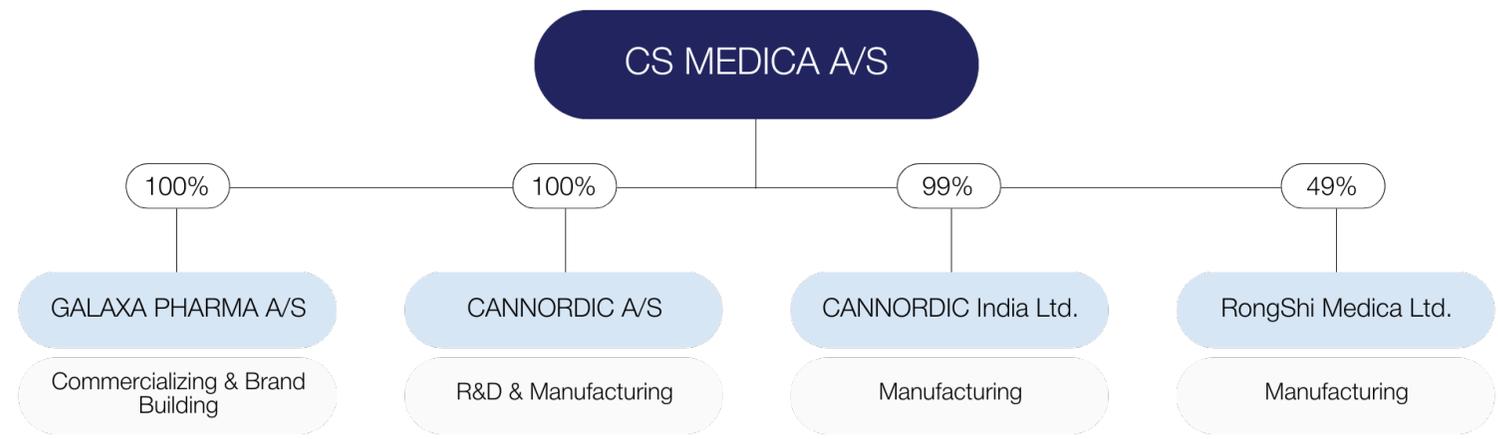
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Company Structure

CS MEDICA has three subsidiaries and one equity investment.

GALAXA PHARMA, CANNORDIC, CANNORDIC India, and Rong Shi MEDICA:

- **CS MEDICA A/S** is the parent company with supporting functions as marketing, administration, patent & trademark registrations etc.
- **CANNORDIC A/S** (100% stake) focuses on R&D, clinical trials, and technical files linked to production and compliance, manufacturing & supply and sales
- **GALAXA PHARMA A/S** (100% stake) focuses on e-commerce, distributing pharmaceutical and prescription-based products, and enhancing distribution efficiency.
- **CANNORDIC India Ltd.** (99% stake) helps distribute in a cost-effective way CS MEDICA's products in the APAC region.
- **Rong Shi MEDICA Ltd.** (49% stake) is an equity investment/joint venture envisioned/planned as a manufacturing and distribution hub for the Asian markets but is currently on hold due to funding delays.



BUSINESS

Competitive Quality & Positioning

Competitive Quality:

- Unique Market Position: CS MEDICA operates at the intersection of the pharma and cosmetics markets, offering CBD-infused products with proven efficacy and fewer side effects.
- Competitive Pricing: Its products are both affordable and accessible (non-prescription) compared to similar offerings from pharmaceutical and cosmetic competitors.
- Clinical Trials & MDR: Registered as medical devices, CS MEDICA's products with CBD meet strict regulatory standards, benefiting from pharmacy over-the-counter distribution and creating high competitive barriers to market entry.

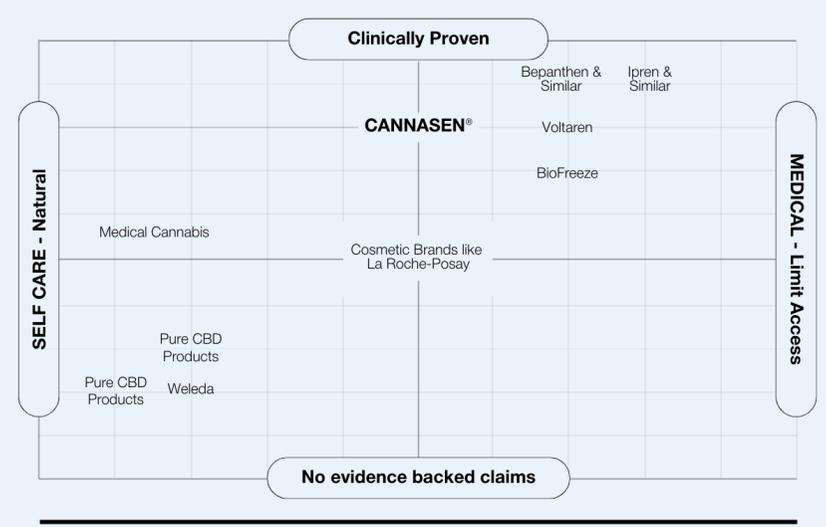
Unique market positioning:

CS MEDICA is positioned at the intersection of the pharmaceutical and the cosmetic/CBD market. While pharmaceutical products deliver clinically proven efficacy, they are often accompanied by side effects that many customers seek to reduce or avoid entirely. Contrarily, cosmetic products typically communicate minimal to no side effects but are limited to aesthetic benefits.

According to McKinsey, approximately 50% of US and UK consumers prioritize clinical effectiveness when purchasing OTC products, such as topical treatments and medications. At the same time, 20% emphasize the importance of natural and clean ingredients, reflecting a balanced demand for efficacy and safety in alternative health solutions.

The strength of CS MEDICA's market positioning lies in its innovative and compliant product range—gels, sprays, and patches—that seamlessly combines the growing self-care trend with the benefits of natural ingredients from cosmetics. These products offer fewer side effects while delivering pharma-grade efficacy, supported by clinical trials.

CS MEDICA's Positioning



Source: NuWays Research, company data

Clinical Trials and Medical Device Status: Key Barriers to Entry:

Under the stringent Medical Device Regulation (MDR), providing clinical data is a prerequisite for accessing critical distribution channels such as pharmacies. CS MEDICA's products are registered and approved as medical devices (MD) unlike many competitors within the categories with CBD. This designation allows the company to leverage pharmacies as a vital sales channel, offering consumers trusted and effective solutions.

Given the extensive, costly, and rigorous process of conducting clinical trials and obtaining MD registration, achieving this status represents a significant entry barrier. As a result, CS MEDICA's products are uniquely positioned to address conditions such as arthritis, pain, skin and sleep disorders, and hair loss. They provide the natural benefits of CBD and target the root causes of these ailments, delivering comprehensive relief.

Among its competitors, CS MEDICA stands out as one of the few companies to:

1. Offer registered medical device products with CBD.
2. Able to provide proven safe claims in communication.
3. Bridge the gap between the cosmetic and pharmaceutical sectors with its product offerings.



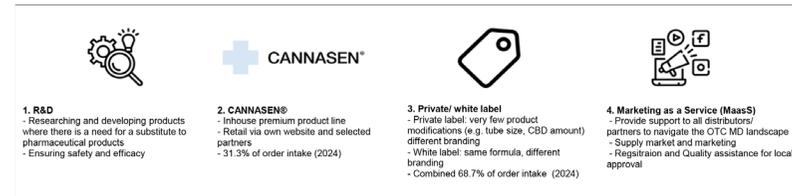
BUSINESS

Business Model & Strategy

Driving Innovation in the Medical and Self-Care Landscape

As a forward-thinking MedTech company, CS MEDICA is reshaping the field of alternative medicine treatments. Its business model is built on four core pillars: Research & Development (R&D), Marketing as a Service, the CANNASEN® product line, and white-label solutions. This integrated approach positions CS MEDICA at the forefront of delivering safe, effective, and science-backed CBD-infused medical devices. By addressing a diverse range of health challenges, the company is advancing the global shift toward innovative, natural therapies and empowering the self-care movement.

Main business activities



Source: NuWays Research, company data

1. Research & Development (R&D)

At its core, CS MEDICA identifies as an R&D-driven MedTech company, dedicated to addressing the limitations of current pharmacological and non-pharmacological treatments. By maintaining all R&D activities in-house, the company adopts a “bottom-up” strategic approach. This method focuses on analyzing emerging health challenges and developing targeted solutions, in contrast to competitors who often follow a “top-down” approach by creating non-specific products, such as generic CBD oils, which offer minimal proven

efficacy or safety. CS MEDICA's extensive R&D efforts span its entire product portfolio, including white-label and private-label offerings, ensuring that every solution is backed by proven safety and efficacy. This commitment to research and innovation underpins the company's ability to deliver superior, science-backed treatments tailored to specific medical needs.

2. CANNASEN®

CS MEDICA's flagship brand, CANNASEN®, is projected to achieve an annual growth rate of 93%, with revenues increasing from DKK 1.7 million in 2023/24. Rising awareness and investment in the brand with partners will primarily drive this growth, improve order conversion rates, and increase digital presence across key markets. The sales-to-order conversion rate is expected to improve significantly, increasing from 8% in 2024 to approximately 17% by 2027/28e. This improvement will be fueled by enhanced production efficiency, faster local approvals, and streamlined shipping processes, benefiting from greater operational scale. CS MEDICA is to capitalize on its expanding international footprint and previously granted market approvals, driving long-term growth and market penetration.

3. White-Label Business

Thanks to its favorable payment structure, CS MEDICA's white-label segment is expected to drive the majority of the company's growth at least until 2025/26e, when the business is projected to achieve EBITDA break-even and generate sufficient cash flow to reinvest in the development of the CANNASEN® brand. The white-label segment is forecasted to grow at 52% annually, rising from DKK 6.4 million in 2023/24. This growth will be fueled primarily by increasing order intake and improving conversion rates.

CS MEDICA has recently shifted its strategic focus toward the white-label business, accelerating growth in this area. Like the CANNASEN® brand, global expansion will drive white-label growth. A growth reflects the increasing recognition of CBD-infused solutions among pharmacies and other retailers who aim to provide customers with innovative and effective health products.

The sales-to-order intake conversion rate is projected to rise from 8% in 2023/24 to around 25% by 2027/28e, driven by improved production and shipping lead times as the company scales its operations. In 2024, the private/white-label segment accounted for more than two-thirds of the total order intake, underscoring this business model's demand for and strategic viability.

4. Marketing-as-a-Service (MaaS) with a BtBtC Strategy

CS MEDICA offers comprehensive support to its B2B customers and new partners, guiding them through the complex regulatory environment and the often misunderstood CBD marketplace, which is burdened by a “gray market” of misinformation and mistrust. With few, if any, competitors combining CBD with Medical Device compliance, CS MEDICA's Marketing-as-a-Service (MaaS) provides a unique edge. MaaS delivers market insights, marketing support, and educational tools to help distributors and their customers understand the safety, efficacy, and regulatory compliance of CBD-infused medical devices.

BUSINESS

Product Landscape & Pipeline

Pain



Pain & Arthritis Gel
Confirmed Classification -
class IIa MDR by BSI
Patent Pending



Pain Patch
Class I MDR
Patent Pending



Sports Spray
Cosmetic
Make-To-Order

Skin



Psoriasis Gel
Class I MDR
Patented EP4009944



**PSO + Atopic Skin
Relief Lotion**
Cosmetic



Wound Gel
Confirmed Classification -
class IIa MDR by BSI
Patented DK181458

Protect



Nasal Protect Gel
Confirmed Classification -
Class IIa
MDR by BSI Patented
DK181405



Infect Protect Lozenges
Medical Device

Night



Nasal Night Spray
Confirmed Classification
- Class IIa
MDR by BSI
Patented DK181329

Hair



Anti-Hair Loss Serum
Cosmetic
Patent pending



Anti-Hair Loss Shampoo
Cosmetic
Make-To-Order



Anti-Hair Loss Shampoo
Cosmetic
Make-To-Order

Vet



Vet Pain Patch
Patent pending
Make-To-Order



Vet Pain & Arthritis Gel
Patent pending
Make-To-Order



Vet Wound Gel
Patent pending
Make-To-Order



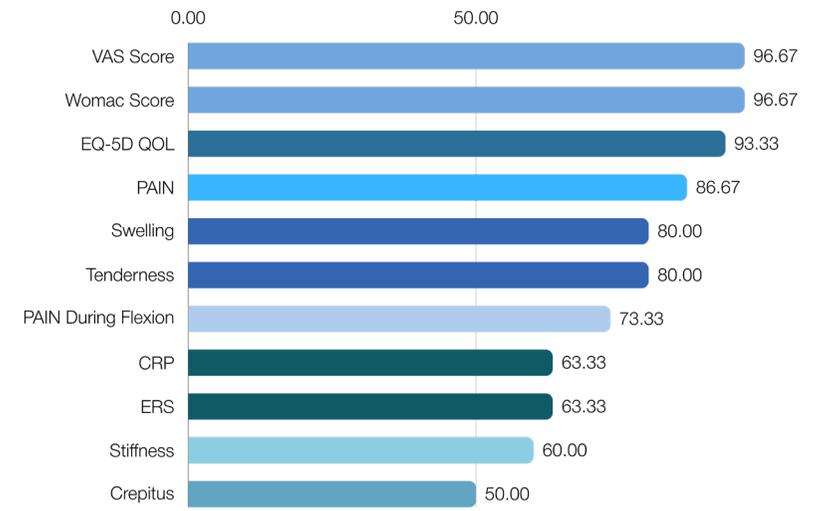
BUSINESS

Product Landscape - PAIN

Pain & Arthritis gel:

Product promise: Pain & Arthritis Gel is a topical gel formula, which helps to reduce pain and swelling in joints. The gel offers a cooling effect, which alleviates the 'hot' or warm feeling and pain in the joints.

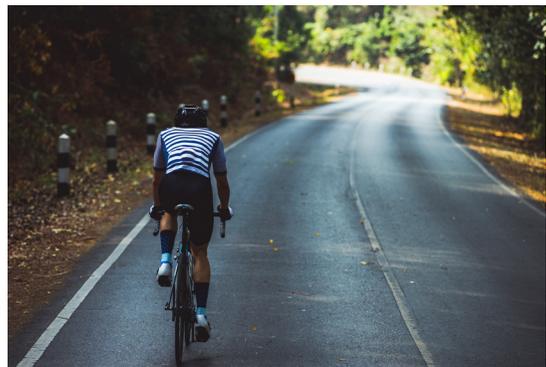
Key claims: Relieves pain and joint swelling. Cooling effect.



Pain Patch:

Product promise: Pain Patch is applied externally to the painful joint or muscle, providing two main effects. Firstly, it creates a cooling sensation on the treated area of the skin. Secondly, the pain patch offers longerlasting pain relief by stimulating the nerves and muscles beneath it, thus improving blood flow to themuscles.

Key claims: Relieves pain. Provides a longlasting pain relief. For muscle, neck, back & shoulder pain, sprains, sports injuries, and arthritis.



BUSINESS

Product Landscape - SKIN

Wound gel:

Product promise: Wound Gel is a moisturizing and cooling gel designed to promote optimal wound healing. The gel forms a protective layer that keeps the skin moisturized and promotes the healing process of wounds, abrasions, cuts, scrapes, sunburns, and minor burns.

Key claims: Covers minor abrasions, burns and sunburns with a protective film. Accelerates wound healing time. Cooling effect.



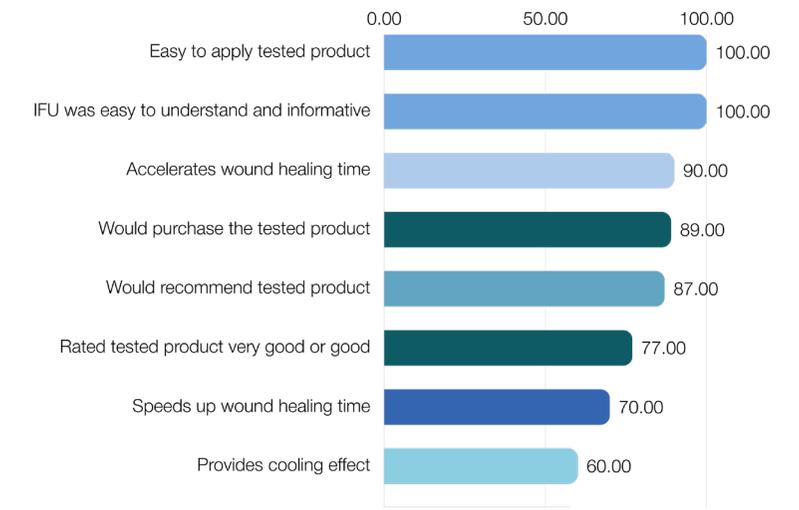
Before



After 5 days



*Application: Morning and evening



Psoriasis gel:

Product promise: Psoriasis Gel is a topical supportive treatment for dry, reddened, and scaly skin affected by psoriasis. It contains Dead Sea salt, which reduces redness and dryness. The gel has a cooling effect and helps hydrate the skin, preventing the formation of new scales.

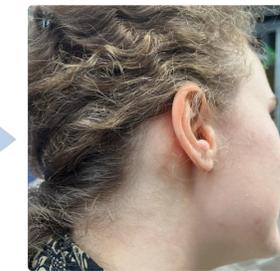
Key claims: To treat and relieve symptoms of psoriasis. For dry, reddened, or irritated skin. Moisturizes and Hydrates.



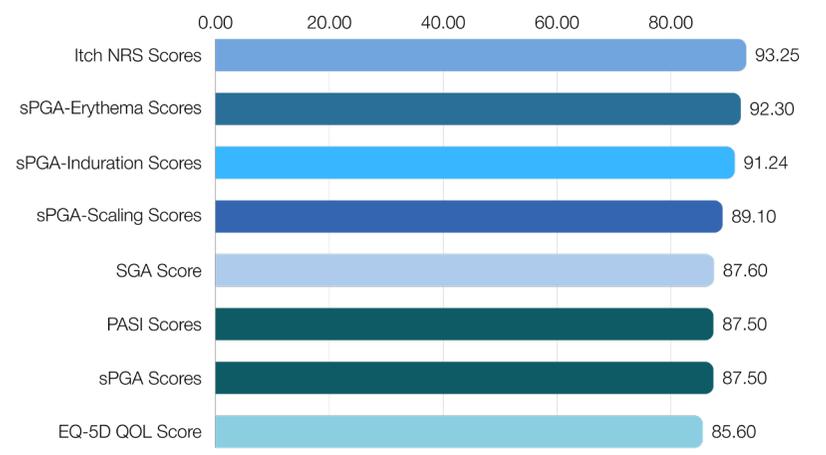
Before



After 2 weeks



*Application: Morning and evening



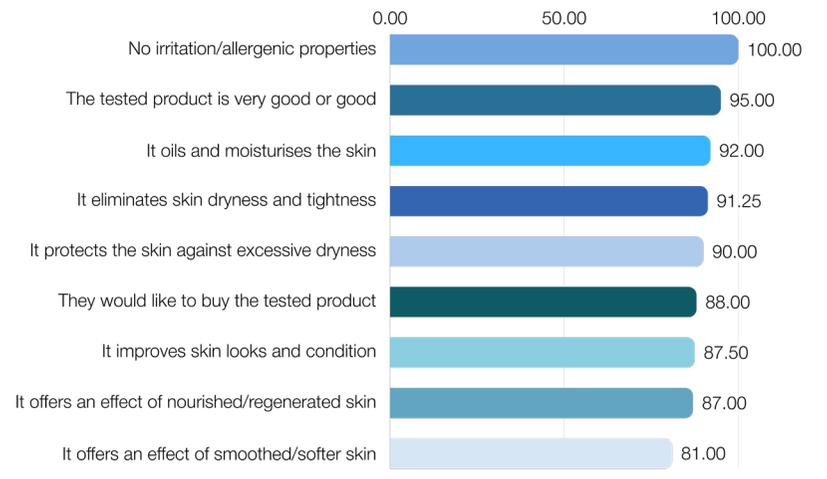
BUSINESS

Product Landscape - SKIN / NIGHT

PSO & Atopic Skin Relief Lotion:

Product promise: Psoriasis Skin Relief Lotion is to help in the daily care of atopic and psoriatic skin. The lotion offers an effect of nourishment/ regenerated skin and soothes skin irritations, dryness, and redness. In addition, it helps eliminate skin itching and makes scales less visible.

Key claims: Moisturizes dry skin. Improves skin appearance and condition. Eliminates skin itching. Makes scales less visible. Soothes skin redness and irritation.



Nasal Night Spray:

Product promise: Nasal Night Spray is an intranasal spray for bedtime usage. It facilitates nighttime breathing, which makes falling asleep easier and improves sleep quality.

Key claims: Moisturizes the nasal mucosa. Facilitates easier breathing, which improves sleep quality.



BUSINESS

Product Landscape - PROTECT

Nasal Protect gel:

Product promise: Nasal Protect Gel is an isotonic, salty, water-based, moisturizing gel for the nose, providing longlasting protection against allergens and allergic reactions. In addition, it moisturizes the nasal mucosa and protects against nasal irritation.

Key claims: Protects from viruses and allergens, such as pollen, dust, and pollution. Moisturizes and helps prevent dryness.



Infect Protect Lozenges:

Product promise: Infect Protect are throat lozenges with a unique complex of active ingredients consisting of gum arabic, sea buckthorn leaf extract and hyaluronic acid that physically support the natural barrier function of the mouth and throat against infectious viruses and bacteria. This is done by covering the mucous membrane of the mouth and throat with a protective film.



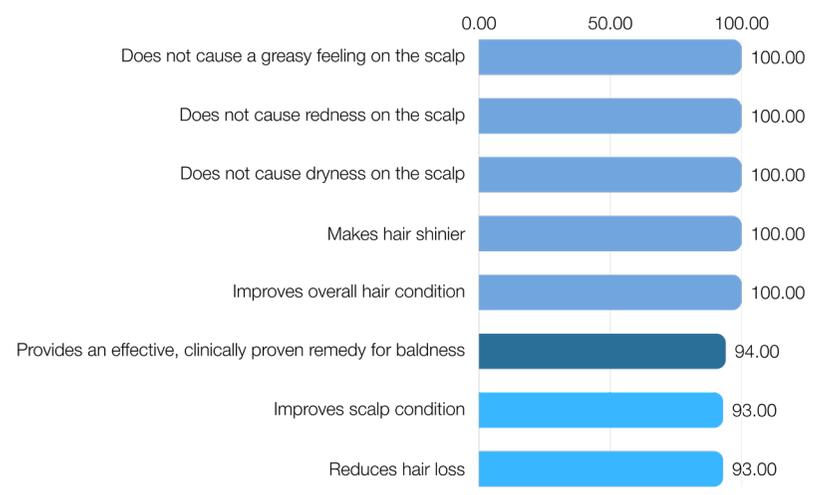
BUSINESS

Product Landscape - HAIR

Anti-Hair Loss Serum:

Product promise: Anti-Hair Loss Serum is a cosmetic treatment for reducing hair loss, helping hair density by up to 36% and thickness by up to 14% after one month.

Key claims: Reactivates hair follicles to stimulate growth. Improves hair and scalp condition. For all hair types, men and women, with natural cannabidiol (CBD).



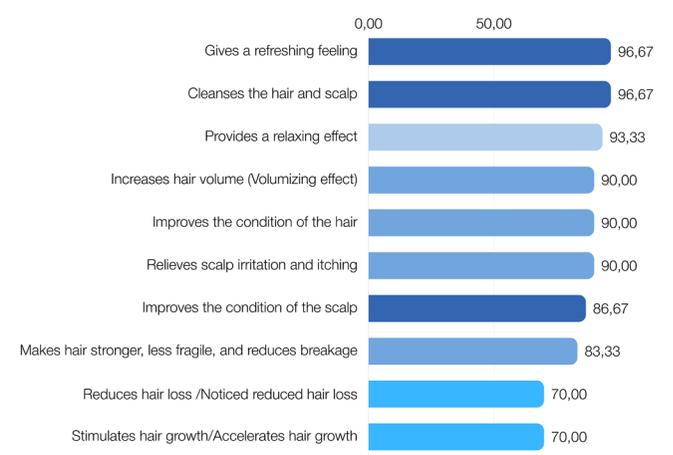
Option for Make-to-Order

Anti-Hair Shampoo & Mask:

Product promise: Strengthens weak and brittle hair as well as prevent hair loss caused by hormonal and genetic changes, fatigue, stress, unbalanced diet or external factors. The shampoo is developed to visibly improve hair condition, reduce brittleness, and give it vitality and shine. The ingredient allantoinin helps soothe irritations and calms sensitive scalp.

Shampoo – Key claims: Prevents follicle ageing and hair fall. Promotes hair growth and strength. Improves the condition of hair and scalp. For fuller, healthier, and denser hair.

Mask – Key claims: Prevents follicle ageing and hair fall. Promotes hair growth and strength. Nourish and soothe the hair and scalp. For fuller, healthier, and denser hair.



BUSINESS

Product Landscape - VET

VET-Pain & Arthritis gel:

Product promise: Can alternatively be used for joint pain related to conditions other than arthritis such as for muscle soreness and sprains. Topical treatment for body areas affected by Arthritis. Cooling effect on hot and swollen joints. Pain relief. Reduces the painful conditions that occur in Rheumatoid Arthritis.



VET-Pain Patch:

Product promise: Long-lasting pain relief due to continuous, consistent delivery of the ingredients. Reduces swelling, bruising, and stiffness and improves movement. Lower risk of drug interactions in comparison to oral analgesics – topical method of application. Up To 24 Hour Pain Relief.



VET-Wound gel:

Product promise: Suitable for minor abrasions and burns - useful as Muck Gel for Horses and Hotspot Gel for Dogs. Forms a protective layer, which protects the wound from external factors and keeps it moist. Contains moisture-retaining components. Has antibacterial, antiviral and antifungal properties to protect against infection. Accelerates wound healing time and maintains optimal conditions for proper healing.



Pre-treatment



After 5 days



Pre-treatment



After 5 days



BUSINESS

Our Pipeline

We have 9 launched products, 11 active in pipeline, plus 7 modified and 3 medicine and a range of upcoming Dermaceuticals at idea stage.

The VET portfolio and the Hair Care Shampoo & Mask have been presented to the industry and is already available as a Make-to-Order manufacturing strategy.

We have several dermaceutical products at the idea stage, as we want to extend the SKIN category and receive several requests for line extensions. However, we hold development until further funding.



Treatment Registration	Disease Indication	Development Stage			
		I	II	III	IV
Medical Devise	Arthritis Gel*				LAUNCHED
	Psoriasis Gel*				LAUNCHED
	Pain Patch*				LAUNCHED
	Wound Gel*				LAUNCHED
	Protective Intranasal Gel*				LAUNCHED
	Insomnia Nasal Gel*				LAUNCHED
	Infect Protect Lozenges				LAUNCHED
	Pain Patch Hot				Q2 2025
Medical Devise 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 Skin Relief				LAUNCHED
	Sport Gel 1000*				Q4 2024
	Sport CBD Patch*				Q4 2024
	Sport Spray + Mg*				Q4 2024
	Anti-Hair loss Shampoo				Q4 2024
	Anti-Hair loss Mask				Q4 2024
Medicine	Psoriasis Shampoo				Q4 2024
	Inhalator - CBD				
	Inhalator - CBD + THC				
	Inhalator - CBD + other Cannabinoids				

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



BUSINESS

Research & Development

R&D is essential to deliver on our purpose of creating world-changing products for a better every day. CS MEDICA combines research, technology, and nature within healthcare to revolutionize with innovative treatments and technology within the cannabis and medical industries.

R&D and high product effectiveness

CS MEDICA follows a unique R&D approach by analyzing specific illnesses and - based on the gathered knowledge - developing a treatment that tackles these ailments in the safest and most effective way with the right amount and dosage of CBD. Thus, it differs from other companies that simply sell products containing CBD without any proof of efficacy or safety

High degree of product effectiveness

In its research, bioavailability plays a crucial role in terms of how CBD-infused products can alleviate and heal illnesses. Simply put, when CBD is bioactive, the body can recognize, absorb and use it, producing effects by interacting with the endocannabinoid system, which helps regulate mood, pain, and inflammation. Without bioactivity, CBD would pass through the body without any noticeable effect.

Studies have shown that the highest bioactivity is given when the product is applied topically as a gel or cream. For example, some of CS MEDICA's competitor products (e.g. Canzon's CBD oil for pain relief) are oil-based pain and sleep appliances that must be taken orally and are not as effective in absorption as compared to topical (6-19% vs. 45%) or even nasal (6-19% vs. 34-46%) application due to the potential danger of increased risk of side effects.

During the past two years, CS MEDIA researched different CBD isolate/crystal manufacturers in Europe, the USA, and China, focusing on their bioactivity. This has been done through various pilot and lab tests. As a result, the company can now offer treatments with clinically proven effectiveness, often recognized as the best in their category, particularly true for CS MEDICA's pain & arthritis gel and pain patch.

“ To ensure we deliver value to society, R&D continuously pursues even higher levels of innovation across more therapy areas and technology platforms and with more patients and partners.

Our R&D strategy

- Deliver a pipeline of innovative medical devices with cannabidiol to help bring change and relief to patients' lives worldwide with the therapeutic values of cannabinoids.
- Source the best ingredients and partnerships for safe, efficient, and accessible results for those that need a better every day
- Advance our capabilities to position us for long-term R&D and trusted CBD leadership

While a considerable amount of our R&D is internal, we strive for know-how and innovative technologies developed by others to integrate into our discovery and development processes or products. We collaborate with universities, companies, and other partners, allowing us to share knowledge, and optimize operations.

Behind the science

The endocannabinoid system (ECS) is a biological system composed of endocannabinoids, which are endogenous lipid-based retrograde neurotransmitters that bind to cannabinoid receptors (CBRs), and cannabinoid receptor proteins that are expressed throughout the vertebrate central nervous system (including the brain) and peripheral nervous system. Endocannabinoids have important effects on immune functions as well. They modulate T- and B-lymphocytes proliferation and apoptosis, macrophage-mediated killing of

sensitized cells, inflammatory cytokine production, immune cell activation by inflammatory stimuli, chemotaxis, and inflammatory cell migration.

The endocannabinoid system remains under preliminary research but may be involved in regulating physiological and cognitive processes, including fertility, pregnancy, pre-and postnatal development, various activity of immune system, appetite, pain-sensation, mood, and memory, and in mediating the pharmacological effects of cannabis. The ECS plays an important role in multiple aspects of neural functions, including the control of movement and motor coordination, learning and memory, emotion and motivation, addictive-like behaviour, and pain modulation, among others.

Two primary cannabinoid receptors have been identified: CB1, first cloned (or isolated) in 1990; and CB2, cloned in 1993.

- [Link: NIH article](#)
- [Link: Endocannabinoid system](#)



Our DNA

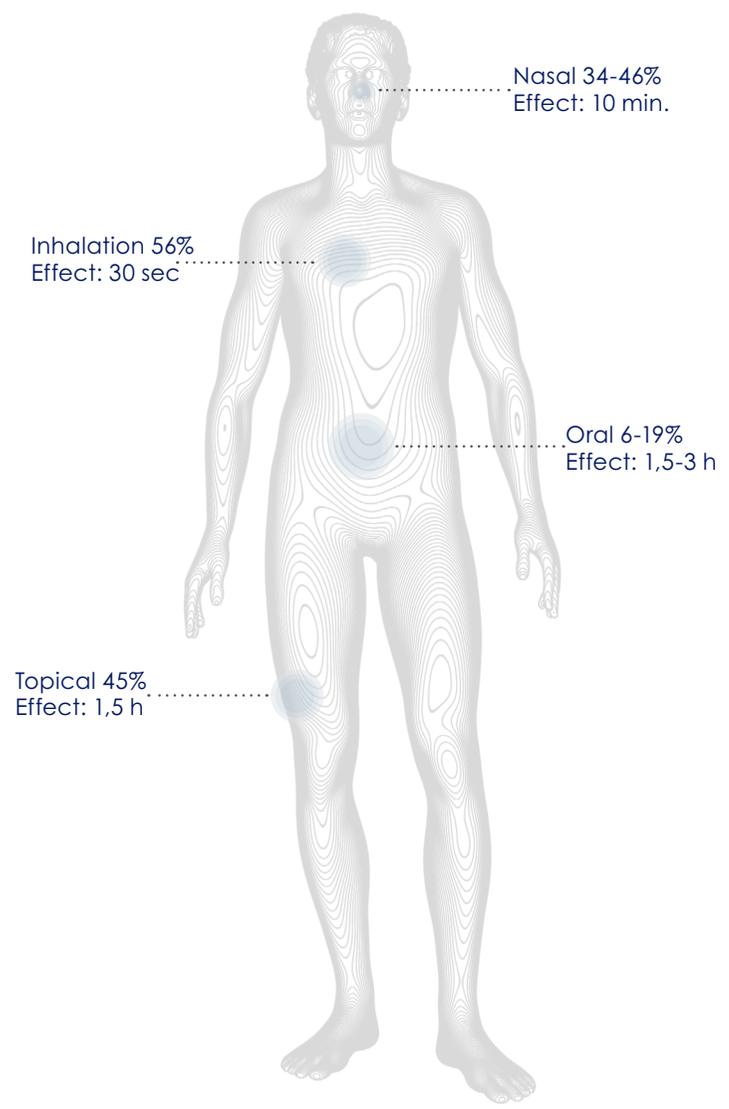
We have researched the bioavailability of the Phyto cannabinoids in the human body together with drug delivery systems to deliver cannabinoids to the human body with high efficacy. We found the oral delivery of the Phyto cannabinoids was highly ineffective, as the bioavailability was only 6% and the orally delivered Phyto cannabinoids went through the liver, where it reduces the enzyme degrading process of medicine, meaning the medicine has a higher efficacy in the body. Whereas the delivery of Phyto cannabinoids through the skin or the nasal passage has a bioavailability of 45% and does not enter the lever, as it does not enter the bloodstream.

CBD reach the receptors of pain, psoriasis, hair, inflammation (wounds) and arthritis through the skin. Many of the receptors are present in the skin. CBD applied topically or nasal targets the localized area/problem, dispersing across the skin reaching muscles and cells - very little CBD enters the bloodstream and thereby does not reach the liver.

Why Natural CBD

In our research and development, we also found that several factors impact the efficacy/bioactivity of the extracted Phyto cannabinoids – why some Phyto cannabinoids extracted from Cannabis Sativa L. plant have no effect/no bioactivity in the human body, as the extracted Phyto cannabinoids must be recognizable by the human body to be utilized. An external journal¹ describe that synthetic CBD have no effect /no bioactivity in the human body, as the human body do not recognize the synthetic CBD as an alternative to the body's own produced endocannabinoid (AEA, 2-AG) – like the human body cannot recognize and utilize synthetic insulin, as the body do not recognize the synthetic insulin as the human insulin the body produces itself. If the body do not recognize the insulin – the insulin will not be able to interact with the insulin receptor and open the glucose channel in the cell.

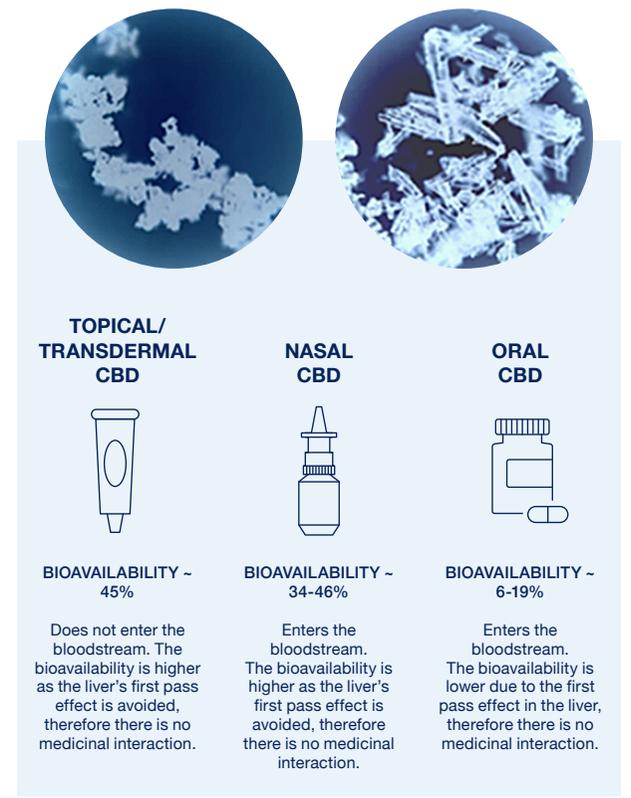
Bioavailability



Unique Findings

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

- Patent Application Pending Study for Bioavailability
- Optimal delivery system with high Bioavailability (Topical & Nasal)
- Pilot Study identifying bioactive CBD
- Discovery of factors that impacts the Natural CBD's bioactivity in the body
- Unique technology as the foundation for all formulas



BUSINESS

Regulatory Strategies

Regulatory Approvals and Market Position

CS MEDICA's strong regulatory presence across key markets such as the EU, UK, US, and Israel provides a significant competitive advantage in the medical device industry. By complying with international standards like ISO 13485 and ISO 14971, the company emphasizes its commitment to safety and quality. Its adherence to stringent frameworks like the US FDA and EU MDR bolsters its credibility and distinguishes it from competitors.

Key regulatory milestones include:

- **EU - MDR compliant:** Two MDR-compliant products in Europe, which are the first of their kind under the new EU Medical Devices Regulation (MDR) according to Rule 21.
- **EU - Class IIa Classification:** Three substance-based medical products with CBD have been classified under MDR, Rule 21.
- **EU - Certification through BSI:** Certification of the products via BSI, the notified body under MDR, confirms that CS MEDICA meets stringent regulatory requirements.
- **FDA:** Eight FDA-compliant products in the USA, which are the first of their kind in this category.
- **TGA:** The first TGA-compliant products in Australia - the first of their kind in this category.

- **CDSCO:** The first FDA-compliant products in India - the first of their kind in this category.
- **IMOH:** The first IMOH-compliant products in Israel - the first of their kind in this category.
- **Malaysia** – The first three products compliant for sales - the first of their kind in this category.

Additionally, CS MEDICA's over-the-counter medical devices, available without a prescription in the EU, underscore its unique market position and broaden its accessibility across regions.

Regulatory environment:

Although THC (tetrahydrocannabinol) is the psychoactive component of cannabis in many countries, including China, CBD (cannabidiol) is still stigmatized and classified as an illegal substance. Despite CBD's lack of psychoactive effects, it faces legal challenges and regulatory scrutiny in China, complicating market entry. This stigma adds to the complexity for companies like CS MEDICA, which specialize in CBD-infused products, making it crucial to navigate the country's strict regulatory landscape carefully.

CS MEDICA is currently undergoing the process of registering its products under Chinese legislation, with clinical trials taking place in the pilot zone area of "Hainan." This region offers a unique regulatory environment, and the company's prospects for entering the market appear

promising. China's massive market, combined with its role as a gateway to the broader APEC region, positions it as a strategic target. Favorable consumer behavior, such as a willingness to adopt new technologies and wellness products, presents an opportunity for CS MEDICA to achieve a first-mover advantage. Once local approval is granted, the company could establish a strong foothold in China and the wider Asia region, where competition remains limited.

However, China's regulatory complexities mean that the market is not yet factored into the company's short-term growth projections. In contrast, Japan's allowance of CBD products with 0% THC presents a promising opportunity, especially as CS MEDICA has achieved a one-pass-per-billion test confirming no trace of THC.

Along with India and Malaysia, where CS MEDICA has already secured product registrations, Japan offers a more favorable regulatory environment for immediate expansion, presenting new revenue opportunities while China's legal landscape evolves.



BUSINESS

Patents and Other Intellectual Property Rights

Patents for revenue drivers strengthen business value. All of CS MEDICA's main products are patented or in the patent registration process. It goes without saying that patenting its unique formulas will help ensure its competitive advantage. For example, for CS MEDICA's main products and revenue drivers i.e. arthritis gel, psoriasis gel, wound gel, pain patch, and protective nasal gel, the company has already applied for patents in 2019 and ending in 2022, which, if granted, will empower the company to ensure exclusivity to its formula.

Worth highlighting, this year, the company was already granted patents on its Anti-Hair Loss serum in Denmark and its Psoriasis Gel in EU. Also, the company is prepared to launch final tests for bioactive CBD. Once completed, the patent application is expected to be initiated.

Currently, we have the following patents:

Patent no.: DK 181405 – Nasal Protect Gel

Patent no.: DK 181329 – Nasal Night Spray

Patent no.: DK 181458 – Wound Gel

Patent no.: EP 4009944I - Psoriasis Gel



PATENT NO.: DK 181405
PATENT NO.: DK 181329
PATENT NO.: DK 181458
PATENT NO.: EP4009944



	DK patent application year	PCT ¹ application year	National patent application ² year	If patent granted - expiry year
Arthritis Gel	2019	2020	2022	2039
Sports Gel 650	Same formulation as Arthritis Gel and therefore covered by this patent application			
Psoriasis Gel**	2019	2020	2022	2039
Anti-Hair Loss Serum*	2021	2022	2023	2041
Nasal Spray Night*	2021	2022	2023	2041
Wound Gel*	2021	2022		2041
VET HOT Sport Gel	Same formulation as Wound Gel and therefore covered by this patent application			
Pain Patch	2021	2022	2023	2041
VET Pain Patch	Same formulation as Pain Patch and therefore covered by this patent application			
Protective Nasal Gel*	2021	2022		2041
Supplement Arthritis		2022	2023	2042
Supplement Psoriasis		2022	2023	2042
Supplement Anti-Hair Loss	2021	2022	2023	2041

*Granted and to be issued in Denmark

**Granted and to be issued in Europe

¹PCT = Patent Cooperation Treaty

²National patent application in following countries: USA, Canada, China, Europe, Israel, Australia, New Zealand, Japan, India, Malaysia, Thailand, Brazil, UAE, Saudi Arabia, South Korea



➤ Trademarks

The Company protects its IPR by the mentioned patents and global trademarks registration in class 03, 05, and 10 – covering the following territories;

Country	Status	Renewal	Application
Australia	Registered		12/11/2021
Canada	Registered		20/01/2020
EU	Registered	24/10/2028	24/10/2018
Hong Kong	Registered	10/11/2031	11/11/2021
Indien	Registered		20/01/2020
Indonesia	Registered		20/01/2020
International Protocol	Registered	19/11/2028	19/11/2018
Malaysia	Registered		20/01/2020
New Zealand	Registered		12/11/2021
Norway	Registered		19/11/2018
South Korea	Registered		20/01/2020
Switzerland	Registered		19/11/2018
Turkey	Registered		12/11/2021
United Kingdom	Registered	24/10/2028	24/10/2018
USA	Registered		20/01/2020
Vietnam	Registered		20/01/2020
Japan	<i>Under processing</i>		20/01/2020
Thailand	<i>Under processing</i>		20/01/2020



BUSINESS

Commercial Growth & Performance

Growth

The alternative medicine market is expected to grow at a 15.7% CAGR (2021–2031e), driven by increasing consumer demand for non-pharmacological treatments, such as CBD-infused solutions. As a key player in this market, CS MEDICA is projected to achieve a 61% sales CAGR through 2027/28e, driven by expanding international market penetration and growing demand for its medical devices.

CS MEDICA is uniquely positioned to capitalize on this expanding market, supported by recent consumer trends and the increasing prevalence of autoimmune and stress-related disorders. Its product portfolio addresses these conditions across diverse markets, leveraging cultural differences to drive growth.

Rising Demand for Alternative Medicine

Over the last few years, health-conscious consumers have increasingly shifted from pharmaceutical products to alternative medicines, which offer similar efficacy, fewer side effects, and lower costs. For example, while the global market for complementary and alternative medicine was valued at \$102 billion in 2021, it is projected by Allied Market Research to grow at 15.7% annually, reaching €438 billion by 2031. This shift highlights not only the growing acceptance of alternative treatments but also their strong demand.

CS MEDICA's product portfolio is ideally positioned to benefit from this trend. Its CBD-infused gels, sprays, creams, and patches offer the efficacy of traditional

pharmaceuticals while delivering the additional benefits of fewer side effects and natural ingredients.

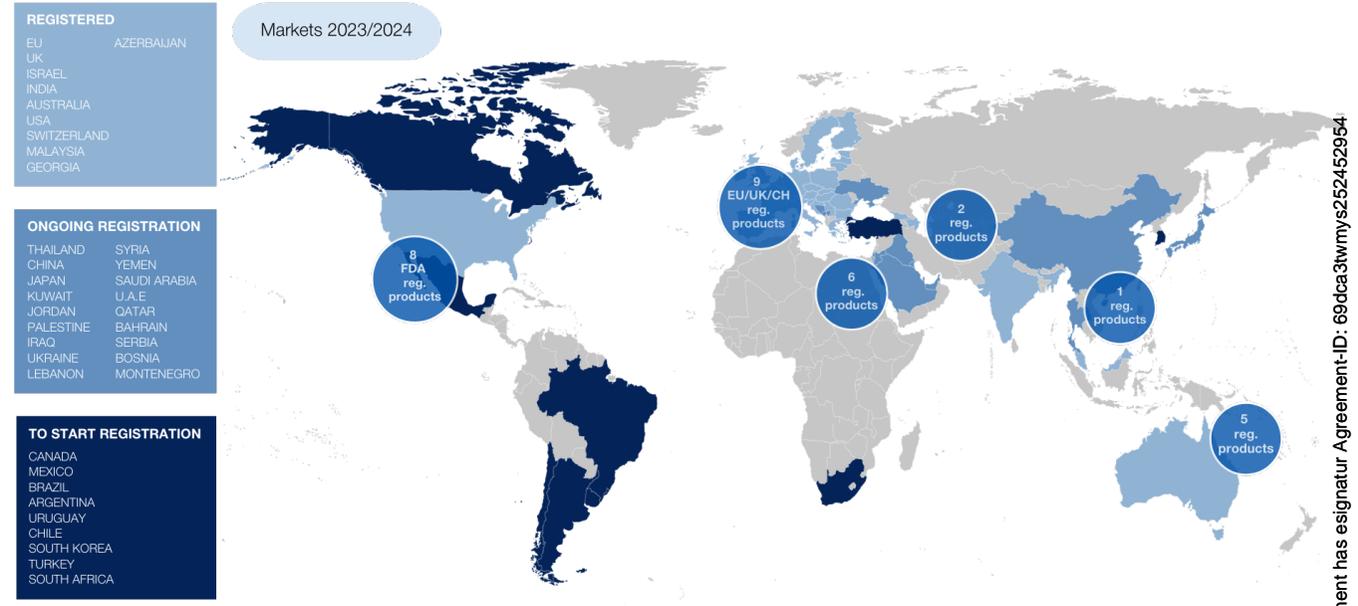
Market Expansion and Cultural Adaptation

Another key growth driver lies in expanding into non-European markets, particularly APEC and MENA, where regulatory requirements are stricter due to CBD bans. CS MEDICA's THC-free product portfolio (less than one-pass-per-billion) meets these stringent standards, ensuring market entry compliance.

However, CS MEDICA is also deeply engaged in expanding its presence in the EU and the US, markets that hold significant potential due to their established healthcare infrastructures and growing consumer interest in CBD-infused solutions. In Europe, CS MEDICA benefits from its MDR compliance, which allows its products to be marketed as medical devices, giving the company a competitive edge in pharmacy distribution channels. Meanwhile, in the US, the increasing acceptance of CBD products and regulatory advancements are paving the way for CS MEDICA's products to tap into a highly lucrative market.

Top-Line Growth

CS MEDICA is poised to deliver sales growth, supported by its strategic business model and market dynamics. The company operates with a CANNASEN® branded portfolio and white-label model with the purpose to drive revenue with shorter lead time from order to invoice,



contingent on the successful approval and registration of its CBD-infused products across relevant markets, particularly in APEC, MENA, the EU, and the US.

Distribution Channels

CS MEDICA employs a multi-channel sales approach, including direct (B2C) sales through its CANNASEN® web shop, retail partnerships, wholesale distribution, and agent channels that act as intermediaries. Recently, the company has shifted toward a B2B2C model due to focusing on less capital-intensive operations.

i.e. in Denmark, CS MEDICA outsourced sales activities to OneMed, leveraging its established logistics, purchasing power, and distribution network. This partnership enables CS MEDICA to reduce overheads and operational expenses, allowing the company to concentrate on product development, marketing support and core operations while benefiting from OneMed's cost-efficiency and market reach.



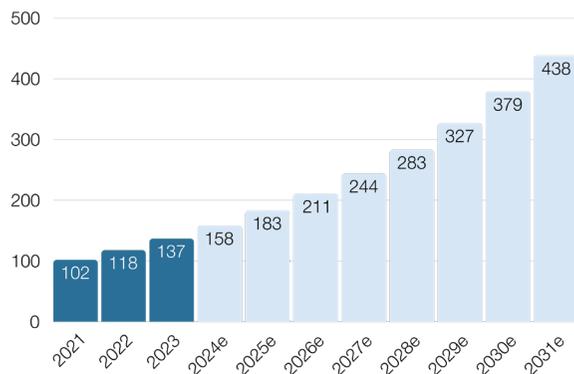
BUSINESS

Segmentation & Markets

Segmentation & Markets

Growing demand for alternative medicine positively affects CS MEDICA's business. In the last years, more and more health-focused consumers tend to shift from pharmaceutical medicines towards alternative medicine and treatments with the same efficacy, fewer side effects, and lower cost than traditional medicines. For example, while the market for complementary and alternative medicine amounted to \$ 102bn globally in 2021, Allied Market Research estimates that it will grow by 15.7% annually to reach € 438bn by 2031, showcasing not only the increased acceptance or tolerance of alternative medicines, but also the strong demand for it. This looks set to benefit CS MEDICA's current product portfolio which is built on alternative medicine through its CBD-infused gels, sprays, creams, and patches which are mostly applied topically or nasally, all the while offering the same efficacy that customers are used to from traditional pharmaceuticals.

Growing global demand for alternative medicine (\$ bn)



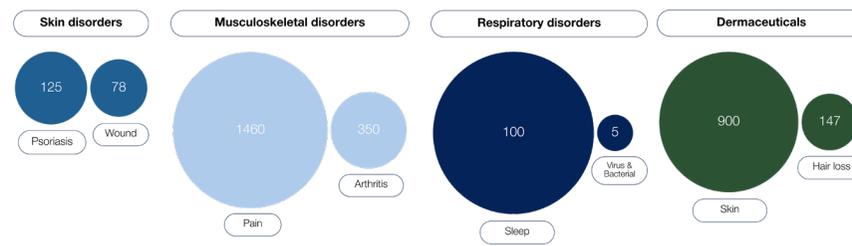
Source: NuWays Research

Diseases and ageing population

Moving beyond traditional demographic segmentation based on age or gender, CS MEDICA focuses on behaviors, symptoms, and needs and prioritizes real needs in categories such as skin disorders, musculoskeletal disorders, respiratory disorders, and dermaticals and can thus reach a broader audience globally.

People are becoming older and with that chronic diseases are an increasing trend as well with people suffering from pain and seeking treatment. CS MEDICA is addressing a multi-billion-dollar market which is projected to grow by 4-9% CAGR within the upcoming years to a respectable size (> \$ 500bn by 2028e), implying a long runway of growth ahead for the company. Addressing ailments such as psoriasis, wounds, arthritis, pain, sleep disorders, virus & bacterial infections, hair loss, and skin disorders, CS MEDICA is positioned to capitalize on these developments.

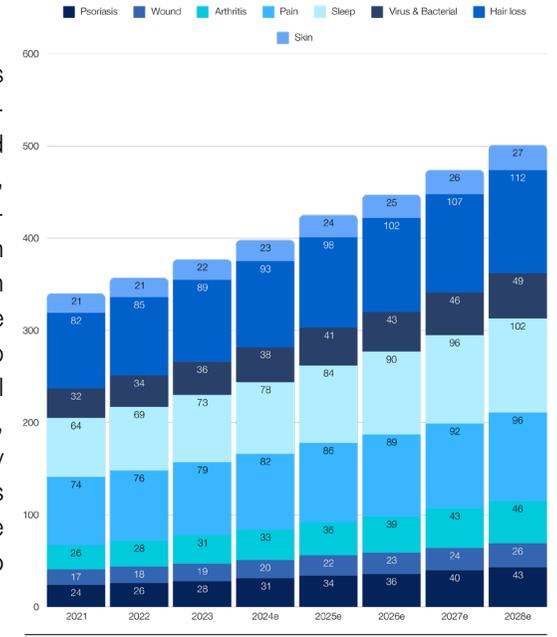
Prevalence of people (in m) suffering from various chronic ailments addressed by CS MEDICA's products



Source: NuWays Research

Segment strategy

CS MEDICA's "bottom-up" business approach is also reflected in its customer segmentation, which is divided into four key groups: demographic, behavioral, psychographic, and cluster. Unlike conventional segmentation strategies that often focus solely on demographic factors such as age or gender, CS MEDICA goes a step further by emphasizing behavioral factors, real consumption moments, and specific symptoms. This strategy enables the company to make its products and communication more targeted, effective, and relevant to various health challenges.



Source: NuWays Research

Although CS MEDICA's products are not tailored to a single demographic group, the company recognizes that autoimmune and stress-related disorders are more prevalent among older individuals. As global populations age, CS MEDICA is well-positioned to address age-related conditions such as arthritis, leveraging this demographic trend to drive future growth.

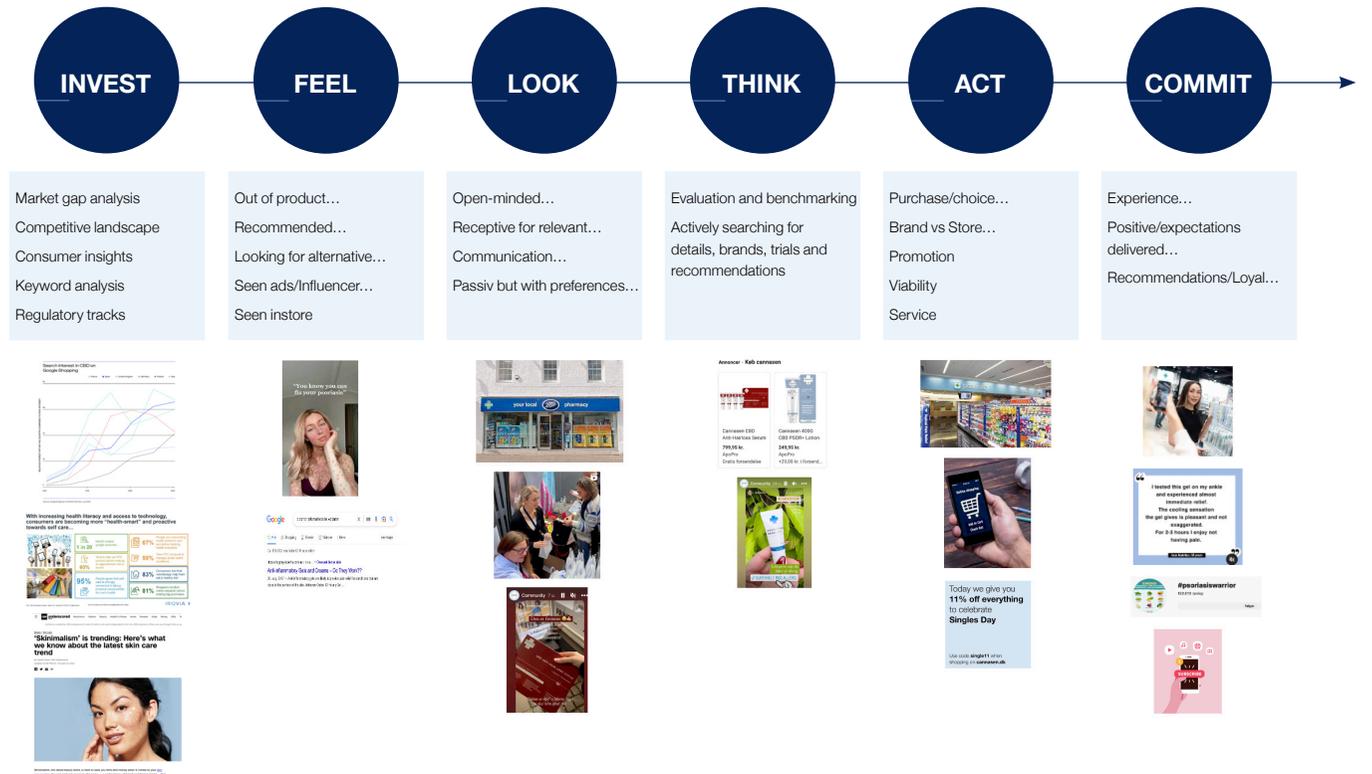
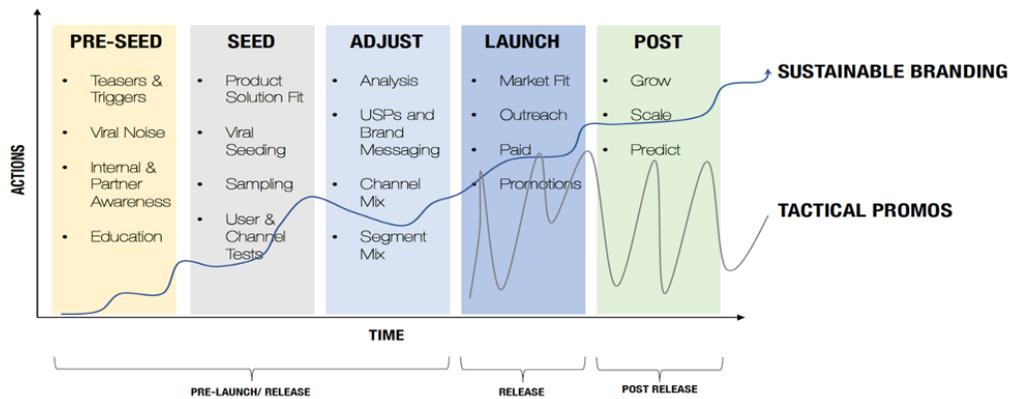


BUSINESS

Marketing & Compliance as a Service

Central to MaaS is CS MEDICA's Knowledge Hub, which includes a content portal featuring practical playbooks, regulatory guidance, and data-driven insights. Data and case studies are shared with customers to optimize product launches and enhance communication strategies. This resource empowers partners to confidently promote CBD medical devices while adhering to regional compliance standards.

Through its targeted BtBtC (Business-to-Business-to-Consumer) strategy, CS MEDICA ensures that end customers receive accurate information, fostering trust and driving product adoption. Additionally, as one of the few companies integrating CBD into Medical Device compliance, CS MEDICA leverages its extensive data and real-world case studies to enhance partners' market entry strategies and streamline regulatory approvals. By addressing both regulatory challenges and educational gaps, CS MEDICA's MaaS framework strengthens its partners' success and enhances the company's leadership position in the CBD MedTech industry. This integrated approach drives sales, builds brand credibility, and secures long-term growth in a rapidly evolving market.



BUSINESS

Supply Chain & Operations

Enhanced Operational Strategy and “4R” Framework Progress

- 1. Reflect:** Over the past year, CS MEDICA has streamlined its operational and financial structure, creating a leaner, capital-light, more agile organization. Our optimized business model has reduced costs, mitigated risks, and enhanced scalability, allowing us to seize market opportunities despite lack of funding to scale fully. Strategic investments in compliance, clinical trials, and process improvements have yielded tangible results, solidifying our position as a trusted partner in the global alternative medicine space.
- 2. Revise:** We have shifted to a flexible B2B2C model, strengthening partnerships with local market players while accelerating white-label business growth. This strategic pivot leveraged our core strengths in R&D, compliance, and market insights to enable faster market entry and expansion. Through securing new patents, local registrations, and distribution agreements, we have strengthened our competitive edge and improved our performance, enabling us to navigate the years' disruptions and challenges.
- 3. Reframe:** We have prioritized scalability and operational efficiency by refining our go-to-market processes and enhancing partnerships with CMOs. We have additionally chosen to harmonize our packaging process.
- 4. Reinvigorate:** The team has demonstrated resilience in overcoming supply chain constraints and production delays, maintaining high morale and operational efficiency. By implementing vertical integration and harmonizing processes, we have created a more responsive organization. Our compliance with the MDR transition has further strengthened our ability to meet market demands and maintain a streamlined, efficient operation.

Manufacturing and distribution strategy

CS MEDICA has recently reshaped its strategy and now focuses more on its white label business approach. This decision is based on the payment structure of white label, rendering extensive funding requirements prior to production obsolete: CS MEDICA receives a prepayment for all MOQ compared to when producing its CANNASEN® brand products. Furthermore, all products/treatments can only be produced after registration and local approval, which usually takes six to twelve months, depending on the jurisdiction concerned. While the company has achieved local approval to sell its products as medical devices in all of Europe, it still awaits local approval in numerous international countries.

The company follows a made-to-order (MTO) production, rendering unnecessary the piling up of inventory. It usually takes four months to produce (target: two months), partnering with manufacturing companies in Germany and Italy. The order-delivery-invoice lead times range from five to 13 months, depending on whether the customer is based inside or outside of Europe and on whether CS MEDICA produces for its own CANNASEN® brand or its partners (private/white label). This is because the company is required to gain local approval to sell its products as medical devices in any given jurisdiction, which can take up to 6 months. Additional time is needed for packaging and shipping.

GOVERNANCE

CORPORATE GOVERNANCE

Board of Directors



Flemming Heegaard (1954)
– Chairman of the Board

Flemming is Chairman of CS MEDICA and a seasoned attorney with particular focus on corporate law, M&A, and tax advisory services. He appeared in DK Court of Appeals and Supreme court and offers valuable comprehensive legal counsel. Other assignments include practicing in his own law firm and being a board member in other commercial companies.

Gitte Henriksen (1967)
– Founder & Member of the Board

Gitte Henriksen holds an M.Sc. in Business Administration and Finance. Gitte has experience as an auditor from KPMG with more than 20 years of experience in business development within “Big 4” companies including business divestiture, acquisition, and retention. She is a chairman of a board at Wirefree service (Orange Denmark). In addition, Gitte has valuable experience in strategy development, implementation and execution as well as a stakeholder- and project management.

Jesper Herold Halle (1974)
– Member of the Board

Jesper is a board member of CS MEDICA. He holds a BA in international business and has 25+ years expertise in Asia and the Middle East, fostering major digital platform collaborations. He is a former Commercial Consul for the Danish Ministry of Foreign Affairs in China. Other assignments includes being partner at Case Rose | Inter Search an executive and leadership consulting firm, Partner at Board Network– The Danish Professional Directors Association, and leading the advisory firm Herold Halle 1945 ApS.

Ib Madsen (1978)
– Member of the Board

Ib is a board member of CS MEDICA. He is a seasoned CEO with a strong focus on business development across diverse industries. His expertise includes business development, capital raising, and strategic sparring, underpinned by a commercial mindset and go-to-market strategy. Other assignments include being relationship

Anders Permin (1963)
– Member of the Board

Anders Permin holds a Ph.D. in Veterinary Microbiology and an MMBA in Business Administration. Permin is also the CEO and founder of Uni-brains.dk, helping companies with life science documentation, market analysis, and IT solutions. Previously, he worked as Deputy Director at the National Food Institute of the Technical University of Denmark.



CORPORATE GOVERNANCE

Board composition

Once a year, the Board of Directors conducts a self-evaluation. The Board remains focused on the going concern and risk management to provide long-term value creation by fostering a combination of competencies.

t



CORPORATE GOVERNANCE

Executive Management



Lone Henriksen (1970) – CEO, -CSO and Founder

B.Sc. in Biochemistry and a B.Sc. in Business and Strategic Marketing. She has more than 20 years of experience in the pharmaceutical industry. Lone has valuable experience with sourcing and securing GMP and GDP in the value chain; R&D in ingredients, health food, cosmetics, and pharmaceuticals; as well as a quality and project management. In her previous work, she was, amongst others, behind the global cooperation between Brenntag and Astra Zeneca.



Gitte Henriksen (1967) – CFO, -Founder and Board member

M.Sc. in Business Administration and Finance. Gitte has experience as an auditor from KPMG with more than 20 years of experience in business development within “Big 4” companies including business divestiture, acquisition, and retention. She is a chairman of a board at Wirefree service (Orange Denmark). In addition, Gitte has valuable experience in strategy development, implementation and execution as well as a stakeholder- and project management.



Heidi Ahlefeldt-Laurvig (1973) –COO, CMO

MBA from Henley Business School. She is an external examiner (censor) at CBS, a Jury Board member at the Ecommerce Awards at Danish Chamber of Commerce, and holds 2 board positions. Heidi has experience in growth, transformations, internationalization, branding, and digitalization. For 20+ years, she has worked with different industries and reframed business models and strategies.



Mikkel Raahauge Nielsen (1985) –CCO

M.Sc. in International Business. Mikkel has 10+ years of experience in the pharmaceutical industry in various positions. The focus has been on sales and strategy since 2014 and the latest position included the commercial responsibility for 900+ pharmaceuticals in Scandinavia.



Suzan Al-shuweli (1984) –CQO & PRRC

Master in Biotechnology, chemical and biotechnological engineering. Expertise in Quality and Regulatory Affairs for medical devices. Certified in Good Manufacturing Practice (GMP) for medicinal products. PRRC - MDR



Kamlesh Vora, -MD Cannordic India

Master in Organic Chemistry. Has 25yrs of Sales and Business Development experience in Indian and Asia Pacific Pharma market. Business Management in India & Asia Pacific for Pharma, Animal Nutrition & Health, Food and Agro. Factory Audits for developing sustainable sourcing from Asia to ROW, for API's & Ingredients.

CORPORATE GOVERNANCE

Corporate Responsibility

We commit to improving people’s lives by bringing change and relief to patients worldwide with the therapeutic values of cannabinoids.

Patients, being two or four-legged users, that struggle with pain, autoimmune diseases, and stress-related disorders, and seek efficient, safe alternatives to traditional healthcare treatments. In this pursuit, sustainability is essential and a part of our DNA and long-term business success. We work with natural ingredients as science and aim to ensure we meet our customers, community, and planet’s needs.

We strengthen our efforts, education and share best practices to influence our value chain and industry. Strong partnerships, data insights, and technology, together with our R&D, help us innovate and evolve further. Current external factors challenge the supply chain and new opportunities, ensuring we keep agile and adaptive for better decisions and partnerships.

“ Strong partnerships, data insights, and technology, together with our R&D, help us innovate and evolve further



DIRECTOR'S REPORT

DIRECTOR'S REPORT

The financial year 2023/2024

HIGHLIGHTS AFTER THE FISCAL YEAR

- **Jan 10, 2025**, CS MEDICA Achieves Fourth European Patent with Psoriasis Gel.
- **Dec 19 2024**, Spotlight Stock Market's announcement regarding the delisting of the company's shares.
- **Dec 19, 2024**, Anti-Hair Loss Serum Approved for Sales as MENA Market Expands, Complementary Products Await Final Approval.
- **Nov 22, 2024**, Update on the Share Distribution of CANNORDIC Shares
- **Nov 22, 2024**, Permanent regulation could pave the way for better access and understanding of CBD's benefits and the diversity of products, as seen in more mature global markets.
- **Nov 12, 2024**, CS MEDICA A/S: Update on the Strategic Rationale Behind CANNORDIC IPO and Aim for Capital Increase
- **Nov 11, 2024**, CANNORDIC, the subsidiary of CS MEDICA, secures an exclusive deal with Deutsch-Pharm in Ukraine, signaling a sales potential of DKK 750.000.
- **Nov 04, 2024**, CS MEDICA Valued at 17,16 DKK (€2.30) per Share Ahead of German IPO, Highlighting Unique Regulatory Position and Growth Potential

- **Oct 29, 2024**, CS MEDICA Achieves Key Milestone in MDR Compliance with Finalized Classification, Solidifying Unique Market Position for Medical Devices
- **Oct 21, 2024**, CS MEDICA A/S Update from CEO: Progress on CANNORDIC IPO, Share Distribution & Upcoming Market Analysis
- **Oct 02, 2024**, CS MEDICA A/S Secures Sales Approval in Azerbaijan & Georgia, Valued at 1.17 mDKK
- **Oct 02, 2024**, CS MEDICA A/S Share Capital Increase Registered with the Danish Companies Registration Office

HIGHLIGHTS DURING THE FISCAL YEAR

Q4

- **Sep 30, 2024**, CS MEDICA's Subsidiary Signs Agreement to Target the German Market, Leveraging Expertise of Nimbus Health, a Dr. Reddy's Laboratories company.
- **Sep 18, 2024**, CS MEDICA A/S Announces Strategic Partnership with

Scan MedPartners to Expand Reach into the US Market

- **Sep 17, 2024**, CS MEDICA Announces Approval of CANNASEN® Pain Patch in Malaysia and Trademark Registration in Thailand
- **Sep 16, 2024**, Technical News 6/24 – Information regarding the introduction of CCP solution at Spotlight Stock Market
- **Sep 02, 2024**, CANNORDIC India Ltd., a CS MEDICA Subsidiary, Signs Letter of Intent with the Pharmaceutical Company Zuventus Healthcare to Launch CANNASEN® in India
- **Aug 21, 2024**, CS MEDICA Achieves MDR Classification, Setting New Standards in Substance-Based Medical Devices
- **Aug 20, 2024**, CS MEDICA Pioneers CBD-Infused Medical Devices in Jordan with Confirmed Classification
- **Aug 19, 2024**, CS MEDICA Q3 2023/2024: Growth Through Strategic Regulatory and Market Adaptations
- **Aug 16, 2024**, CS MEDICA Q3 2023/2024 Results: Strong Revenue Growth of 400% Despite Production Delays
- **Aug 07, 2024**, CS MEDICA's CANNORDIC Names Pharma Avanti as Preferred Partner in Brazil



DIRECTOR'S REPORT

- **Aug 02, 2024**, CS MEDICA's Subsidiary, CANNORDIC, Signs Distributor Partnership with PHARMALINK
- **Jul 26, 2024**, CS MEDICA Leverages Strategic Partnerships for CANNASEN® Brand Launch in APAC and MENA
- **Jul 24, 2024**, CS MEDICA Receives "Intention To Grant" for European Patent Application Concerning CANNASEN® Psoriasis Gel, Reinforcing Leadership in CBD-infused Dermatological Innovations
- **Jul 19, 2024**, CS MEDICA A/S Secures Repurchase Orders from Key European Partners
- **Jul 15, 2024**, CS MEDICA Announces Strategic Partnerships to Enhance Funding
- **Jul 01, 2024**, CS MEDICA Stock Now Also Traded on XETRA

Q3

- **Jun 17, 2024**, CS MEDICA Group Completes Product Registration of CANNASEN® CBD-Infused Medical Devices in Israel.
- **Jun 12, 2024**, CS MEDICA Announces Strategic Partnership with OneMed
- **Jun 11, 2024**, Strategic Expansion through Innovation and Collaboration.
- **May 28, 2024**, CS MEDICA receives 2 MDKK to support its short-term financial obligations.
- **Apr 30, 2024**, CS MEDICA A/S Enters New Partnership with Award-Win-

ning OTC Company Holding a Strong Position in the Chronic Pain Segment in Germany.

- **Apr 25, 2024**, CS MEDICA A/S: CEO, Lone Henriksen, buys shares in the Company.
- **Apr 22, 2024**, CS MEDICA Advances Global Reach with 180° Drug Store Alliance, Powered by Pull Market Strategy.
- **Apr 04, 2024**, CS MEDICA A/S Breaks Through Asian Market Barrier with Approval of Protective Nasal Gel in Malaysia.

Q2

- **Feb 20, 2024**, CS MEDICA A/S Partners with New Distributor To Launch Cannasen® Into Jordan.
- **Feb 02, 2024**, CS MEDICA A/S Achieves New Milestone With Patent On Their Wound Care Treatment.
- **Jan 26, 2024**, CS MEDICA Breaks New Ground In Australia With Registration Of CANNASEN® Pain Patch And Launch Of Its Cosmetic Products.
- **Jan 23, 2024**, DANSKE BANK Extends CS MEDICA's Credit Line.

Q1

- **Dec 27, 2023**, CS MEDICA A/S Announces FDA Authorization For Commercialization For Eight Products In The U.S. Market.

- **Oct 31, 2023**, CS MEDICA A/S Achieves Milestone With Patent On Nasal Protect Gel.
- **Oct 26, 2023**, CS MEDICA: CANNASEN® Is Now A Registered Brand In Australia.
- **Oct 12, 2023**, CS MEDICA Announces Indian State's FDA Approval For Two Cosmetic Products.
- **Oct 10, 2023**, Danske Bank Backs CS MEDICA With Dkk 1,2 Million Credit Line
- **Oct 09, 2023**, CS MEDICA Named Finalist In The 2023 European Lifestars Awards For Post-Ipo Raise Of The Year



DIRECTOR'S REPORT

Risk Management

With uncertain times and challenges, we are confident that we will emerge resilient with the reframed strategic approach, unique treatments, dedicated team and a financial injection.

We try to predict and adapt to our environment where it fits to secure a more robust business. It may include external factors, such as geopolitical balance changes, patient or technological advances, and internal factors, such as R&D findings, business operations, or financial capacity. By stringent and systematic risk management, we identify potential challenges and take steps to migrate, eliminate, or re-engineer any obstacles to protect our value creation.

We apply a dual-lensed approach in our risk management, considering operational and strategic risks. We identify and address both operational risks and strategic risks that could reduce our ability to achieve our growth strategy in the long term.

Operational risks, such as supply chain disruptions, IT failures, local regulatory compliance issues, or lack of financial capacity to grow or run a business optimally, can affect the business's day-to-day operations. A business can maintain continuity and avoid costly disruptions by identifying and mitigating these risks.

Strategic risks can affect the overall direction and success of the business over the long term. These can include market shifts, technological changes, changes in consumer preferences, or regulatory changes impacting our R&D. It can also include a lack of expected funding or delayed cash flow, slowing business performance. However, a business can anticipate and adapt to change and develop strategies to stay resilient and ahead.

Addressing risks in our strategic planning
The Executive Management and the Board of Directors annually analyze our risk profile by evaluating any risks that could impact our organization. The identified risks are analyzed in terms of likelihood and impact to prioritize the risks needing attention. With this knowledge, a risk management plan is outlined to address each risk, including strategies for mitigating, transferring, accepting, or avoiding the risks. The risk management plan is implemented and measured in an action plan, which is reviewed and monitored continuously to ensure that it is effective and up to date.

Access and affordability
Access to affordable care and the burden of chronic disease is still on the rise and an essential foundation for our purpose. Ensuring access and affordability is a risk and responsibility we share with everyone in the healthcare sector. We recognize that we cannot defeat chronic diseases alone, but to reduce risk, we can accelerate our actions to find solutions in collabo-

ration with relevant stakeholders.

Innovation and competition
We are a MedTech company with innovation in our DNA. To remain competitive and reduce innovation risk, we invest significantly in internal and external pipeline capabilities to ensure patients receive improved treatments.

Being a first mover indicates we are subject to educational needs in market understanding and regulatory territory. We may also experience delays due to competition in the medical and cannabis industries challenging our registrations, positioning, and marketing.

Digital disruption
New digital technologies, such as AI, bring new competitive treatments into the life science industry, but at the same time, open up the opportunity to deliver more value to our stakeholders and help patients live a life without the limitations of their disease. Digital health solutions bring new risks, especially related to data regulation and privacy, as well as potential quality risks. We endeavor to monitor and mitigate these risks in close cooperation with relevant partners.

Cannabis disruption
An increasing trend in legislation and clinical findings in a disrupted cannabis market can bring new competitors into the industry but, at the same time, provide the

possibility of delivering more value to our stakeholders in the form of new combination products and forms of delivery. As one of the first to have CE-registered products with CBD and approved to sell MDD/ MDR,

“ We apply a dual-lensed approach in our risk management by considering operational and strategic risks.

we constantly analyze the risk-benefit in this area.

Production capacity and supply chain risks
Fluctuations in demand, resource shortages, trade disputes, quality assurance, and local production requirements can pressure global supply chains. Furthermore, our ongoing expansion of production capacity is complex and associated with long delivery times. Planning and managing our supply chain and production is critical to mitigating this risk.

One of the strategies to de-risk is vertical integration or stocking up, hence investing in materials with economics-of-scale. Yet, this leads to a financial capacity risk management.



DIRECTOR'S REPORT

> Financial capacity risks

Scale-up business demands investments, just as MedTechs need financial capacity to research, develop, perform clinical trials, and secure IPRs besides manufacturing and marketing the finished products.

To migrate risk for funding, we continually evaluate multiple solutions to de-risk dependency on Chinese partners.

Operational risk management process

We are exposed to risks throughout our value chain in the short to medium term. Some risks are inherent in the MedTech industry, such as delays or failures of potential ingredients, packaging, or approvals at a late stage in the R&D pipeline. Other external, macro-related risks, such as supply disruptions and competitive threats, and similar factors familiar to any manufacturing company with global production.

To maintain product quality, patient safety, and business ethics, the management and the board review a 'heat map' of our most significant operational risks every six months. This map is based on insights from management teams across the organization and includes risks that could cause substantial disruption to the business over a three-year horizon.

Key operational risks

An aggregated illustration of our key operational risks is outlined below, with associated descriptions on the following page.

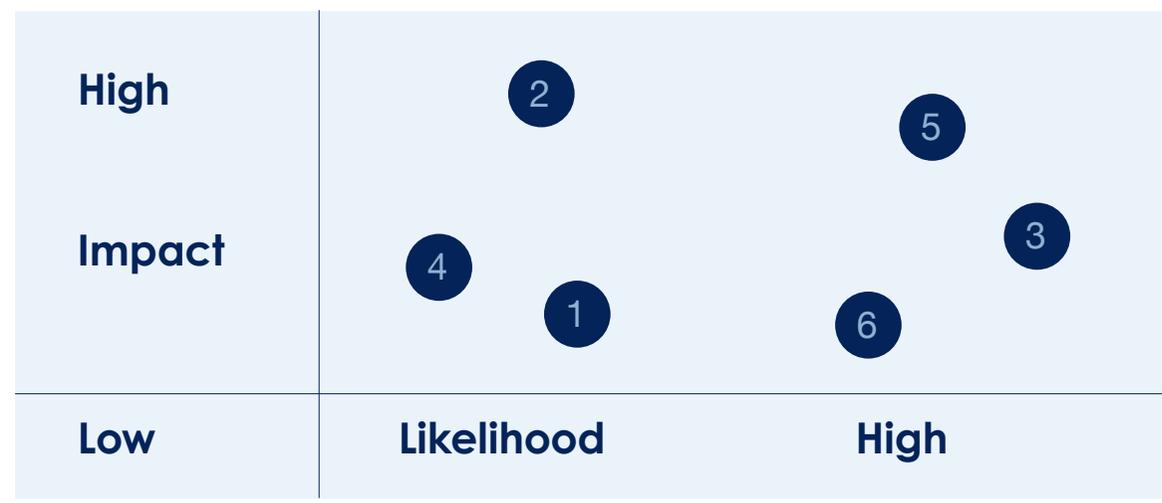
1. Clinical Pipeline Risks
2. Product Supply, Quality, and Safety Risk
3. Commercialization Risks
4. IT Security Risks
5. Financial Risks
6. Legal, Patents, and Compliance Risks

Uncertainty in recognition and measurement

It is important to note that this annual report acknowledges the presence of uncertainties in recognition and measurement and emphasizes the reliance of future operations on a capital injection of 30 MDKK, with 15 MDKK to be secured by March 2024 and the remaining 15 MDKK during 2024. Additionally, achieving a net sales target of 15 MDKK in 2024 is paramount for the company's future operations.

Significant uncertainty regarding continued operations

In the valuation of assets, attention must be drawn to the inherent uncertainties related to future net sales, which affect the recognition and measurement of rights, development projects, and deferred tax assets. It is the



board's and our opinion that the net sales goal of 2024 is achievable with a financial injection for supply chain, and we are confident that future operations and valuation are adequate, and that these assets are appropriately valued relative to anticipated future cash flows.



DIRECTOR'S REPORT

	Risk area	Description	Impact	Mitigating actions
1	Clinical Pipeline Risks	Findings in clinical activities, regulatory processes or misunderstanding of commercial potential leading to delays or failure of products in the pipeline	<ul style="list-style-type: none"> – Patients would not benefit from innovative treatments – Could have an adverse impact on sales, profits and market position 	<ul style="list-style-type: none"> – Pre-clinical and clinical activities to demonstrate safety and efficacy – Consultations with regulators to review pre-clinical and clinical findings and obtain guidance on development path
2	Product Supply, Quality and Safety Risks	Disruption of product supply or quality failures may compromise the availability of products, ultimately impacting the health of patients and a lost commercial opportunity	<ul style="list-style-type: none"> – Product shortages could have potential implications for patients – Could put patients' health and lives at risk and jeopardize reputation and license to operate if regulatory compliance is not ensured – Could have an adverse impact on sales, profits and market position 	<ul style="list-style-type: none"> – Establishing global production with multiple facilities and safety stock to reduce supply risk – Regular quality audits of internal units and suppliers and Regular quality audits of internal units and suppliers and documented ISO 13485 compliance – Identification and correction of root causes when issues are identified. If necessary, products are recalled
3	Commercialization Risks	Market dynamics and geopolitical, macroeconomic or healthcare crises (e.g., pandemics) leading to reduced payer ability and willingness to pay	<ul style="list-style-type: none"> – Market dynamics could impact price levels and patient access – Could have an adverse impact on sales, profits and market position 	<ul style="list-style-type: none"> – Innovation of novel products, clinical trial data and real-world evidence demonstrate added value of new products – Payer negotiations to ensure improved patients' access – Increased and new access and affordability initiatives
4	IT Security Risks	Disruption to IT systems, such as cyber-attacks or infrastructure failure resulting in business disruption or breach of data confidentiality	<ul style="list-style-type: none"> – Could limit our ability to produce and safeguard product quality – Could compromise patients' or other individuals' privacy – Could limit our ability to maintain operations or limit future business opportunities if proprietary information is lost – Could have an adverse impact on sales, profits and market position 	<ul style="list-style-type: none"> – Company-wide information security awareness activities – Continuity plans for non-availability of IT systems – Company-wide internal audit of IT security controls – Detection and protection mechanisms in IT systems and business processes
5	Financial Risks	<ul style="list-style-type: none"> – Delays in clinical trials and/or controlled studies, or product developments, will result in cash flow being generated later than expected. – There is a risk that our targets regarding the market penetration and sales will not be achieved within the timeframe determined. 	<ul style="list-style-type: none"> – Could lead to significant adjustments in funding needs. – Development, manufacturing, market penetration, etc. are temporarily halted causing business operations at a slower pace than desired, – Delays in commercialization and revenue. – Could have an adverse impact on sales, profits and market position in general 	<ul style="list-style-type: none"> – Spreading our investments across a variety of different assets and industries. – Minimizing risk by regularly reviewing and assessing potential risks faced by the organization. – Establish policies and procedures to mitigate financial risks, such as setting limits on the amount of capital that can be invested in a single asset.
6	Legal, Patents and Compliance Risks	Breach of legislation, industry codes or company policies. Competitors asserting patents against CS MEDICA or challenging patents critical for protection of commercial product and pipeline candidates	<ul style="list-style-type: none"> – Potential exposure to investigations, criminal and civil sanctions and other penalties – Could compromise our reputation and the rights and integrity of individuals involved – Unexpected loss of exclusivity for or injunctions against existing and pipeline products could have an adverse impact on future sales – Could have an adverse impact on sales, profits and market position 	<ul style="list-style-type: none"> – Legal review of key activities – Business Ethics Code of Conduct integrated in our business, Compliance hotline in place and Internal Audit of compliance with business ethics standards – Internal controls to minimise vulnerability to patent infringement and invalidity actions

DIRECTOR'S REPORT

Strategic Outlook

Looking Ahead: 2024/2025 Financial Year

For the upcoming financial year, we aim for accelerated growth and greater operational efficiency. Our focus is clear: revenue through optimization of operations, strengthened distribution, and regulatory milestones.

We operate at the intersection of the pharmaceutical and cosmetics industries, developing clinically tested, regulatorily approved over-the-counter products with natural CBD under the EU's Medical Device Regulation (MDR). Unlike most cannabis companies that work with prescription medical cannabis, we produce medical devices—such as gels, lotions, creams, and patches—via Contract Manufacturing Organizations (CMOs), based on our technical files and Intellectual Property Rights (IPR).

Key initiatives for the year include sharpening our geographical focus on the EU and US, markets where we already have product approvals, thus eliminating lead times for registration. We are also consolidating our CMOs in Europe from four to three and standardizing packaging to reduce costs.

Strategic Priorities for 2024/2025:

- Securing revenue with as short lead time from order to invoice as possible.
- Stabilizing funding to support our expansion and operational goals.
- Completing product registrations in markets with high growth potential.
- Launching innovative products and advancing clinical trials.

Despite our progress in improving operations and controlling costs, we remain cautious about liquidity risks and scalability constraints. Nonetheless, our commitment to regulatory excellence and stakeholder value positions CS MEDICA for sustained growth and success in the evolving global MedTech landscape.

Strategic Outlook for CS MEDICA:

Our comprehensive vision spans various treatment areas and markets, setting the stage for our future growth and operational targets. This past year, we managed to grow our top line while reducing operational costs and losses. By further optimizing based on our learnings and securing additional funding to boost sales, enhancing sales potential remains our highest priority



DIRECTOR'S REPORT Sustainability

Creating an environmental, social, and governance (ESG) report for a company our size involves several steps and sections. We have been prioritizing social responsibility and governance more this year, kickstarting plans for the environmental impact for 2025 as the new directives CSDDD and CSRD become a reality, increasingly influencing the value chain.

Environmental Impact

Sustainable Practices: In collaboration with our four CMOs and other suppliers, we will outline measures to reduce environmental impact, such as energy-efficient operations, sustainable materials in product manufacturing, and waste reduction strategies. Expected for 2025- depending on funding for digitalization as data is essential for a green transition.

Carbon Footprint: Contributing to sustainability goals can lead to cost savings, innovation, and enhanced brand reputation in the long term. Hence, we are to define the company's carbon footprint and plans or efforts to reduce it. Conducting a **Carbon Audit** to measure the current carbon footprint assessing emissions from all operations, including manufacturing processes, energy use in offices and labs, transportation of goods, and employee travel, is relatively comprehensive. Conducting a **Life Cycle Assessment**, evaluating the environmental impact of products throughout their life cycle from raw material extraction, manufacturing, and use to disposal or recycling, will need a data track we currently have to prepare. Expected for 2025 - depending on funding for the right partners to define measurements and data infrastructure.

Compliance: This year, we have audited our four CMOs to ensure environmental laws and regulations compliance. Our CQO & PRRC Manager has expertise in quality and regulatory affairs for medical devices and is certified in good manufacturing practices (GMP) for medicinal products. She ensures that all employees, suppliers, and partners are trained in our SOP processes covering the entire value chain. Additionally, we signed with a leading Notified Body, BSI Group, for the transition to the new Medical Device Regulations.

Social Responsibility

Employee Well-being: We have implemented policies and programs for employee diversity, inclusion, and empowerment.

Community Engagement: We have taken the initiative to educate consumers and partners on alternative solutions for healthcare improvements, CBD, and insights. Building a community is in scope for 2024.

Customer Care: Our purpose is to help fight pain, autoimmune, and stress-related symptoms with treatments that have fewer side effects, cleaner ingredients, and high bioavailability. These treatments have been proven effective through clinical trials and are safe as they are under MDR legislation. We communicate compliantly with ethical marketing and use patient reviews as storytelling for proof of concept.

Governance

Corporate Governance: As a listed company, we operate within a governance structure, including board composition and roles.

Ethical Practices: We work on data privacy policies and processes, and we are defining further policies on anti-corruption, fair competition, etc., for 2025.

Risk Management: This annual report outlines the principles of Key Risks and Risk Management. When we have elaborated on E-plans for 2025, we will define detailed ESG-related risks.

Performance Metrics and Goals: We aim to define measurable ESG targets and capture performance data, demonstrating progress and future goals for 2025.



FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS

Financial statements & review

STATEMENT FROM THE CFO - GITTE LUND HENRIKSEN

Delisting of CS MEDICA

After the financial year 2023/2024, CS MEDICA faced a significant development with the delisting from the Spotlight Stock Market in Sweden. The shift was driven by factors including the high costs of maintaining a listing, share price performance, and lack of liquidity. These challenges prompted a shift towards alternative funding strategies that align with our long-term growth goals.

The delisting does not reflect a loss in the company's intrinsic value. CS MEDICA remains resilient, bolstered by the recent DKK 60 million investment agreement with China, structured in three phases at a share price of DKK 7.14. This funding strengthens our financial foundation and positions us to scale operations.

Sales Prognosis and Future Growth

CS MEDICA operates as a MedTech company with inherent complexities. In November 2020, we listed our "substance medical device" products under the legacy Medical Device Directive (MDD), now transitioning to the more stringent Medical Device Regulation (MDR) by 2028. Comparable to U.S. FDA standards, MDR requires previously MDD-approved products to meet new compliance standards to remain marketable beyond 2028.

While MDD approval enabled sales across the EU and free sales certificates in 150 countries, larger pharmaceutical companies hesitated to engage with us due to concerns over securing MDR approval, posing risks of product withdrawal after the transition.

We have now completed the second review by our Notified Body, BSI, with all products classified as Class IIa under MDR. This significantly reduces regulatory risk, strengthens our position as a trusted partner for pharmaceutical companies, and opens up opportunities for collaborations, larger orders, or IPR sales.

Our order pipeline currently stands at 49 million DKK, with orders in production or registration, and our MDR certification enhances our marketability and supports our commitment to quality and safety. This paves the way for global opportunities and sustainable growth.

Prepared for Growth with a Robust Supply Chain and Production Readiness

To ensure reliable growth, we've partnered with multiple approved Contract Manufacturing Organizations (CMOs) to ensure resilience across all production categories. Our current CMOs include:

- Substance Medical Devices: 3 ISO 13485-certified CMOs in Germany and Poland
- Cosmetic Semi-Solid Products: 2 approved CMOs in Poland and India
- Medical Device Patches: 1 ISO 13485-certified CMO in Italy, with an additional one under approval

This multi-sourcing strategy mitigates supply chain risks, even in unforeseen circumstances like force majeure, ensuring production and delivery consistency.

We've also passed our Stage 2 audit with BSI, bringing us closer to ISO 13485 certification, which enhances our ability to oversee medical device production and increases flexibility for scaling up.

Securing Funding to Drive Growth

We've finalized a new Investment Agreement, replacing RongShi's company in Inner Mongolia with Unitech International (HK) Limited, Hong Kong. The DKK 60

million agreement is structured in three phases at a share price of DKK 7.14. The first tranche, DKK 2 million, has partly been received with the remaining expected to be finalized shortly. The second tranche, DKK 28 million, will be disbursed once the first product receives fast-track

registration approval in Hainan. The third tranche, DKK 30 million, will be finalized 12 months after tranche 2.

The application for Hainan's fast-track registration is progressing, with approval anticipated within approximately 3 months, unlocking tranche 2 funding. This will provide the liquidity necessary to scale production and operations, driving growth and expansion into the Chinese market. For further details on financing and the financial position, please refer to the Financial review, Financing and financial position section.

CS MEDICA will continue to keep all stakeholders informed through its current news platform on Cision News. We encourage all stakeholders to sign up for the newsletter at cs-medica.com to receive the latest news releases directly in their email inbox.





Financial review

CS MEDICA remains dedicated to its initial objectives and goals. Despite challenging financial conditions in 2023/2024, the company successfully pursued its goal of business expansion by investing in scaling the business, entering new markets, launching new products, and continuing its IPR rights at a global level, while fulfilling the necessary legal requirements for transitioning from MDD to MDR.

Income Statement

Net Sales

Year-to-date revenue reached mDKK 8.1, significantly higher than mDKK 1.1 in the prior year. Despite converting part of our order pipeline, delays in production and in finalizing a deal within the year mean we fall short of meeting the budgeted target of mDKK 15. The pipeline and deal remain active but have been postponed to the next fiscal year. With an active order pipeline of mDKK 49 and anticipated funding from our Chinese investment agreement, we are aiming for a revenue of mDKK 33.8 for the financial year 2024/2025, setting a strong foundation for future growth.

Gross Profit

For the year-to-date period, gross profit amounts to

DKK 2.8 million, equivalent to 35%. While gross profit was slightly below the initial target of 40%, the impact of stock write-downs and free samples contributed to a 10% adjustment. Excluding these factors, the gross profit surpasses the projected 40%, showcasing positive progress and strong underlying performance.

Sales and Distribution Costs

Sales and Distribution Costs in 2023/2024 amounted to DKK 4.9 million, representing a reduction of 12% compared to DKK 5.6 million last year. This supports our strategic objective to optimize operations and improve cost-efficiency as we scale our revenue base.

Staff Costs

Staff costs increased to DKK 8.7 million, compared to DKK 8.1 million last year. The rise is primarily due to expanded resources in compliance and supply chain management, necessary to meet MDR (Medical Device Regulation) requirements. This investment ensures that our operations remain aligned with regulatory standards and supports our continued focus on quality and compliance.

Administration Costs

The administration costs totaled DKK 2.1 million, a 10% reduction from DKK 2.3 million in the prior year. Administration costs were effectively controlled despite the increased activity and operational demands. This reduction is the result of a concerted effort to streamline administrative processes and implement cost-saving initiatives. These measures allowed the company to allocate more resources toward growth and operational expansion while keeping administrative expenses under

control.

Depreciation and Amortization

Year-to-date depreciation and amortization amounted to DKK 2.1 million. Depreciation and amortization expenses remained stable compared to the previous year, with minor increases linked to investments in intangible assets, particularly those related to MDR.

Financial Items

Financial expenses totaled DKK 1.5 million, compared to DKK 1.0 million for the same period last year. The increase in financial expenses is primarily due to prolonged credit facilities together with bridge loans secured to support. This short-term financing helped the company navigate cash flow requirements but resulted in higher interest expenses. The company expects these costs to decrease as more stable funding arrangements are secured in the future.

Effective Tax Rate

The effective tax rate remained 0% due to the company's tax loss carryforward and current tax position. During 2023/2024, the company recognized tax income DKK 4.8 million, related to the activation of tax assets. This activation reflects adjustments made to the company's deferred tax assets, anticipating future profitability.

Income from Equity Investments in Group Enterprises

CS MEDICA has recognized a loss of DKK 0.5 from its Joint Venture (JV), as the JV has not yet started its operation. The JV has not managed to finalize its financial statements. Consequently, the quarterly figures for Q3

and Q4 have not been incorporated.

Net Profit/Loss

Year-to-date, the net loss was reduced to DKK -9.6 million, compared to DKK -14.5 million in the prior year, representing a 34% improvement. The improvement in net loss is primarily attributed to higher revenue, reduced operating loss, and successful cost optimization measures. The company's focus on consolidating operations helped improve the overall financial performance, setting the stage for profitability in future periods.

Cash flow and capital allocation

Cash flow from operating activities: in 2023/2024 showed an outflow of DKK 4.4 million, compared to an outflow of DKK 8,3 million in 2022/2023. This change was driven primarily by increased Net sales and fluctuations in working capital.

Cash flow from investment activities: was mainly influenced by continued capital expenditure in Development projects & IPR rights, which totaled DKK 3.4 million (compared to DKK 2.9 million in the previous year). These investments are largely focused on product development, including the costs associated with transitioning to the new Medical Device Regulations (MDR) and investments in securing intellectual property such as patents.

Cash Flow from Financing Activities: Cash flow from financing activities was positive, with an inflow of DKK 7.3 million, compared to DKK 7,2 million in 2022/2023. The





inflow was driven by the company's capital-raising and debt-conversion efforts, contributing to strengthening its balance sheet.

Total Cash Flow and Cash Position: The total cash flow was a net outflow of DKK 0.4 million, compared to a net outflow of DKK 3.3 million in the previous year. This positive shift in cash flow reflects the company's increased Net Sales and its strategic efforts to reduce operational costs and streamline its activities. Although the company continued to face challenges, the reduced cash outflow indicates a more efficient use of resources and a cautious approach to expenditures.

At the end of 2023/2024, cash and credit stood at DKK -0.8 million, compared to DKK -0.4 million at the beginning of the year. The credit has since been repaid, ensuring a stronger financial position moving forward.

Equity Statement

Contributed Capital: In 2023/2024, contributed capital increased significantly by DKK 312,207, bringing the total to DKK 1,113,179, up from DKK 800,971 at the beginning of the year. This increase is due to capital raised during the EGM (Extraordinary General Meeting), where new shares were issued to cover capital injections or debt-conversions. This capital raise contributes to strengthening the company's equity base.

Reserve for Development Costs: The Reserve for Development Costs increased by DKK 1.5 million, reaching DKK 9.5 million by the end of 2023/2024, compared

to DKK 7.9 million at the beginning of the year. This increase aligns with ongoing investments in development projects, reflecting a reserve corresponding to 78% of the investment for the period, as mandated by regulatory frameworks governing development cost capitalization and reporting under IAS 38.

The reserve's growth compared to the same period last year highlights CS MEDICA's sustained commitment to innovation and development activities.

Retained Earnings: Retained earnings accumulated are negative with DKK 4.5 million, due to accumulated losses over the year. This loss is typical in the growth stages of a company, especially with significant capital expenditures or investments in R&D and other growth activities.

Total Equity: At the end of 2023/2024, total equity stood at DKK 6.0 million, down from DKK 10.4 million in 2022/2023. The decrease is primarily due to a net loss of DKK 9.6 million, which affected retained earnings. However, the increase in contributed capital and share premium reflects the positive financial impact of the capital raise, helping to offset some losses and maintain a solid equity base.

In summary, while the EGM capital increases positively influenced the company's equity structure, the Net loss of the year resulted in a net decrease in total equity for the year.

Financing and financial position

At the end of 2023/2024, credit bank/cash and cash

equivalents amounted to a credit of DKK -0,8 million, reflecting an increase in credit compared to DKK -0.4 million in 2022/2023. This change highlights the company's need for additional funding but also focuses on navigating its liquidity amid strategic growth efforts and capital conversion of new shares.

Short-Term Funding: In 2023/2024, CS MEDICA secured short-term funding and minor direct issues with investors in Germany and Sweden, enabling the company to sustain operations and address immediate financial needs. These efforts demonstrate the company's agility in managing liquidity challenges while aligning with CS MEDICA's broader strategic objectives.

Long-term Funding: Long-term funding has been secured through our long-awaited Chinese investment agreement under revised terms. The agreement outlines a total planned investment of mDKK 60 across three closings, with a share price of DKK 7.14 per share:

- **Closing 1 (mDKK 2):** The first portion, amounting to DKK 1.15 million, has been received. With the remaining DKK 0.85 million expected within the next few weeks.
- **Closing 2 (mDKK 28):** Triggered by the approval of one product under the Hainan fast-track pathway, expected within 3–6 months.
- **Closing 3 (mDKK 30):** Scheduled for 12 months after Closing 2.

These milestones will significantly strengthen our financial position, providing a solid foundation for growth

and scaling operations. Our Compliance department is actively working to meet the necessary regulatory requirements following closing 2.

CONSOLIDATED STATEMENTS

Income statements

	Note	1. October 2023 - 30. September 2024 DKK	1. October 2022 - 30. September 2023 DKK
Income Statement			
Net Sales	1	8.075.306	1.067.275
Costs of goods sold		-5.226.459	-153.729
Gross Profit		2.848.847	913.546
Other operating income	2	0	164.948
Sales and distribution cost		-2.065.411	-4.615.345
Administrative costs		-2.448.333	-4.268.109
Staff costs	3	-8.704.302	-8.017.606
Depreciation and amortisation	4	-2.115.764	-2.076.080
Operating profit		-12.484.963	-17.898.645
Income from equity investments in group enterprises		-459.141	0
Financial costs net	5	-1.525.882	-568.148
Profit or loss before tax		-14.469.986	-18.466.794
Tax on net profit or loss for the year	6	4.819.083	3.954.029
Net profit or loss for the year		-9.650.903	-14.512.765

Comprehensive income

Net profit or loss for the year

Other comprehensive income:

Cost Direct Issue & IPO

Total comprehensive income for the year

Attributable to:

Shareholders of CS MEDICA A/S

Earnings per share, basic (DKK)

Earnings per share, diluted (DKK)

Note	1. October 2023 - 30. September 2024 DKK	1. October 2022 - 30. September 2023 DKK
	-9.650.903	-14.512.765
	-6.311.725	0
	-15.962.628	-14.512.765
12	-0,85	0,12
12	-0,78	0,12

CONSOLIDATED STATEMENTS

Statement of financial position

	Note	30.September 2024 DKK	30.September 2023 DKK	30.September 2022 DKK
Balance Sheet				
Assets				
Development projects & IPR rights	7	12.109.494	10.152.837	8.346.148
Rights	7	2.756.230	3.474.277	4.431.174
Equity investments in group enterprises		4.113.010	0	0
Deferred tax assets	6	12.278.731	7.459.648	226.543
Deposits	8	57.000	106.688	82.187
Total non-current assets		31.314.465	21.193.451	13.086.052
Current assets				
Inventories				
Work in progress		0	0	64.428
Manufactured goods and goods for resale	9	963.245	2.710.031	1.164.684
Trade receivables	10	3.859.610	2.451.646	1.635.557
Receivables from group enterprises		0	0	0
Other receivables		225.051	-85.057	1.464.357
Cash on hand and demand deposits		17.710	-415.014	9.996.085
Total current assets		5.065.617	4.661.606	14.325.111
Total assets		36.380.082	25.855.057	27.411.163

	Note	30.September 2024 DKK	30.September 2023 DKK	30.September 2022 DKK
Equity and liabilities				
Share Capital	12	1.113.179	800.971	708.630
Reserve for net revaluation according to the equity method		0	0	1.387.251
Reserve for development costs		9.445.405	7.919.213	5.763.914
Retained earnings		-4.542.631	1.693.595	16.287.572
Other Capital reserves	13	0	0	0
Total equity		6.015.953	10.413.779	24.147.367
Provisions	16	4.802.000	0	329.900
Subordinate loan capital		8.093.332	8.098.428	0
Interest bearing liabilities	14	537.449	489.060	1.314.112
Total non-current liabilities		13.432.781	8.587.488	1.644.012
Credit bank		813.081	0	0
Interest bearing liabilities	14	3.747.000	192.019	404.695
Trade payables		8.900.911	5.108.285	504.157
Other payables		3.470.356	1.553.486	710.932
Total current liabilities		16.931.348	6.853.790	1.619.784
Total liabilities		36.380.082	25.855.057	27.411.163

Statement of changes in equity

	1. October 2023 - 30. September 2024 DKK	1. October 2022 - 30. September 2023 DKK
Balance at 1. October 2023	800.971	800.971
Change	312.207	0
Contributed capital, at 30. September 2024	1.113.179	800.971
Balance at 1. October 2023	0	0
Change	0	0
Reserve for net revaluation, at 30. September 2024	0	0
Balance at 1. October 2023	7.919.213	7.435.878
Change	1.526.192	483.335
Reserve for development costs, at 30. September 2024	9.445.405	7.919.213
Balance at 1. October 2023	1.693.595	16.689.694
Share premium	11.252.599	0
Reserve for net revaluation according to the equity method	0	0
Deferred tax	0	0
IPO cost	-6.311.725	0
Reserve for development costs	-1.526.196	-483.334
Retained earnings for the period	-9.650.903	-14.512.765
Retained earnings, at 30. September 2024	-4.542.631	1.693.596
Total Equity, at 30. September 2024	6.015.953	10.413.780

Cashflow statement

	Note	1. October 2023 - 30. September 2024 DKK	1. October 2022 - 30. September 2023 DKK
Cash Flow statement			
Profit/loss before tax		-9.650.904	-14.512.762
Financial expenses, reversed		1.525.883	568.146
Depreciation, reversed		2.115.764	2.076.080
Changes in working capital	11	1.657.804	3.539.666
Cash flows from operating activities		-4.351.453	-8.328.871
Investing in Development projects		-3.354.373	-2.188.336
Cash flow from investment activities		-3.354.373	-2.188.336
Share capital		312.207	0
Share premium		11.252.599	0
Financial expenses paid		-1.525.886	-568.148
Cost IPO and capital raising		-6.311.725	0
Loan internal parties		-5.096	8.098.428
Credit institutions		48.390	-105.865
Credit institutions - short		3.554.981	-256.006
Cash flow from financing activities		7.325.469	7.168.410
Total cashflows end of period		-380.357	-3.348.797
Cash, beginning of period		-415.014	2.933.783
Cash, end of period		-795.371	-415.014

NOTES

CONSOLIDATED STATEMENTS

- 0. Going concern
- 1. Net Sales
- 2. Other Operating Income
- 3. Staff Costs
- 4. Depreciation and amortisation
- 5. Other financial costs, Net
- 6. Tax for the year
- 7. Development projects
- 8. Deposits
- 9. Manufactured goods and goods for resale
- 10. Trade receivables
- 11. Change in working capital
- 12. Share capital and earnings per share
- 13. Other capital reserve
- 14. Interest-bearing liabilities
- 15. Financial Risks
- 16. Other provisions
- 17. Liabilities arising from financing activities
- 18. Related parties
- 19. Commitments and contingencies
- 20. Events after the reporting period

Notes

0 Going concern

It's important to clearly articulate the financial imperatives critical for the company's sustainability and progress in 2024/2025. The company's operational viability and strategic objectives depend on securing additional financial support. CS MEDICA is working to obtain the DKK 30 million capital infusion as outlined in the agreement with its Chinese investors. The first portion of tranche one, amounting to DKK 1.15 million out of DKK 2 million, has been received with the remaining DKK 0.85 million expected within the next few weeks. A second tranche of DKK 28 million will be disbursed upon receiving approval under the fast-track Hainan program for one of the products, which is currently expected within 3–6 months. Alternatively, a minimum of DKK 15 million from other funding avenues must be secured by June 2025. Additionally, the company's net sales goal of DKK 33.8 million for 2024/2025 is paramount. However, recent performance suggests challenges in meeting the sales pipeline objectives, primarily due to an overly consolidated operation and insufficient funding.

This is compounded by the need to renegotiate or refinance an existing family loan and credit facility amounting to DKK 11.8 million, set to mature at the beginning of 2026.

The Management projects revenue of DKK 33.8 million for the upcoming year, driven by an order pipeline from 2023/2024, totaling DKK 49 million, to be delivered in 2024/2025. It indicates their confidence in CS MEDICA's commercial strategies and market potential, but also a focused promise of performance due to the operational constraints.

Recognizing the risks associated with the company's current financial position, notably its reliance on a single geographical funding source amidst geopolitical flux and market volatility, the management actively works to diversify the company's financial inflows. This effort encompasses exploring a range of fiscal instruments, including bridge loans, joint ventures, and extended investment partnerships. In parallel with these financial strategies, CS MEDICA is also bolstering its operational efficiency and supply chain resilience. The company's initiatives include transitioning to bulk production with flexible packaging options and streamlining packaging operations to reduce costs, MOQ levels, lead time and increase market responsiveness.

The dual focus on financial diversification and operational optimization indicates the company's strategic response

to the concerns that bear upon CS MEDICA as a going concern. By broadening the company's financial base and strengthening its supply chain, the company aims to mitigate risk and capitalize on growth and stability opportunities in a dynamic global market.

However, should CS MEDICA not be able to secure its higher revenue and a capital injection of min. MDKK 15, preferably the 30 MDKK from the Chinese agreement, it could have consequences for the Company, including its ability to grow its business further and, ultimately, continue operating.

Uncertainty in recognition and measurement

In the annual report, it is important to acknowledge the inherent uncertainties in the recognition and measurement of receivables from sales, rights, development projects, and deferred tax assets.

Notably, the activation of rights and development projects totaling DKK 14,9 million and deferred tax assets of DKK 12,3 add complexity, primarily due to achieving turnover targets and securing the necessary capital.

In conclusion, while acknowledging operational uncertainties and delays in capital injection, the board and management are confident that assets are appropriately valued relative to future cash flows. The company's concerted efforts to secure a diversified financial base and enhance operational resilience aim to ensure long-term sustainability and growth.

Upholding principles of transparency, accountability, and innovation, the board and management are prepared to continue navigating the complexities of the current situation and global business environment with strategic foresight. Thus, the Annual Report for 2023/2024 confirms CS MEDICA's status as a going concern.



Notes

1 Net Sales	2023/2024	2022/2023
	DKK	DKK
Brand Sale, CANNASEN® BtB	2.027.360	107.281
Brand Sale, CANNASEN® BtC	145.163	61.578
Private & whitelabel sale	5.902.783	895.751
COVID 19		2.665
	8.075.306	1.067.275

Segments	TOTAL		CANNORDIC (Global BtB)		Galaxa Pharma (Nordic BtC, BtB)	
	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023
	DKK	DKK	DKK	DKK	DKK	DKK
Revenue, total	8.105.729	1.550.423	7.959.475	939.750	146.254	610.673
Revenue, externally	8.075.306	1.067.275	7.929.052	704.172	146.254	363.103
Profit before taxes			-6.478.644	-10.724.353	-1.084.213	-2.148.799
Assets			19.287.474	17.597.871	1.549.604	1.554.717
Equity			10.518.688	400.328	251.706	571.522

2 Other Operating income.

Consists mainly of employee grants and grants from the Innovation Fund and other various public funding schemes.

3 Staff Costs	2023/2024	2022/2023
	DKK	DKK
Salaries and wages	6.930.355	6.692.684
Other cost for social security	1.773.947	1.324.921
	8.704.302	8.017.606
Average number of employees	8	9
Board of Directors and Key management Personnel Remuneration		
	1.894.363	1.178.677

Employment contracts for members of the Key Management Personnel contain terms and conditions that are common to those of their peers in similar companies including terms of notice and non-competitive clauses. CS MEDICA provides a pension scheme with 10% on top of the payroll.

Warrant program

Newly employed board and management team were offered to participate in an Incentive warrants Share Scheme. At the employment they were offered Incentive warrants, where each warrant confers the right to subscribe for one share in the Company of a nominal value of DKK 0.065 against payment of DKK 7.70 with an annual increase of 10%, each year from the Date of Grant. The increase in the exercise price shall be compounded as per the expiry of each calendar year. The vesting occurs with 1/36 per month up to 31. January 2025. Warrants which has vested can be exercised up to 31 December 2027.

Furthermore, the Company has granted warrants to the management teams as a replacement for their bonus which, per request, can be chosen as a replacement for earned bonus (pre-tax salary) in a 3-year period. During a period of 3 weeks from the publication of the Company's annual report for the financial year, the warrant holder is entitled to exercise the annual Warrants that

have vested up to 31 December 2030.

Both warrants schemes follow given conditions, including continued employment. In accordance with the provisions of the warrant program the Board of Directors will require the warrant holders to sign lock-up agreements on terms equivalent to the terms of the Lock-Up Obligation applying to the Existing Shareholders (currently 2 years).

All board members and the management team were granted and accepted the offer.

The fair value of the shares on 30 September 2024 was MDKK 101.727 The total value of the benefit element for the subscription rights was MDKK 1,548. When the warrants are vested any losses in relation to the current market share price will be included as staff costs.





CS MEDICA a/s - Udvikling i antal warrants

Number of warrants	Board of Directors	CEO and CFO	Employees	Advisors	Total
Outstanding at 01.10.2020	-	-	-	-	-
Granted - 2020/2021	187.500	156.250	187.500	1.160.800	1.692.050
Exercised 2020/2021	-	-	-	-	-
Outstanding at 01.10.2021	187.500	156.250	187.500	1.160.800	1.692.050
Granted - Incentive warrants	0	0	1.283.806		1.283.806
Granted - TO2 (DIAZ-warrants)	0	0	0	350.000	350.000
Granted - TO3 (DIAZ-warrants)	0	0	0	250.000	250.000
Granted - 2021/2022	-	-	1.283.806	600.000	1.883.806
Exercised - 2021/2022	-	-	-	1.416.100	1.416.100
Cancelled 2021/2022	- 31.250	- -	734.069 -	94.700 -	860.019
Outstanding at 30.09.2022	156.250	156.250	737.237	250.000	1.299.737
Granted - 2022/2023					-
Exercised - 2022/2023					-
Cancelled 2022/2023	- 31.250	- -	188.907 -	250.000 -	470.157
Outstanding at 30.09.2023	125.000	156.250	548.330	-	829.580
Granted - 2023/2024	125.000	417.384	411.500		953.884
Exercised - 2023/2024			- 157.795	-	157.795
Cancelled 2023/2024	- 62.500	- -	156.770	-	219.270
Outstanding at 30.09.2024	187.500	573.634	645.264	-	1.406.398

CS MEDICA a/s - Outstanding warrants have the following characteristics:

Warrants outstanding	Exercise price DKK	Vesting period	Exercise period	Number of warrants at 30-09-2024:	Note:
Warrants granted to the Board of Directors	7,7	Fully vested	1.1.2024 - 31.12.2027	62.500	1
Warrants granted to the Board of Directors	7,7	1.7.25 -31.1.28	1.1.2027 - 31.12.2030	125.000	1
Warrants granted to CEO and CFO	7,7	Fully vested	1.1.2024 - 31.12.2027	573.634	1
Incentive warrants granted to employees	7,7	1.2.22 - 31.1.25	1.1.2024 - 31.12.2027	173.000	1
Incentive warrants granted to employees	7,7	1.7.24 - 31.1.27	1.1.2027 - 31.12.2030	50.000	1
Bonus warrants granted to employees	0,065	- 31/12 2024	During a period of 3 (three) weeks from the publication of the annual report for the financial years up til 2024/2025 and in connection with an Exit	60.764	2
Bonus warrants granted to employees	0,065	- 31/12 2027	- " -	361.500	2
Total				1.406.398	

Note 1: The exercise price is DKK 7.7 plus 10% p.a. calculated from the date of issue.

Note 2: Warrants can be exercised at DKK 0.065 in each of the three financial years up til 2024/2025 which is calculated based on a bonus amount that the warrant holder is entitled to have converted into a number of shares calculated by dividing the bonus amount by the stock price at the stock price at the end of the financial year minus DKK 0.10.





The fair value of the warrants issued is measured at calculated market price at the grant date based on the Black & Scholes option pricing model. The calculation is based on the following assumptions at the grant date:

	Warrant Programme 2023/2024
Ultimo share Price (DKK)	5,94
Expected volatility rate (% p.a.)	50%
Risk-free interest rate (% p.a.)	0
Expected warrant life	3,2
Excercise price (DKK)	10,2
Excercise Price result-oriented (DKK)	0,1
Fair value all warrants after dilution, (DKK)	1.548.115

Expected volatility rate is applied based on the annualized volatility on relevant peer groups derived from the standard deviation of daily observations over 2023/24.

	2023/2024	2022/2023
	DKK	DKK
4 Depreciation and amortisation		
Amortisation of Rights	718.047	478.598
Amortisation of development projects	1.397.716	1.597.481
	2.115.764	2.076.080
5 Other financial costs, Net		
Other financial income	-8.383	-15.372
Other financial costs	-1.517.499	-552.776
	-1.525.882	-568.149





6 Tax for the year

	2023/2024 DKK	2022/2023 DKK
Current tax for the year income	0	0
Changes in deferred tax	4.819.083	3.954.029
	4.819.083	3.954.029

Recognised as receivable tax credit

	DKK	DKK
Tax calculated as 22% of profit/loss before tax	3.183.397	4.062.694
Sharebarebased payments	1.388.579	0
Correction for Income from equity investments in group enterprises excluded from joint taxation	-123.141	-95.183
Additional tax depreciation	297.643	0
Non-capitalised tax assets	94.263	0
Non-deductible expenses	-21.658	-13.482
Effective tax	4.819.083	3.954.029

Effective tax rate for the year (%)	-33%	-21%
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Deferred tax is recognized in the statement of financial position as follows:

Deferred tax (asset)	12.278.731	7.459.648
Deferred tax (liability)	0	0
Total	12.278.731	7.459.648

Deferred tax concerns

Intangible assets	-2.664.089	-2.229.225
Other fixtures and fittings, tools and equipment	9.277	2.062
Tax loss carried forward	14.933.543	9.686.811
Total	12.278.731	7.459.648

The board and management acknowledge deferred tax assets tied to carried-forward losses, foreseeing their offset against future taxable income. However, there exists a risk that earnings may fall short of expectations, introducing uncertainty in valuation. Despite this risk, management holds the opinion that future earn-

ings will likely be sufficient to offset taxable income in the foreseeable future. cf. more about the assessment under the section Critical accounting judgements and key sources of estimation uncertainty.

7 Development projects

	2023/2024 DKK	2022/2023 DKK
Cost beginning of period	14.743.958	12.555.622
Additions during the period	3.354.373	2.188.336
Cost end of period	18.098.331	14.743.958

Amortisation & write down beginning of period	-4.591.121	-2.993.640
Amortisation & depreciation during the period	-1.397.716	-1.597.481
Amortisation & write down end of period	-5.988.837	-4.591.121

Carrying amount end of period	12.109.494	10.152.837
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Development projects encompass directly associated cost related to the development of CS MEDICA's medical treatments with CBD, IPR rights, MDR compliance and the technology platforms. These ongoing projects incur costs in various forms and are directed toward enhancing product efficacy, safety, functionalities, local registrations/approvals, the adoption of the MDR requires and thereby bolstering CS MEDICA's revenue streams.

The products related to these development projects are currently available in the market and continue to evolve to meet the new MDR requirements. They are sold globally to business-to-business (BtB) and retail channels and direct-to-consumer (DtC) in Denmark and on Amazon. Through CS MEDICA's technology platforms, distributors have access to perform post-marketing clinical trials and product details.

The valuation of development projects depends on future revenue and earnings from the associated projects, introducing an inherent uncertainty. Nevertheless, board and management hold a confident expectation that future sales will substantiate the valuation.





7 Rights

	2023/2024 DKK	2022/2023 DKK
Cost beginning of period	4.786.984	4.786.984
Additions during the period	0	0
Cost end of period	4.786.984	4.786.984
Amortisation & write down beginning of period	-1.312.707	-834.108
Amortisation & depreciation during the period	-718.047	-478.598
Amortisation & write down end of period	-2.030.754	-1.312.707
Carrying amount end of period	2.756.230	3.474.277

Rights relate to the value obtained by CS MEDICA during the share exchange between CS MEDICA's fully owned subsidiary CANNORDIC. The rights relate to the value generated by CANNORDIC, and were set equally with the IPO valuation, when listed at Spotlight in september 2021.

Valuation of right hinges on future revenue and earnings generated from CANNORDIC, introducing an inherent uncertainty. Nevertheless, board and management hold a confident expectation that future earnings from CANNORDIC will substantiate the valuation.

Management has carried out an impairment test of the accounting values of the recognized development costs and rights. On this basis, the project development process in the form of incurred costs and achieved results is assessed in relation to the approved project and

business plans for the completed development projects, the value is maintained if sales are realized as expected in the coming years. On this basis, it is assessed that the recovery value exceeds the accounting value.

8 Deposits

	2023/2024 DKK	2022/2023 DKK
Cost beginning of period	106.688	0
Additions during the period	57.000	106.688
Departure during the period	-106.688	0
Cost end of period	57.000	106.688

9 Manufactured goods and goods for resale

	DKK	DKK
Finished goods	963.245	2.710.031
Total Inventories (net)	963.245	2.710.031

Inventories have not been fully optimized and reconciled solely with the warehouse inventory lists. However, provisions for items approaching expiry, totaling TDKK 880 for 2023/2024, have been incorporated. Management has assessed the inventory value in relation to future sales, ensuring accurate measurement.

Write-downs in both 2023/2024 and 2022/2023 are included for fully impaired inventory.





10 Trade receivables

	2023/2024 DKK	2022/2023 DKK	2022/2023 DKK
Trade receivables	3.859.610	2.451.646	1.635.557
Total Trade receivables (net)	3.859.610	2.451.646	1.635.557

As of 30. September 2024 tDKK 253 is in the currency DKK, and at 30. September 2023 tDKK 17. The remaining trade receivables is in EUR in both financial years. The following table details the risk profile of trade receivables based on CS MEDICA's expected loss on trade receivables.

Trade receivables due	Not Past due DKK	Overdue by 0-	Overdue by	Overdue by >	Writedowns DKK	Overdue by
		45 days DKK	46-90 days DKK	90 days DKK		30-90 days DKK
30. September 2024	691.038	1.860.342	1.308.230		0	3.859.610
30. September 2023	215.176	518.875	6.814	1.710.781	0	2.451.646
30. September 2022	1.701.023		-64.429	-1.037	0	1.635.557

11 Change in working capital

	2023/2024 DKK	2022/2023 DKK
Change in Finished goods	1.746.786	-1.361.497
Trade + other receivables	-1.718.073	4.127.045
Trade + other payables	5.709.496	4.890.691
Other provisions	0	-164.948
Deferred tax	-4.819.083	-3.953.949
Loan subsidiaries	688.990	0
Deposits	49.688	2.324
	1.657.804	3.539.666

12 Share capital and earnings per share

12.322.635)

shares with a nominal value of DKK 0.065 each. The shares are not divided into classes and carry no right to fixed income.

	DKK
Issued and fully paid shares:	
As of 1 October 2020, 80 shares of DKK 1.000 DKK each	80.000
Capital increase, loan in subsidiary converted to capital and exchanged for CS MEDICA shares	6.755
Capital increase transferred from reserves, conversion to a/s	433.245
Capital increase from IPO including changing of shares to 0,065 DKK	188.630
As of 1 October 2021, 10.902.000 shares of DKK 0.065 each	708.630
Direct Issue, 100.000 shares at share price 8,50 DKK	6.500
Capital Increase TO1, 1,065,335 warrants exercised, at 9,30 DKK each	69.247
Capital Increase TO2, 255,300 warrants exercised at 10.30 DKK each	16.595
As of 30. September 2022, 12.322.635 of DKK 0,065 each	800.971
Direct Issue, 613.370 shares at an average share price of 3,07 DKK	39.867
Sharebased payments, 1.325.675 shares at an average shareprice of 4,76 DKK	86.171
Debt Conversion, 893.8515 shares at an average shareprice of 3,00 DKK	58.100
Warrants & Bonus following warrant program	128.070
As of 30. September 2024, 17.125.827 of DKK 0,065 each	1.113.179

Earnings per share

The calculation of earnings per share is based on the following:

	2023/2024 DKK	2022/2023 DKK
Net profit/(loss) of the year	- 9.650.903	-14.512.765
Average number of ordinary shares for calculation of earnings per share:	14.724.231	11.612.318
<i>Earnings per share:</i>		
Earnings per share, (EPS)*	- 0,66	- 1,25
Number of shares	17.125.827	12.322.635
Closing share price	5,94	10,90

*The diluted effect of outstanding share options has not been calculated as the Earnings per share is negative.





13. Other Capital reserve

Other capital reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 2 for further details of these plans.

	2023/2024 DKK	2022/2023 DKK
14 Interest-bearing liabilities		
non-current borrowings		
Interest bearing liabilities	10.093.332	8.098.428
	10.093.332	8.098.428
Current borrowings		
Interest bearing liabilities	3.097.530	681.079
	3.097.530	681.079
Total	13.190.862	8.779.507

The carrying amount is by management assessed as equivalent to the fair value of the liabilities.

15. Financial Risks Capital Management

CS MEDICA actively manages its capital to ensure its ability to continue as a going concern, while also maximizing revenue growth and Annual Recurring Revenue (ARR) through the optimization of both debt and equity balances.

During 2023/2024, the company successfully sustained operations through three bridge loans totaling DKK 4.5 million, which are set to be repaid in early 2025. Additionally, the founders and their family members provided DKK 3.4 million in loans to the company, of which DKK 2.7 million has been converted into shares, strengthening the company's equity position. Post-financial year, the founders further extended an additional DKK 1 million to bridge the company until the anticipated Chinese investment materializes. These funding efforts have been crucial to maintaining the company's growth trajectory amidst liquidity challenges.

To address extended lead times between signed contracts and paid invoices—due to longer-than-expected local legislative approval processes—management entered into an agreement with SVEA in January 2023. This agreement allows for the sale of invoices and debtor administration, effectively converting accounts receivable into immediate cash flow. This mechanism helps mitigate working capital constraints.

In anticipation of future liquidity needs, CS MEDICA is now in the process of receiving the long-awaited

Chinese funding. DKK 1.15 million of the first transfer has already been received, with the remaining DKK 0.85 million expected within few weeks to complete the first tranche of the Investment Agreement, totaling DKK 2 million. The second transfer of DKK 28 million is anticipated within 3 to 6 months, following the expected approval of one product through the Fast Track Hainan process. This funding will significantly support the company's liquidity. The delay in receiving these funds has impacted cash flow, prompting management to explore additional funding avenues. These efforts include potential collaborations with contract manufacturing organizations (CMOs) and other strategic partners, aimed at ensuring continued operational efficiency and reducing time-to-market.

The delisting of CS MEDICA from the Spotlight Stock Market on January 9, 2025, presents a strategic opportunity for potential new investors, who view the company as an attractive exit opportunity through an IPO or M&A track. This external funding is crucial for maintaining the company's growth trajectory and executing its market strategy while awaiting the second tranche of the Chinese investment.

Financial risk management

Due to the nature of its operations, investments, and financing, CS MEDICA is exposed to several financial risks. It is company policy to operate with a low risk profile, so that currency risk, interest rate risk and credit risk only occur in commercial relations.



The scope and nature of the financial instruments appear from the income statement and statement of financial position in accordance with the accounting policies applied. Provided below is information about factors that may influence amounts, time of payment, or reliability of future payments, where such information is not provided directly in the financial statements. This note addresses only financial risks directly related to CS MEDICA's financial instruments.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations towards CS MEDICA, leading to a financial loss. CS MEDICA is exposed to credit risk primarily related to its trade and other receivables.

In general CS MEDICA obtains credit rating on all cooperation partners and potential distributors. Besides minimizing the risk and protecting CS MEDICA's financial interest, management also safeguards that the distributor has the financial resources to e.g. invest in marketing and sales efforts. CS MEDICA assesses default when the accounts receivables are due more than 90 days and the outstanding amount is written off, when there is a court order of bankruptcy from the counterparty.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

CS MEDICA issues most of its invoices in EUR. Historically, DKK has been the predominant invoiced currency, hence CS MEDICA only had a DKK bank account.

In 2021/2022 CS MEDICA has also included a EUR and SEK bank account. CS MEDICA has in all material aspects only transactions in DKK and EUR. Going forward, Management expects higher frequency of foreign currencies in the incoming and outgoing cash flow. Consequently, management will at that time establish new bank accounts for these currencies when appropriate, to reduce costs and lower risk.

To minimize the risk of foreign currency fluctuation on new contracts, CS MEDICA's price list is fixed to EUR.

Liquidity risk

CS MEDICA ensures sufficient liquidity resources by liquidity management. To limit CS MEDICA's counterparty risk, deposits are only made in well-reputed banks. On 30 September 2024, CS MEDICA's cash and cash equivalents amounted to tDKK -795 (2022/2023:tDKK -415). According to management expectations the cash reserve and expected cash flow for 2024/2025, together with CS MEDICA's financing efforts, are adequate to meet the obligations of CS MEDICA as they fall due.

The table to the right summarizes the maturity profile of CS MEDICA's liabilities based on contractual undiscounted payments

Interest rate risk

Interest rate risk arises in relation to interest-bearing assets and liabilities. CS MEDICA's interest-bearing debt to Vaekstfonden of tDKK 537 as per 30 September 2024

is subject to a variable rate of interest based on a 3-month CIBOR plus a premium. If market interest rates increased by one percentage point, the interest rate sensitivity as calculated based on the loan balance to credit institutions as per end of 2023/2024 would lead to a yearly increase in interest expenses of tDKK 5.7. A corresponding decrease in market interest rates would have the opposite impact. CS MEDICA's interest-bearing debt, following the bridge loans, totals DKK 3.747 million. Of this, DKK 1.747 million is subject to an interest rate of 3-6% per month. The remaining DKK 2 million can either be converted into a direct share issuance at a price of DKK 1.5 per share or the shares can be repurchased at a share price of DKK 3. CS MEDICA's interest-bearing debt to founders and their family, totally tDKK 8.098, is subject to an interest rate of 0,34% per month.

	Less than 6 month DKK	6-12 months DKK	1-5 years DKK	> 5 years DKK	Total DKK
30. September 2024					
Non current Interest bearing liabilities	0	0	10.093.332	0	10.093.332
Current Interest bearing liabilities		3.097.530			3.097.530
Trade and other payables	0	0	0	0	0
	0	3.097.530	10.093.332	0	13.190.862
30. September 2023					
Non current Interest bearing liabilities	0	0	8.098.428	0	8.098.428
Current Interest bearing liabilities	0	681.079	0	0	681.079
Trade and other payables	0	0	0	0	0
	0	681.079	8.098.428	0	8.779.507

	2023/2024 DKK	2022/2023 DKK
Financial assets measured at amortised cost		
Deposits	57.000	106.688
Trade receivables	3.859.610	2.451.646
Other receivables	225.051	-85.057
Current Cash	17.710	-415.014
Total	4.159.372	2.058.263
Financial liabilities measured at amortised cost		
Interest bearing loan	13.190.862	8.779.507
Trade payables	8.900.911	5.108.285
Other payables	3.470.356	1.553.486
Total	25.562.129	15.441.278

Classification of financial assets measured at amortized cost

Since CS MEDICA's financial instruments are either short-term and/ or exposed to floating interest rates, Management has assessed that the carrying amount is a reasonable approximation of fair value.



16 Other provisions

Consists of VAT due and salary-related items.

	2023/2024 DKK	2022/2023 DKK
17 Liabilities arising from financing activities		
Liabilities at 1 October	8.779.507	1.042.949
Loans raised	7.202.908	7.992.564
Repayments	-110.000	-256.006
Conversion of debt to equity	-2.681.553	0
Liabilities at 30. September 2024	13.190.862	8.779.507

As of 30 September 2024, the company's interest-bearing liabilities include the following:

- A loan from Vækstfonden amounting to tDKK 537 (originally tDKK 1,042), established in 2015. This loan was initially without installments until 2021 and is being repaid in quarterly installments of tDKK 110, with the final repayment due in 2025.
- A credit line of tDKK 813, which has subsequently been partly redeemed.
- A loan from the founders totaling tDKK 8,093, bearing a monthly interest rate of 0.34%.
- A bridge loan of tDKK 1,747 with a monthly interest rate of 3-6%.
- A convertible bridge loan of tDKK 2,000, secured by 1,333,333 shares. This loan can either be con-

verted into a direct share issuance at tDKK 1.5 per share or repurchased at a share price of tDKK 3, with the buyback deadline set for February 2025.

18. Related parties

CS MEDICA A/S main shareholders is Colund Aps and LHX Holding Aps, representing approximately 70% of the total number of shares/votes. The remaining shares are widely held. Both entities are considered related parties.

CS MEDICA has, via two occasions prior to the IPO been granted loans through their subsidiary CANNORDIC A/S. The loans amounted to totally DKK 2.8 million, given by Finn-Ove and Nina Henriksen – parents of CEO/CSO Lone Henriksen and CFO/CIO and Member of the Board of Directors Gitte Lund Henriksen in the Company.

The loans were offset against units in connection with the IPO in CS MEDICA. The agreement was not entered at arm's length, with no interest.

As associated companies of CS MEDICA A/S, two 100% owned subsidiaries; Galaxa Pharma a/s and CANNORDIC a/s and two foreign owned subsidiaries: 99% owned CANNORDIC India Ltd. and 49% owned Joint Venture, RongShi MEDICA (Hainan) Ltd. All Subsidiaries are considered related parties, as well as the Board of Directors and Executive Management of CS MEDICA A/S.

CANNORDIC A/S, had before the IPO, an minor part of the share capital owned by Colund Aps and LHX Holding Aps. These shares were exchanged for shares in CS MEDICA via tax-free share exchange before the IPO. New shares have been issued in CS MEDICA, for the use in the exchange, and were adopted at the general meeting on the 16th of April 2021. The valuation of the shares is based on the IPO valuation, corresponding to a value of DKK 4.786.982.

Galaxa Pharma A/S represents foreign manufacturers looking to enter the Nordic market, including CANNORDIC A/S with their CANNASEN® product line. Currently, Galaxa Pharma focuses on webshop activities, purchasing products from CANNORDIC A/S under the same pricing principles as other distributors

CS MEDICA acts as a shared service centre for Galaxa Pharma and CANNORDIC within accounting, administration, marketing and project management. Additionally, CS MEDICA invoices CANNORDIC A/S for the use of its IPR-secured products, ensuring the intellectual property rights associated with the CANNASEN® product line are properly licensed. This arrangement not only underscores the value of CS MEDICA's proprietary technol-

ogies but also establishes a consistent revenue stream from the licensing of its IPR to CANNORDIC A/S. As all funding takes place in CS MEDICA and the activities are situated in the two subsidiaries, CS MEDICA provides loans to its subsidiaries. The loans bear an interest rate of 4% p.a. As of 30 September 2023, the loan to Galaxa Pharma amounted to tDKK 1 295 and tDKK 11 623 to CANNORDIC.

All internal transactions have been eliminated in the consolidated accounts in accordance with the consolidation principles announced in the accounting policies.

There have been no related party transactions other than the transaction described above, and normal remuneration of the Board of Directors and Executive Board are disclosed as part of note 2.

19. Commitments and contingencies

Subsequent to the financial year, the company has resolved pending legal proceedings against Laigaard Partners A/S and Laigaard Accounting Aps. These proceedings related to recruitment assistance provided by Laigaard Partners and accounting services from Laigaard Accounting. The discrepancy with Laigaard Partners involved a failed recruitment of a Scandinavian Sales Director, while the issue with Laigaard Accounting arose from non-compliance with standard accounting practices. Full provisions for the amounts due have been accounted for in the 2023/2024 financial statements.

In January 2023 the management entered into an agreement with SVEA, regarding sale of invoices and debtor administration. With this agreement CS MEDICA convert its accounts receivable from its customers, into immediate cash. With this agreement SVEA has Pledge in the debtors of the two subsidiaries with cross-liabilities between the two subsidiaries and self-debts surety with CS MEDICA and the two founders. No material Commitments and contingencies has been reported.

CS MEDICA has entered into a convertible bridge loan agreement with MKA Pensionsopsparring A/S amounting to DKK 2 million. As part of the arrangement, 1,333,333 shares have been placed as security. The loan provides two potential settlement options: either a direct share issuance at a price of DKK 1.50 per share, serving as repayment for the bridge loan, or the repurchase of the shares at a price of DKK 3.00 per share. The buyback of the shares must be executed no later than February 2025.

20. Events after the reporting period

Events after the reported period have been listed in the section Governance and Post-Period Developments. No material events have happened after the reporting period, besides those referred to in this section.

See all CS MEDICA news, link to Cision news [here](#) and on CS MEDICA webpage [here](#)

ACCOUNTING POLICIES

Accounting policies

CS MEDICA's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and additional Danish disclosure requirements for the financial statements of reporting class B enterprises with addition of certain provisions for reporting class C, cf. the Danish Executive Order on Adoption of IFRSs ("IFRS bekendtgørelsen") issued in accordance with the Danish Financial Statements Act ("DFSA").

Basis of Preparation

The financial statements are presented in Danish kroner (DKK). The financial statements have been prepared on a going concern basis and in accordance with the historical cost convention, except where IFRS explicitly requires use of other values.

For the purpose of clarity, the financial statements and the notes to the financial statements are prepared using the concepts of materiality and relevance. This means that line items not considered material in terms of quantitative and qualitative measures or relevant to financial statement users are aggregated and presented together with other items in the financial statements. Similarly, information not considered material is not presented in the notes.

The accounting policies, except as described below, have been applied consistently during the financial year and for the comparative figures.

Share-based payments

CS MEDICA has established share-based incentive program comprising equity-settled programs (warrants) for Key Management Personnel and other key employees. The purpose of these programs is to ensure common goals for Management, key employees, and shareholders. According to Danish Financial Statements Act there is no requirement for recognition and measurement on equity-settled programs.

Following the adoption of IFRS, IFRS 2 requires that the warrant programs should be recognized at fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market based vesting conditions. Details regarding the determination of the fair value of equity settled share-based transactions are set out in note 2.

There have been no share-based payments in the financial year 2022/2023, hence no regulation is incorporated.

Development cost and IPR rights, Rights and Goodwill

Under DFSA, share premium related to the share exchange in 2020/2021 between CS MEDICA's and its 100% owned subsidiary, CANNORDIC A/S was included as Goodwill. Following IFRS this share premium are recognized as rights in the consolidated statements. In the Parent statements the recognition is unchanged, recognised under Equity Investments in Group Enterprises.

The reclassification in the consolidated statement has been incorporated in both financial years, 2020/2021 and 2021/2022. The reclassification has no impact on the financial statement or Equity in the consolidated Statement.

Foreign currency translation

Transactions denominated in currencies other than the functional currency are considered transactions in foreign currency.

On initial recognition, transactions denominated in foreign currencies are translated to the functional currency at the exchange rates at the transaction date. Foreign exchange rate adjustments arising between the transaction date and at the date of payment are recognized in the income statement under financial income or financial expenses. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates at the reporting date. The difference between the exchange rates at the reporting date and at the date of transaction or the exchange rate in the latest financial statements is recognized in the income statement under financial income or financial expenses.

Cash flow statement

The cash flow statement is presented using the indirect method and shows cash flows from operating, investing and financing activities for the year as well as CS MEDICA's cash and cash equivalents at the beginning

and end of the financial year.

Cash flows from operating activities are calculated based on operating profit/loss, adjusted for the cash flow effect of non-cash operating items, working capital changes, financial expenses paid and income tax paid.

Cash flows from investing activities comprise payments in connection with the acquisition and sale of non-current intangible assets, property, plant and equipment as well as financial assets.

Cash flows from financing activities comprise payments arising from changes in the size or composition of CS MEDICA's share capital and dividend paid.

The consolidated financial statements

The consolidated income statements comprise the parent company CS MEDICA A/S and those group enterprises of which CS MEDICA A/S directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Consolidation policies

The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.



Investments in group enterprises are eliminated by the proportionate share of the group enterprises' market value of net assets and liabilities at the acquisition date.

In the consolidated financial statements, the accounting records of the group enterprises are recognized by 100%. Purchases and sales of minority interests under continuing control are recognized directly in equity as a transaction between shareholders.

Investments in associates are measured in the statement of financial position at the proportionate share of the enterprises' equity value is calculated in accordance with the parent company's accounting policies and with proportionate elimination of unrealized intercompany gains and losses. In the income statement, the proportional share of the associates' results is recognized after elimination of the proportional share of intercompany gains and losses.

Income statement

Revenue

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue. Net Sales is recognized in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales

Cost of goods sold comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Sales and distribution costs

Sales and distribution costs comprises of costs related to distribution, warehousing, sales and marketing.

Administrative costs

Other external expenses include expenses relating to CS MEDICA's ordinary activities, including expenses for stationery and office supplies, premises, loss on receivables.

Staff costs

Staff costs consist of salaries and wage, including holiday allowances, pensions, and other social security costs, share-based payments, and benefits. Salaries, share-based payments, and other benefits are recognized in the year in which the associated services are rendered by the employees. Contributions to defined contribution plans are recognized in the income statement in the period to which they relate, and any contributions outstanding are recognized in the statement of financial position as other liabilities.

Staff costs are less government reimbursements.

Amortization and impairment of intangible assets

Depreciation, amortization, and write-down for impairment comprise depreciation on, amortization of, and write-down for impairment of intangible and tangible assets, respectively.

Share-based payments

The Board of Directors, the Board of Management and other employees have been granted warrants. The warrants are measured at fair value at the grant date and are recognized as an expense in staff costs over the vesting period. Expenses are set off against equity. The fair value of the warrants is measured using the Black Scholes valuation method or other generally accepted valuation techniques. The calculation considers the terms and conditions under which the warrants are granted. Fair value is not subsequently remeasured. If subsequent modifications to a warrant program increase the value of the warrants granted, measured before and after the modification, the increase is recognized as an expense. If the modification occurs before the vesting period, the increase in value is recognized as an expense over the period for services to be received. If the modification occurs after the vesting date, the increase in value is recognized as an expense immediately. Consideration received for warrants sold are recognized directly in equity.

Income from equity investments in group enterprises

After full elimination of intercompany profit or loss less amortized consolidated goodwill, the equity investment in the individual group enterprises is recognized in the income statement of the parent as a proportional share of the group enterprises' post tax profit or loss.

Financial cost net

Financial income and expenses are recognized in the income statement with the amounts concerning the financial year.

Financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortization of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc. Financial expenses comprise interest expenses, lease interest, net capital or exchange losses on payables and transactions in foreign currencies, amortization of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Income tax and deferred tax

Tax on the profit/loss for the year comprises the year's current tax and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognized in the income statement, and the tax expense relating to items recognized in other comprehensive income and directly in equity, respectively, is recognized in other comprehensive income or directly in equity.

Current tax payable and receivable is recognized in the balance sheet as the expected tax on the taxable income for the year, adjusted for tax paid on account. The current tax charge for the year is calculated based on the tax rates and rules enacted at the balance sheet date.

CS MEDICA is jointly taxed with all Danish group enterprises. The parent acts as an administration company in relation to the joint taxation. This means that the total Danish income tax payable by the Danish group companies is paid to the tax authorities by the company. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full





allocation with a refund concerning tax losses).

Deferred tax is calculated using the liability method on all temporary differences between the accounting and taxable values of assets and liabilities.

Deferred tax assets are assessed yearly and only recognized to the extent that it is more likely than not that they can be utilized. Deferred tax assets, including the tax value of tax losses carried forward, are recognized as other non-current assets and measured at the amount at which they are expected to be realized, either by setting off deferred tax liabilities or by setting off tax on future earnings within the same legal entity or a jointly taxed entity.

However, no deferred tax is recognized for amortization of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

CS MEDICA recognizes deferred tax assets relating to losses carried forward when Management finds that these can be offset against taxable income in the foreseeable future. An assessment is made taking into consideration the effect of restrictions in utilization in local tax legislation. Future taxable income is assessed based on budgets as well as Management's expectations regarding growth and operating margin in the coming years.

Balance sheet

Intangible assets

Goodwill

In connection with every acquisition, goodwill and a

non-controlling interest (minority) are recognized as follows: Goodwill relating to the entity acquired comprises a positive difference, if any, between the total fair value of the entity acquired and the fair value of the total net assets for accounting purposes. The non-controlling interest is recognized as the share of the total fair value of the entity acquired (full goodwill).

Goodwill is recognized in intangible assets. It is not amortized but reviewed for impairment once a year and also if events or changes in circumstances indicate that the carrying value may be impaired. If impairment is established, the goodwill is written down to its lower recoverable amount. Sold or liquidated entities are recognized up to the date of disposal. Any gain or loss compared to the carrying amount at the date of disposal is recognized in the income statement to the extent the control of the subsidiary is also transferred.

Development projects, IPR rights

Development costs are recognized as costs in the acquisition year. Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights and acquired intellectual property rights. Development projects on clearly defined and identifiable products, for which the rate of utilization, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product in question, are recognized as intangible assets.

Other development costs are recognized as costs in the income statement as incurred. Following initial recognition of the development expenditure as an asset, the

asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use.

Amortization is based on the straight-line method over the estimated useful life. This corresponds to the legal duration or the economic useful life depending on which is shorter, and not exceeding 25 years in either case. The amortization of intellectual property rights begins after regulatory approval has been obtained or when assets are put in use. The amortization periods used are 3-25 years.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises are subject to annual impairment tests to disclose any indications of impairment beyond those expressed by amortization and depreciation respectively.

Intangible assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Factors considered material that could trigger an impairment test include the following:

- Development of a competing drug
- Changes in the legal framework covering patents, rights and licenses
- Advances in medicine and/or technology that affect the medical treatments
- Lower-than-predicted sales

- Adverse impact on reputation and/or brand names
- Changes in the economic lives of similar assets
- Relationship to other intangible assets or property, plant and equipment
- Changes or anticipated changes in participation rates or reimbursement policies

If the carrying amount of intangible assets exceeds the recoverable amount based on the existence of one or more of the above indicators of an impairment, any impairment is measured based on discounted projected cash flows. Impairments on intangible assets, other than goodwill, are reviewed at each reporting date for possible reversal.

Write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount. The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognized impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Deposits

Deposits are measured at amortized cost and represent lease deposits, etc.



> **Inventories**

Inventories are measured at cost on the basis of weighted measured average prices. In cases when the net realizable value is lower than the cost, the latter is written down for impairment to this lower value. Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognized in cost.

The net realizable value for inventories is recognized as the market price less costs of completion and selling costs. The net realizable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Trade receivables

Trade receivables are measured at amortized cost less allowance for lifetime expected credit losses.

For trade receivables, CS MEDICA applies a simplified approach in calculating expected credit losses (ECLs). Therefore, CS MEDICA does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

Provisions for bad debts are determined based on a general provision based on overdue accounts receiv-

ables, adjusted for forward-looking factors specific to the debtors and the economic environment.

However, in certain cases, CS MEDICA may also consider a financial asset to be in default when internal or external information indicates that CS MEDICA is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by CS MEDICA. Trade receivables are written off when all possible options have been exhausted and there is no reasonable expectation of recovery.

The cost of allowances for expected credit losses and write-offs for trade receivables are recognized in the income statement under administrative costs due to exempting from applying the ECL model.

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables in note 9. CS MEDICA does not hold collateral as security.

Cash and cash equivalents

Cash comprises bank deposits.

Equity

Reserve for development costs

The reserve for development costs comprises recognized development costs less related deferred tax liabilities. The reserve cannot be used as dividends or for covering losses. The reserve is reduced or dissolved if the recognized development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Dividend

Dividend expected to be distributed for the year is recognized as a separate item under equity.

Provisions

Provisions are recognized when CS MEDICA has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as financial expense.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognized at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognized at amortized cost, corresponding to the capitalized value when using the effective interest rate. The difference between the proceeds and the nominal value is recognized in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortized cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortized cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortization of the market value on the

date of the borrowing effectuated over the repayment period. Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortized cost which usually corresponds to the nominal value.

Contract liabilities

Contract liabilities include prepayments from customers, which comprise amounts received from customers prior to delivery of the goods agreed or completion of the agreed.

Interest-bearing liabilities

Interest-bearing liabilities are measured at amortized cost, which usually corresponds to nominal value.

Trade payables and other payables

Other payables include bonus and commission accruals, vacation pay obligations, payroll taxes and VAT. Payables are measured at cost.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of CS MEDICA financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of expenses, assets, and liabilities, and the accompanying disclosures. Significant uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. Management continuously reassesses these estimates and judgments



based on several factors in the given circumstances.

Valuation of development projects Development projects (Group and Parent) consist of completed development projects, that are amortized over 10 years. Completed development projects are assessed for impairment whenever there is an indication that the development asset may be impaired. The amortization period for completed development projects is reviewed on an annual basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the income statement as amortization. The carrying value of intangible assets, DKK 14.0 million is based on Management's expectations of future cash flow and other assumptions described in note xx. These assumptions are by nature subject to significant uncertainty taking the Company's going concern risk and the dependence on CS MEDICA receiving the necessary revenue to continue the planned activities into consideration.

Management considers the following accounting estimates and judgements to be significant in the preparation of the financial statements.

Manufactured goods and goods for resale

Inventory which are assessed for impairment by comparing cost prices (cost of raw materials, consumables and direct labor costs) to net realization values. The estimated net realization values are based on Management

estimates and assumptions over future sales volume and prices and are by nature subject to uncertainty. In relation to 2023/24, Management has assessed that inventory with a carrying value of DKK 2.7 million is not subject to any write-down. However, there is an inherent significant uncertainty related to the valuation of products still unsold, as the net realization values of these items may also depend on CS MEDICA receiving the necessary revenue to continue the planned activities. Valuation of receivable from group enterprises

The parent company has a receivable of DKK 1.5 million from one customer that has been outstanding for more than 1 year. Management has assessed that no write down of this receivable is necessary. However, the Management acknowledge the commercial uncertainties.

Development costs and IPR rights and rights

CS MEDICA capitalizes costs for product development projects. Initial capitalization of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalized, management makes assumptions regarding the expected future cash generation of the project and the expected period of benefits. At 30 September 2022, the carrying amount of capitalized development costs rights was tDKK 13.514 (2021: tDKK 12.777).

Ongoing development projects and rights are tested at least once a year for write-down needs. Development projects are based on future expectations of the future

expectations of customer and market demand.

Development projects and rights are projects established with a view to uncovering new products within adjacent business areas. Based on these factors, the management has estimated the recoverable amount of the ongoing development projects in the form of expected future net cash flows including completion costs.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 2.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value-in-use calculation is based on a DCF model.

The cash flows are derived from the budget for the next five years and do not future include reclassifica-

tion activities that CS MEDICA is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognized by CS MEDICA.

The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur, for which reason the actual results may differ from the estimates and judgements made.

Deferred tax (asset)

A deferred tax assets of DKK 7.5 million relating to the negative income. Based on an evaluation of the future income, it is Management's assessment that CS MEDICA can use the previous year's deficit in the future profit. The recognition of the receivable is based on this assessment. Whether the criteria are met, is subject to an estimate, with an underlying risk and uncertainty. Valuation of deferred tax assets as stated in note 1, Management feels confident that the needed revenue and payment from the Chinese investment agreement can be achieved. However, should Management against expectations not be able to secure the higher revenue, the value of the company's deferred tax assets will be very limited.

Reference is also made to note 6.

Segment information

For management purposes and based on internal reporting information, CS MEDICA is organized in two operating segments, hence information reported includes operating results at a segmented level where appropriate otherwise at a consolidated level. The costs related to the main nature of the business are divided through the specific revenue stream.

CS MEDICA operates in two business segments:

- Galaxa Pharma A/S operates direct-to-consumer marketing, commercialization, and brand building through its e-tail webshop, can-nasen.dk.
- CANNORDIC A/S
Research and development, establishing of global business contracts, supply of CBD ingredients and production of finished products. Global sale (BtB), to distributors, including Galaxa Pharma in the Nordic Region.

Segment performance is evaluated based on revenue, consistent with the consolidated financial statements. There are internal sales between the business segments, cf. note 1. Costs have been split between business segments according to a specific allocation. In addition, a small number of corporate overhead costs are allocated systematically between the segments. Other operating income and expenses have been allocated to the two segments based on the same principle.



Statement by Management on the annual report

The board of directors and the managing director have presented the annual report of CS MEDICA A/S for the financial year 1 October 2023 - 30 September 2024.

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of CS MEDICA's assets, liabilities, and financial position as at 30.09.2024 and of the results of CS MEDICA's activities and cash flows for the financial year 01.10.2023 – 30.09.2024.

We and the board stand by the management commentary as a fair review of the operations and conditions outlined herein. Further discussion on the above matters can be found in Note 0 and under each note related to the assets involved.

The annual report is submitted for adoption at the Annual General Meeting on 28 March 2025.

Copenhagen, 28 March 2025

Registered Executive Management
Lone Henriksen, CEO and CSO

Board of Directors

Flemming Heegaard
 Chairman of the Board

Jesper Herold Halle
 Member of the Board

Anders Permin
 Member of the Board

Ib Madsen
 Member of the Board

Gitte Henriksen
 Member of the Board
 CIO and CFO

For further information, please contact:

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 Orgnr: 33 87 16 43

AUDITOR'S REPORT

Auditor's report

To the management of CS MEDICA A/S

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30 September 2024, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 October 2023 - 30 September 2024 in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and in accordance with IFRS as endorsed by the EU and further requirements in the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other

ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Significant uncertainty regarding continued operations

It is imperative to highlight the content of note 0 and in accounting policies under section "Critical accounting judgements and key sources of estimation uncertainty", which describes the significant uncertainty associated with revenue and the entered investment agreement. Our conclusion remains unmodified regarding this matter.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent company financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the consolidated financial statements and the parent company financial statements, or our knowledge obtained during the audit, or

otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed; we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Management's Responsibilities for the Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and in accordance with IFRS as endorsed by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statement and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis



of these consolidated financial statements and the parent company financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 28 March 2025

Christensen Kjærulff
Company reg. no. 15 91 56 41

John Mikkelsen
State Authorised Public Accountant
mne26748



More information

Annual Report

This Annual Report is CS MEDICA's full statutory Annual Report pursuant to Section 149(1) of the Danish Financial Statements Act. The statutory Annual Report will be presented and adopted at the Annual General Meeting on 29. February 2024 and will subsequently be submitted to and be available at Cision news and the Danish Business Authority.

The Annual Report is prepared in accordance with the International Financial Reporting Standards and the Danish Financial Statements Act.

References

Throughout the management review section in this report, links are provided to online sources for additional information. Some of the references are not mandatory and hence not included in the audit of the management review.

For more news from CS MEDICA, visit cs-medica.com/investors and <https://news.cision.com/?q=cs%20medica>.

Disclaimer

The patients, employees and relatives portrayed in this Annual Report and ancillary reports have participated of their own accord and solely to express their own personal opinions on topics referred to, which do not necessarily reflect the views and opinions of CS MEDICA. Use of the pictures as illustrations is in no way intended to associate the patients, employees or relatives with the promotion of any CS MEDICA products.

The company

CS MEDICA A/S
Indiakaj 10
2100 Copenhagen

Company reg. no.

33 87 16 43

Established

7 August 2011

Financial year:

1 October - 30 September

Board of directors

Jørgen Flemming Ladefoged
Karsten Adelmark
Anders Permin
Gitte Henriksen

Managing Director

Lone Henriksen

Auditors

Christensen Kjærulff
Statsautoriseret Revisionsaktieselskab
Store Kongensgade 68
1264 København K

Subsidiaries

Galaxa Pharma A/S, Copenhagen
CanNordic A/S, Copenhagen
CanNordic India Ltd.
RongShi MEDICA (Hainan) Ltd. China

Contact information

CS MEDICA A/S

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Telephone

+45 70 70 73 37

Financial calendar

Annual General Meeting 2023/2024	28 March 2025
Q1: Interim report, October– December 2024	31 March 2025
Q2: Interim report, January – March 2025	17 April 2025
Q3: Interim report, April– June 2025	17 July 2025
Q4: Year-end report, July– September 2025	30 November 2025
Annual report 2024/2025	10 January 2026
Annual General Meeting 2024/2025	27 January 2026

⁴⁾ Interim period, between old financial year 01.10 - 30.09 and new financial year equal with calendar year.

PARENT

Income statement 2023/2024

	Note	1. October 2023 - 30. September 2024 DKK	1. October 2022 - 30. September 2023 DKK
Net Sales	1	1.497.241	1.210.737
Gross Profit		1.497.241	1.210.737
Sales and distribution cost		-130.352	0
Administrative costs		-1.480.928	-2.585.084
Staff costs	2	-4.897.906	-3.822.808
Depreciation and amortisation	3	-923.547	-684.098
Operating profit		-5.935.492	-5.881.254
Income from equity investments in group enterprises		-6.261.191	-10.259.836
Financial costs net	4	-411.901	564.146
Profit or loss before tax		-12.608.584	-15.576.945
Tax on net profit or loss for the year	5	2.957.681	1.064.180
Net profit or loss for the year		-9.650.903	-14.512.765

	Note	1. October 2023 - 30. September 2024 DKK	1. October 2022 - 30. September 2023 DKK
Statement of comprehensive income			
Net profit		-9.650.903	-14.512.765
Other comprehensive income:			
Cost Direct Issue & IPO		-6.311.725	0
Total comprehensive income for the year		-15.962.628	-14.512.765

PARENT

Statement of Financial Position 2023/2024

	Note	30.September 2024 DKK	30.September 2023 DKK	30.September 2022 DKK
Balance Sheet				
Assets				
Development projects & IPR rights	6	2.985.221	1.265.935	832.292
Equity investments in group enterprises	7	17.639.635	9.099.093	4.867.141
Deferred tax assets	5	5.408.103	2.450.422	199.340
Deposits		57.000	57.000	
Total non-current assets		26.089.958	12.872.449	5.898.773
Current assets				
Inventories				
Receivables from group enterprises	8	1.704.477	12.918.671	9.604.310
Other receivables		207.859	-134.118	50.000
Cash on hand and demand deposits		1.559	-265.411	5.855.832
Total current assets		1.913.894	12.519.142	15.510.142
Total assets		28.003.852	25.391.592	21.408.915

	30.September 2024 DKK	30.September 2023 DKK	30.September 2022 DKK
Equity and liabilities			
Share Capital	1.113.179	800.971	708.630
Reserve for net revaluation according to the equity method	0	0	1.387.252
Reserve for development costs	2.328.473	987.429	689.260
Retained earnings	2.574.302	8.625.378	18.365.155
Total equity	6.015.954	10.413.778	21.150.297
Provisions	4.802.000	4.802.000	0
Subordinate loan capital	8.093.332	8.098.428	0
Total non-current liabilities	12.901.453	12.900.428	0
Credit bank	808.961	0	0
Trade payables	3.327.078	1.712.395	314.796
Other payables	1.203.406	364.990	-56.178
Total current liabilities	9.086.446	2.077.385	258.618
Total liabilities	28.003.852	25.391.592	21.408.915

PARENT

Statement of changes in equity

	1. October 2023 - 30. September 2024 DKK	1. October 2022 - 30. September 2023 DKK
Balance at 1. October 2023	800.971	800.971
Change	312.207	0
Contributed capital, at 30. September 2024	1.113.179	800.971
Balance at 1. October 2023	987.429	862.855
Change	1.341.044	124.574
Reserve for development costs, at 30. September 2024	2.328.473	987.429
Balance at 1. October 2023	8.625.378	23.262.717
Share premium	11.252.599	0
Reserve for net revaluation according to the equity method	0	0
Deferred tax	0	0
IPO cost	-6.311.725	0
Reserve for development costs	-1.341.043	-124.574
Retained earnings for the period	-9.650.907	-14.512.765
Retained earnings, at 30. September 2024	2.574.302	8.625.378
Total Equity , at 30. September 2024	6.015.954	10.413.778

PARENT Notes

1 Revenue

CS MEDICA acts as a shared service center for Galaxa Pharma and CANNORDIC within accounting, administration, and project management. CS MEDICA invoice the two subsidiaries quarterly for this assistance.

	2023/2024 DKK	2022/2023 DKK
2 Staff Costs		
Salaries and wages	3.165.698	2.731.173
Other cost for social security	1.732.208	1.091.636
	4.897.906	3.822.808
Average number of employees	4	8
Board of Directors and Key management Personnel		
Remuneration	4.897.906	3.822.808
	2023/2024 DKK	2022/2023 DKK
3 Depreciation and amortisation		
Amortisation of rights	718.047	478.598
Amortisation of development projects	205.500	205.500
	923.547	684.098
	2023/2024 DKK	2022/2023 DKK
4 Other financial income		
Financial income	436.077	0
Other financial costs	-847.977	564.146
	-411.901	564.146

5 Tax for the year

	2023/2024 DKK	2022/2023 DKK
Changes in deferred tax	2.957.681	1.064.180
Recognised as receivable tax credit	2.957.681	1.064.180

Tax calculated as 22% of profit/loss before tax	2.773.888	3.426.928
Correction for Income from equity investments in group enterprises	-1.377.462	-2.257.164
Sharebased payments	1.388.579	
Non-capitalised tax assets	177.767	-105.584
Non-deductible expenses	-5.091	
Effective tax	2.957.681	1.064.180

Effective tax rate for the year (%)	-23%	7%
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Deferred tax is recognized in the statement of financial

position as follows:

Deferred tax (asset)	5.408.103	2.450.422
Deferred tax asset	5.408.103	2.450.422

Deferred tax concerns		
Intangible assets	-321.195	-278.505
Tax loss carried forward	5.729.298	2.728.927
Total	5.408.103	2.450.422





	2023/2024 DKK	2022/2023 DKK
6 Development projects		
Cost beginning of period - development projects	1.676.935	1.311.725
Additions during the period	1.924.786	365.210
Cost end of period	3.601.721	1.676.935
Amortisation and write down beginning of period	-411.000	-205.500
Amortisation and depreciation during the period	-205.500	-205.500
Amortisation and write down end of period	-616.500	-411.000
Carrying amount end of period	2.985.221	1.265.935

Development projects covers all IPR rights of the CANNASEN® medical products. For more information, please refer to note 6 in the consolidated financial statements. It is Management's assessment that the expected useful lives of the finite-lived assets, as well as the expected future revenue streams from the assets are sufficient to cover the value of recognized IPR rights at the reporting date, cf. note 7 under consolidated statements

7 Equity investments in group enterprises

In 2023/2024, the parent company made a capital injection by converting receivables into share capital, amounting to DKK 0.5 million in Galaxa Pharma A/S and DKK 15 million in CANNORDIC A/S.

CS MEDICA has recognized equity in its Joint Venture (JV) of tDKK 4,113, offset by a provision of tDKK 4,802 under provisions as payment of share capital, which is to be fulfilled through funding generated from the JV. The JV has not yet commenced full operations or finalized its financial statements, resulting in the exclusion of quarterly figures for Q3 and Q4 2023/2024. Limited activities were performed during Q3 and Q4 due to challenges in resolving the Investment Agreement and securing the corresponding money transfer to Denmark. This issue has now been resolved, as described in the section Long-term Investment under Financing and Financial Position, and the JV is set to resume its operations.

7 Equity investments in associated & group enterprises

	2023/2024 DKK	2022/2023 DKK
Cost, 1 october	26.742.723	11.834.926
Addition during the year	15.500.000	14.907.797
Cost 30. September 2024	42.242.723	26.742.723
Revaluation opening balance	-16.330.924	-5.592.790
Reclassification CANNORDIC india	19.780	0
Results for the year before amortisation	-6.261.191	-10.738.134
Revaluation 30. September 2024	-22.572.335	-16.330.924
Amortisation of goodwill, opening balance	-1.312.706	-834.108
Amortisation of the year	-718.047	-478.598
Amortisation 30. September 2024	-2.030.754	-1.312.706
Carrying amount 30. September 2024	17.639.635	9.099.093
Included Rights net	2.756.230	3.474.277
Equity Subsidiaries		
Galaxa Pharma ApS	100% 251.706	571.522
CANNORDIC A/S	100% 10.518.688	400.328
CANNORDIC India Ltd	99% 0	80.815
	10.770.395	1.052.665
Equity Joint Venture		
Capital RongShi MEDICA Ltd *)	49% 4.113.010	4.572.151
Rights	2.756.230	3.474.277
	17.639.635	9.099.093

8. Receivables from group enterprises

Interest is compounded quarterly at 4% per annum.

Accounting policies

The Financial Statement of the Parent Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and additional Danish disclosure requirements for the financial statements of reporting class B enterprises with addition of certain provisions for reporting class C, cf. the Danish Executive Order on Adoption of IFRSs ("IFRS bekendtgørelsen") issued in accordance with the Danish Financial Statements Act ("DFSA").

The accounting policies are the same as for the consolidated financial statements with the adjustments described below. For a description of the accounting policies of the Group, please refer to the consolidated financial statements.

No separate statement of cash flows has been prepared for the parent company; please refer to the statement of cash flows for the Group.

Supplementary accounting policies for the parent company

Equity investments in group enterprises

In the financial statements of the parent company, investments in subsidiaries and associated companies are recorded under the equity method, using the respective share of the net asset values in subsidiaries and associated companies. The equity method is used as a measurement basis rather than a consolidation method. The net profit of subsidiaries and associated companies less unrealized intra-group profits and amortization of goodwill is recorded in the income statement of the parent company. Goodwill is amortized over no more than 25 years which reflects the useful life of the underlying assets and activities generating the goodwill.

To the extent that net profit exceeds declared dividends from such companies, the net revaluation of investments in subsidiaries and associated companies is transferred to net revaluation reserve under equity according to the equity method. Profits in subsidiaries and associated companies are disclosed as profit after tax.

Equity investments in group enterprises are recognized in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies.

Tax

For Danish tax purposes, the parent company is assessed jointly with its Danish subsidiaries. The Danish jointly taxed companies are included in a Danish on-account tax payment scheme for Danish corporate income tax. All current taxes under the scheme are recorded in the individual companies.

CSMEDICA⁺

Revolutionizing Alternative Medicine

The **Efficient** OTC Alternative With **CBD**

Dette dokument er underskrevet af nedenstående parter, der med deres underskrift har bekræftet dokumentets indhold samt alle datoer i dokumentet.

Lone Henriksen

Navn returneret af MitId: Lone Henriksen
Direktør
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IP-adresse: 62.66.146.48:35563
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Flemming Heegaard

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Jesper Herold Halle

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Underskrevet med MitId



Ib Madsen

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Anders Permin

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Gitte Henriksen

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Underskrevet med MitId



John Mikkelsen

Navn returneret af MitId: John Mikkelsen
Revisor
På vegne af Christensen Kjærulff Statsautoriseret
Revisionsaktieselskab
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