

# Annual Report 2022/2023



**ODI Pharma**

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\*In this document, the following definitions shall apply, unless otherwise stated: the "Company" or "ODI Pharma" refer to ODI Pharma AB with Swedish corporate registration number 559223-1392.  
All amounts in the annual report are given in Swedish kronor, SEK.

## INTRODUCING: ODI PHARMA

### THE STORY

ODI Pharma was founded in 2018 with the goal of increasing patients' access to medicinal cannabis. The Company, based on its European network, subsidiaries, and partners, is a manufacturer of finished pharmaceutical and cosmetic cannabis products under state supervision and regulation for our medical products and EU regulations for our cosmetic products. ODI Pharma's focus is on the distribution to the medical cannabis markets, initially targeting Poland. Following an agreement dated August 7, 2023, the Company is set to expand its reach to multiple markets in Eastern Europe, specifically for medicinal products.

Medical products are to be sold to clients and patients through ODI Pharma's collaboration with wholesale medical distributors representing nearly all of Poland's hospitals, clinics, and pharmacies. ODI Pharma has teamed up with global leaders in the industry to source the highest quality product for ODI Pharma's brands, thereby ensuring reliability, consistency, and professionalism.

Since the fall of 2021 ODI Pharma also offers a CBD-infused skincare product line under the brand kandol., to further expand the Company's business and improve the Company's reputation and brand awareness. The specialized, highly CBD-infused skincare products are available online at [kandol.net](https://kandol.net) to customers within the EU.



### SUMMARY: HIGHLIGHTS OF 2022/2023

- **January 2023** – ODI Pharma received approval from the Office for Registration of Medicinal Products, Medical Devices and Biocidal Products (URPL) in Poland for its Marketing Authorization Holder (MAH) application. The approval means that ODI Pharma has the right to distribute and sell its medical cannabis products on the Polish market.
- **June 2023** – ODI Pharma secured loan financing of EUR 350,000 from an external international party in order to create flexibility in the operations.



## COMMENT FROM THE CEO: Derek Simmross

“As we reflect on the conclusion of another fiscal year, I feel a sense of accomplishment and enthusiasm to share the progress made by ODI Pharma. We have made significant strides in strengthening our position in the medicinal cannabis and CBD-infused cosmetic products market, and we are well on our way to becoming a leader in our field.”

In January 2023, we received exciting news that our Marketing Authorization Holder (MAH) application was approved by the Office for Registration of Medicinal Products, Medical Devices, and Biocidal Products in Poland. This approval grants us the right to distribute and sell medical cannabis products in the Polish market, solidifying our presence and opening up new avenues for growth. Simultaneously, we have been diligently working to establish the kandol. Skincare brand, ensuring its seamless availability through collaborations with reputable European retailers, skin clinics, and pharmaceutical distribution platforms.

To strengthen our financial flexibility and support our operations, we are pleased to announce that we have secured a loan financing of EUR 350,000 from PSE Topsorce SL. However, reflecting on the financial results of the past fiscal year, the outcomes were not up to our expectations. As a result, we will consider and adopt suitable financial strategies to finance our future development as we go forward.

In August we were pleased to announce that a new collaboration agreement with Synoptis Pharma Sp. Z o.o. through our Polish subsidiary. This agreement designates ODI as the exclusive supplier of medicinal cannabis flos products to Synoptis across Eastern and Southeastern European markets, reinforcing our role as a key player in the region. With coverage in 23

countries and a range of products, this partnership solidifies ODI's position as a primary medicinal cannabis supplier, reflecting our commitment to innovation and strategic growth.

As we express our gratitude to our dedicated shareholders for their unwavering support and belief in our vision, we remain committed to our core mission of making a positive impact on the lives of patients. The approval of our MAH application in Poland sets the stage for bringing relief to individuals suffering from conditions such as MS and Epilepsy. We closely monitor the evolving acceptance of medicinal cannabis in the broader European market, recognizing the potential for further growth and collaboration.

As we embark on a new fiscal year, we do so with a sense of optimism. We will continue to strengthen our market presence, explore new opportunities, and drive innovation in the realm of medicinal cannabis and CBD-infused skincare products. Our commitment to excellence and dedication to improving lives remain at the forefront of all that we do.

**Derek Simmross**  
CEO, ODI Pharma









## ABOUT: ODI Pharma

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ODI Pharma aims to become a leading supplier of medical cannabis on the Company's target markets in Europe. The European market for medical cannabis has the potential to become the world's largest market for medical cannabis. ODI Pharma has moved the business forward with the launch of kandol., a CBD-infused skincare product line, available to customers within the EU.

ODI Pharma was founded and is led by a team of professionals with long experience as doctors, researchers, investors, and corporate managers. The founders and board members of the Company have an extensive background in both trading and the medical cannabis industry.

ODI Pharma, based on its European network, subsidiaries, and partners, is a producer and representative of finished pharmaceutical cannabis and cosmetics products with a focus on distribution to the medical cannabis market in Europe through its subsidiary ODI Pharma Polska Sp. z o.o. ODI Pharma intends to provide a high-quality product at a competitive price compared to competitors in Poland, thereby becoming the number one provider of medical cannabis in Poland. As this goal is coming to fruition, sights are being set for expansion to other markets.

ODI Pharma also strives to be on the forefront of understanding the medical applications of the product as well as introducing new, innovative products to the European patients in need. The Company

will continue to team up with the most knowledgeable and best renown partners in the industry to achieve its goals. The main focus of ODI Pharma is on the medical cannabis products that are sold to clients and patients through ODI Pharma's relationships with pharmacies via wholesale distributors.

In addition, ODI Pharma believes that CBD-infused cosmetics is thought to be a perfect complement to its pharmaceutical focus, allowing ODI Pharma to benefit from synergies and mutual benefits.

In August 2023, ODI Pharma successfully expanded its business relationship with the NEUCA group by signing an exclusive supply collaboration agreement covering not only Poland, but 23 countries in Eastern Europe. Further, the Company has a valuable supply contract with a wholly owned subsidiary of the largest cannabis producer in the world. The supplier is a first-tier producer who operates at the highest standards.

ODI Pharma believes that European clients require a wide variety of medical cannabis

products of high quality to treat specific illnesses. The Company is a producer of finished pharmaceutical cannabis products and therefore has no cultivation operations but has access to a wide variety of different strains, oils, and the latest formulas. The Company intends to provide a range of medical cannabis products.

## **TARGET GROUP**

There is a total of about 40+ indications in which medical cannabis may potentially show results in terms of efficacy. The Supreme Pharmaceutical Chamber of Poland (Naczelna Izba Aptekarska) estimates an immediate market demand of 300,000 patients by 2025. Jędrzej Sadowski, the author of the bill legalizing cannabis, estimates 300,000 patients as well. ODI Pharma assumes that it will take some years to reach the potential patients' number that uses the product, and the Company estimates that a target of 200,000 patients will be reached by 2028. However, ODI Pharma is now working on patient estimates for additional Eastern European markets.

The Polish regulations do not limit the prescriptions for medical cannabis concerning certain ailments – therefore, all physicians have the authorization to prescribe medical cannabis to all their patients and all types of illnesses. The Supreme Pharmaceutical Chamber of Poland suggested the application with treatable conditions, including nausea caused by chemotherapy, epilepsy, symptoms of multiple sclerosis, and chronic pain.

## **MEDICAL CANNABIS**

Medical cannabis comes in a range of different products with different levels of THC (Tetrahydrocannabinol) and CBD (Cannabidiol). Initially, the products are dried flowers, These products will be based

on the raw material of fully approved cannabis imported by the Company and strategic partners. The dried flowers can be consumed by the patients in various ways following the guidelines of the pharmacists. ODI Pharma is evaluating other product types besides dried flowers to be sold on the Polish market.

ODI Pharma intends to be up to date on trends and regulatory requirements and future products may, therefore, differ from the current products. The market demand decides what type of medical cannabis products the Company will supply, which the Company's flexible business model enables. The current market price of dried flowers in Poland is approx. EUR 13.00-16.00 (based on current exchange rate) per gram, ODI Pharma intends to at least match this price, while still providing high-quality products. Whatever product type of medical cannabis ODI Pharma provides, the objective is to be cost-efficient concerning what has previously been stated.

## **KANDOL.**

At the beginning of 2021 ODI Pharma decided to expand the business with the launch of "Project Skin" to further build ODI Pharma's reputation and brand awareness on the European market. On the 1<sup>st</sup> of October 2021, ODI Pharma officially launched the CBD skincare product line, under the brand kandol. The Company's product line consists of CBD-infused facial cream, facial mask, and body balm with further products in development.

Kandol. is an innovative brand based on beauty and scientific knowledge, focusing on sustainable packaging. The formula behind the products and the sustainable approach of kandol. create a unique market position for ODI Pharma, targeting a small but considerably growing segment of the

cannabis industry. The skincare line is suitable for all skin types and ages and the products follow the guidelines of the EU CosIng (EU's official database for cosmetic ingredients) and are designed to be antioxidant and antiseborrheic products that protect and nourish the skin.

The Company has been working diligently to build the social media presence and placing the products in store and with online partners within Europe. To date, we have an agreement with 80+ online partners. Multiple high-end retail partners in Germany and Poland, participated in high end cosmetic competitions with great success and had multiple articles and recommendations from fashion magazines such as Vogue. The next steps are to attract influencers and kandol. club partners to express the wonderful reviews to a broader client base. The goal is turn kandol. into a solid business over the next four to six quarters and steps have been accomplished to lower the cost for storage, distribution and sales.



**CBD Face Mask,**  
Clarifying Mask,  
50 ml, 200mg CBD,



**CBD Body Balm,**  
Skin Conditioning &  
Protecting  
150 ml, 200mg CBD

kandol Purifying Facial Mask - will transform your skin and give it a fresh appearance!

**CBD Face Cream, 24h,**  
Skin Conditioning &  
Nurturing  
50 ml, 200 mg CBD



**KANDOL - EFFECTIVE CBD SKINCARE PRODUCTS CONFIRMED BY TESTS.**

**100%** The product improves skin condition. Gives the skin a healthy look.

**90%** The product supports purifying pores and gives a refined skin texture/appearance.

**100%** The product makes the skin smoother, more elastic. nourishes the skin, protects the skin from drying, leaves feeling of moisturizing skin.

**88%** The product helps to prevent breakouts including pimple, blackheads and whiteheads.

**98 %** The product improves appearance of the skin.

**85%** The product reduces the appearance of wrinkles.

**97%** Comparing with the same type of products used in the past, the tested product was assessed as better (57%) or comparable.

**85%** The product improves skin discoloration, reduces sings of fatigue, accelerates the disappearance of pimples.

**95 %** The product gives feeling of soothing the skin and refines the skin texture.

**82%** The product targets spots and blemishes.

SCOPE OF TESTS COMPLIANT WITH:  
Independent (UNDER DERMATOLOGICAL CONTROL) test carried out with 40 test subjects (with sensitive skin) applying the product over a period of 4 weeks  
• Regulation of the European Parliament and of the Council (EC) No. 1223/2009 of 30 November 2009 on cosmetic products.  
• Cosmetics Europe – The Personal Care Association (previously COLIPA) Guidelines "Product Test Guidelines for the Assessment of Human Skin Compatibility 1997."  
• Cosmetics Europe – The Personal Care Association (previously COLIPA) Guidelines for the Evaluation of the Efficacy of Cosmetic Products 2008.

## BUSINESS MODEL

ODI Pharma provides a high-quality product at a competitive price compared to competitors in Poland, targeting to become the number one provider of medical cannabis in the country through our partnerships. This is a goal that is now ready to be rolled out to other markets. ODI Pharma also strives to be at the forefront of understanding the medical applications of the product and introducing new, innovative products to the European patients in need. ODI Pharma will continue to team up with the most knowledgeable and best renown partners in the industry to achieve its goals. ODI Pharma goals are to provide patients a proper, educated product to alleviate their health issues.

ODI Pharma's cosmetics line kandol represents the same goals of providing a high-quality and high-end cosmetics line that brings the best of CBD-infused skincare to the consumer. We spare no expense on environmentally friendly packaging and bring to the market a unique, knowledge-based CBD product of medically equivalent quality for the cosmetic industry. Our goal is, once again, to be innovative and responsible.

ODI Pharma's research team is continually working to define an educational program that will lead the efforts together with experts. Also, ODI Pharma provides an independent team that manages the difficult regulatory hurdles. ODI Pharma takes responsibility and all the necessary steps to satisfy all the comprehensive regulatory requirements.









## MARKET OVERVIEW

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ODI Pharma continues to share observations of trends in the cannabis industry for current and potential investors. The market overview for the annual report provides a long-term perspective of the cannabis industry and where the Company sees it going in the future.

Over the last year, we have been very pleased with the developments in Poland. Through our studies and many discussions with partners, pharmacies, and physicians, we believe strong growth numbers are ahead of us and we are eagerly awaiting the establishment of our partnership brands as the number one medical product in Poland. Albeit, Poland is a large market, our sights are now also evaluating entry to new markets in Eastern Europe for growth. Meaning, we are confident in exciting times for our investors, but we must reflect that there exists a lot of work ahead of ODI Pharma and the industry.

Several other countries in Western Europe have increased initiatives to expand medical use of Cannabis. Some of the goals are targeting more than just medical use of Cannabis. Although ODI Pharma primarily focuses on the medical aspect of the industry and only engages in non-medical applications within the realm of cosmetics, any success in de-stigmatizing cannabis is viewed as a positive development for the industry. Consistent small changes are slowly educating that Cannabinoids are often times a superior medication than the alternatives.

ODI has recently had multiple meetings with of the early entrants setting up medical clinics to help patients in need. It is exciting to see the successes of these companies. However, the work that they are doing

takes time. ODI Pharma will always look to help and finding ways to have mutually beneficial collaborations that help patients and our investors. We do also understand that and it cannot be overlooked that the industry continues to face headwinds.

CPG's (Consumer Packaged Goods) and the Green revolution are also exciting for ODI Pharma, however, we are not going to lose focus on our primary goal of helping patients. It is clear to us that the Cannabis plant has many forms of exciting carbon neutral benefits from insulation to bioplastics. All topics that can help and reshape a healthier world. We will continue to keep an eye on these developments.

Our main ambition is to continue to educate! Through education we will see a decrease in the negative stigma around medicinal cannabis and help investors and patients really see the value of our products and how they can help society. This is why we have joined in this industry and journey.

Population (m)	82.2	60.5	37.9	67.4	66.4	46.6	5.8
GDP (€t)*	3.1	1.6	445.8	2.2	2.23	1.11	276
Ruling Government Party	Coalition - Social Democratic Party, Christian Democratic Union, and Christian Social Union	Seven party coalition	Law and Justice	La Republique En Marche.	Conservative	PSOE (Socialist)	Venstre, the Liberal Alliance and the Conservative People's Party
Party Stance on Cannabis	In favour of medical legalisation but recreational legalisation is unlikely before 2022	In favour of medical cannabis	Opposed to recreational legalisation	In support of decriminalisation	In favour of medical cannabis	Open to medical legalisation but not a priority in the current government agenda	In favour of medical cannabis use
Total Healthcare Expenditure (€b)	352	146	72	251.3	215	98.5	28.2

## EUROPEAN CANNABIS MARKET

It is the Board of Directors' opinion that the European market has the possibility to grow into the largest market in the world for medical cannabis products. Europe has approximately 743 million residents, and the total amount of expenditure for health care amounts to approximately EUR 2.3 trillion. In 2028, the market for medical cannabis is expected to be worth around EUR 58 billion<sup>38</sup>. The last few years have seen a significant rise of the medical application of cannabis as more research has proved its positive effect on the treatment of different illnesses<sup>39</sup>.

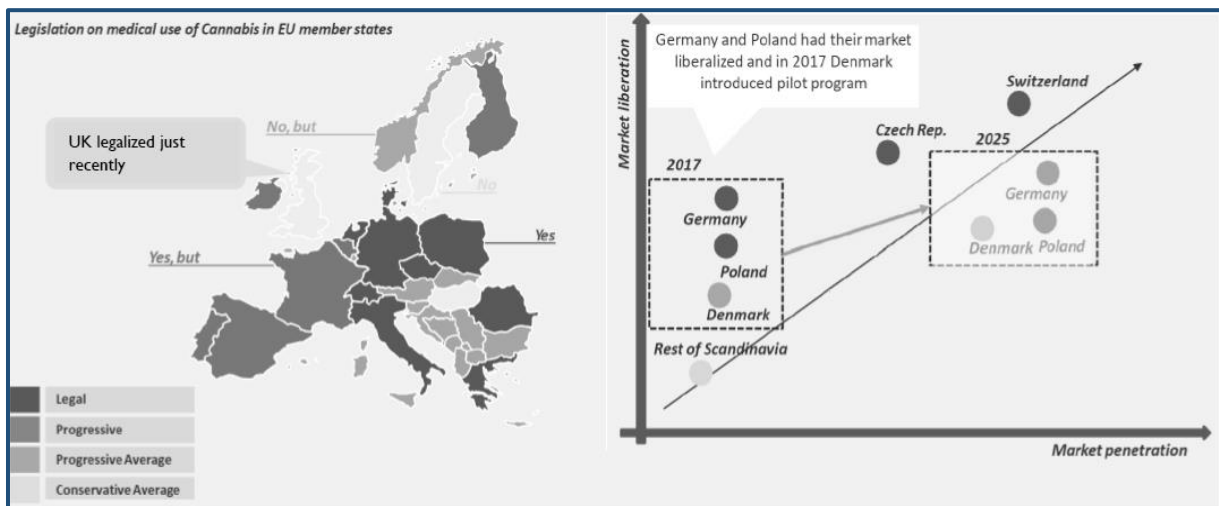
## THE EUROPEAN MEDICAL CANNABIS MARKET (SELECTED COUNTRIES)<sup>40</sup>

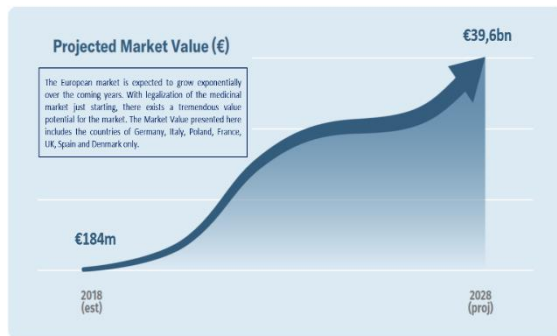
European countries have not assumed a common approach towards the legislation and application of medical cannabis.

Germany, Poland, Italy, Denmark, and Greece have been on the forefront, and now Switzerland, Luxembourg, France and Spain are becoming more involved of the European development. Political acceptance and further scientific research are both expected to shape the industry in the coming years.

## FORECAST OF MEDICAL CANNABIS MARKET VALUE FOR SELECTED EUROPEAN COUNTRIES 2018-2028<sup>41</sup>

The projected market value within selected European markets reveal the potential of the establishment and treatment of illnesses with medical cannabis. Market analytics expects that the product will be established as an alternative treatment and supplementary to standard treatment to combat a broad range of illnesses and side effects of existing treatment methods. The industry is currently in its infancy and it is





expected that growth will develop quickly the coming years. The market value of selected European industries only, is expected to reach EUR 40 billion by the end of 2028.

### THE INITIAL MAIN TARGET: POLAND

The Board estimates that Poland offers an exciting market with great potential for growth. Medical cannabis is legal as a prescribed medication since 2017. Poland has a population of around 40 million residents, and the total healthcare expenditure is estimated to EUR 72 billion. Also, Poland shows one of the highest ratios of pharmaceutical spending from the total healthcare expenditures globally, c. 19,7 %<sup>42</sup>. The Polish market estimate of medical cannabis patients is 300,000 by 2025<sup>43</sup>, and the forecast estimate the medical cannabis market 2028 is EUR 2 billion. Pharmacists estimate that the initial cost per gram for patients will be around EUR 13-15, adding up to approximately EUR 400 per patient per month<sup>44</sup>, which gives rise to a sizeable medical market in the short-term. ODI Pharma is taking a more conservative approach to the estimates in its forecasts and believes it will take up to five years to reach this level based on the experience of other markets globally.

The prescription of medical cannabis is not restricted to certain ailments. Approximately 1 % of the population suffers from epilepsy, and 20 % of those suffers from drug-resistant epilepsy. 30 % of the

population suffers from some form of migraine, and there are approximately 10 million people in Poland which have some form of arthritis. 1.5 million people suffer from depression. Approximately 170,000 people suffer from cancer and 24,000 from HIV<sup>45</sup>. The Polish market is therefore significant and constitutes, at this point in time, of 27 % of all consumers able to acquire medical cannabis in Europe and provides an interesting investment opportunity. Whereas the German market is estimated to be the largest market for medical cannabis in Europe, it is also the market most companies are trying to target. The Polish market demands an import of cannabis – meaning that companies do not have to invest in cultivation of their own, which the German market demands. This makes the Polish market the ideal place to do business for ODI Pharma initially. ODI Pharma has import, packaging and logistics capabilities in Poland through local partnerships.

Under Polish legislation, physicians can prescribe medical cannabis products to patients who then access it through registered pharmacies. Cannabis education will also be a necessity for the medical community. Healthcare in Poland is delivered through a publicly founded system called National Health Fund which is free for all citizens of Poland provided they are insured. Medical cannabis is not covered by the public health insurance. ODI Pharma will educate the medical professionals in order to increase the knowledge of the medical cannabis substances.

### ACCESS TO MEDICAL CANNABIS PRODUCTS IN POLAND

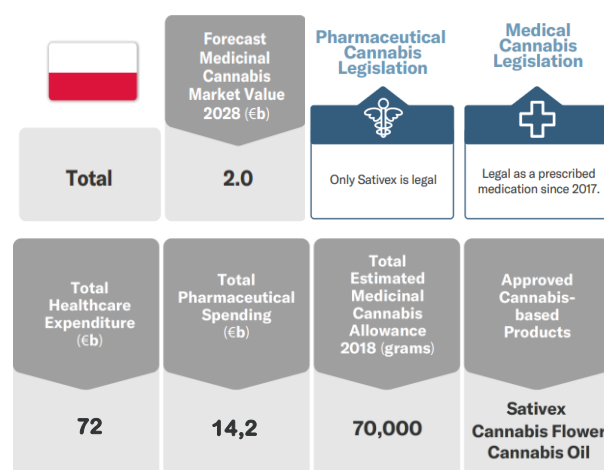
In the Summer of 2017, Poland’s lower house parliament voted in favour of making medical cannabis legal “under certain



circumstances”. The bill was backed by the country’s Health Care Committee, was enacted in the same year and the bill was far less restrictive than its predecessors, allowing doctors to offer prescriptions for any condition that can be treated or eased with medical cannabis if supported by research. Pharmacists and doctors were encouraged to educate themselves on all things cannabis related before the bill was enacted in October 2017. Since the legalizing of cannabis in 2017, the Polish medical cannabis market has suffered from a lack of supply due an evolving regulatory model. Thus, we see that these hurdles are being addressed and the future of the industry looks positive from ODI Pharma perspective.

Healthcare in Poland is delivered through a publicly funded system called the National Health Fund which is free for all the citizens of Poland provided they are insured, which usually means that they have their health insurance paid for by their employer or are

the spouse or child of an insured person. Medical cannabis is currently not covered by the public health insurance, however that might change in the future. Medical cannabis education will also be a necessity for the medical community. Despite the vast legislative progress in several European countries, including Poland, there still exists a gap between the legislation and practical application of the law<sup>47</sup>.



Source: WHO/ INCB/ Prohibition Partners / OECD

## Notes

<sup>38</sup> The European Cannabis Report, 4th edition

<sup>39</sup> <https://www.grandviewresearch.com/industry-analysis/legal-marijuana-market>

<sup>40</sup> WHO, Prohibition Partners, World Bank, UNODC. As of January 2019.

<sup>41</sup> Based on Prohibition Partners, calculations by ODI Pharma

<sup>42</sup> <https://data.oecd.org/healthres/pharmaceutical-spending.htm>

<sup>43</sup> The Pharmaceutical Chamber of Poland (Naczelna Izba Aptekarska)

<sup>44</sup> <https://www.analyticalcannabis.com/articles/medical-cannabis-goes-on-sale-in-poland-311466>

<sup>45</sup> ODI Pharma research, aids.gov.pl, GUS, International Agency for Research on Cancer, Klinika Neurologii Uniwersytet Jagiellonski Collegium Medicum w Krakowie.

<sup>46</sup> <https://mjbizdaily.com/poland-approves-aurora-cannabis-as-medical-marijuana-supplier/>

<sup>47</sup> The European Cannabis Report, 4th edition



## THE TEAM: MEMBERS OF THE BOARD & EXECUTIVE MANAGEMENT TEAM

### Derek Simmross



#### CEO, Member of the Board

Derek Simmross, co-founder of ODI exposes a 25 year background within finance before forming ODI Pharma. His experiences within finance include trading, derivative portfolio management, investment management, hedge fund management, M&A, capital raising and private equity. He has also done treasury advisory in sectors such as mining, telecom, FX and banking and Central banks. Mr Simmross owns 41.06% (6,250,000 shares) of ODI Pharma



### Volker Wiederrich



#### Chairman of the Board

Volker Wiederrich, co-founder of ODI, has an extensive background in investment and asset management across multiple asset classes before forming ODI Pharma. He has eleven years of experience advising one of the biggest financial institutions of Europe on fund investments in real estate, as well as ten years as Chief Investment Officer for an advisory firm for infrastructure and real estate within a global capacity. Mr. Wiederrich advised on more than 500 million USD in investments and was managing multiple fund of funds products during his career. Mr Wiederrich owns 41.1% (6,255,898 shares) of ODI Pharma.



### Karina Kilinski

#### Sales Director, Member of the Board

Karina Kilinski has 13 years of experience trading commodities and goods between Poland and Germany/Switzerland, as well as eleven years of running local Polish production and distribution companies. Mrs. Kilinski also has 12 years of funding and running online trading and retail sales businesses. Mrs. Kilinski owns no shares in ODI Pharma.



### Gösta Lidén

#### Independent Member of the Board

Gösta Lidén has a long background of company management, directorships and steering committees. He has more than 20 years of experience of management in sectors such as banking, IT, retail, energy, real estate and aviation. Mr. Lidén has worked with management at heavily regulated global companies such as banks and financial services companies. Mr. Lidén works as director on the Boards of more than 30 client entities, including independent director. Mr. Lidén owns no shares in the Company.



### Dr. Markus Fritzsche

#### Research Director

Dr. Fritzsche has more than 25 years of experience in research on cannabinoids including THC and CBD, and the human endocannabinoid system, as well as numerous publications in reputed journals and newspapers. Dr. Fritzsche is a previous advisor to Swiss governmental bodies in multiple fields of research and is carrying out research projects in the Swiss subsidiary. Dr. Fritzsche owns no shares in ODI Pharma

## OTHER

### THE SHARE

The shares of ODI Pharma were listed on Spotlight Stock Market on 23<sup>rd</sup> of January 2020. The short name/ticker is ODI and the ISIN code is SE0013409760. On the 30<sup>th</sup> of June 2023, the number of shares in ODI Pharma AB amounted to 15,220,000 (15,220,000) shares. Every share equals the same rights to the Company's assets and results.

### WARRANTS

No warrants are outstanding to any party.

### PROPOSED APPROPRIATION OF PROFIT OR LOSS

The Board of Directors and the CEO propose that no dividend shall be paid for the financial year 1<sup>st</sup> of July 2022 to 30<sup>th</sup> of June 2023.

### FINANCIAL CALENDAR

July-September 2023 (Q1) November 23, 2023  
 July-December 2023 (Q2) February 22, 2024  
 July 2023-March 2024 (Q3) May 30, 2024  
 July 2023-June 2024 (Q4) August 29, 2024

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## SHAREHOLDERS

The table below presents the current shareholders, at the date of this report, with more than 5 percent of the votes and capital in ODI Pharma AB.

NAME	NUMBER OF SHARES	THE PORPORTION OF VOTES (%)
Volker Wiederrich	6,255,898	41.10
Derek Simmross	6,250,000	41.06
Niclas Kappelin	1,249,562	8.21
Other Shareholders	1,464,540	9.62
<b>TOTAL</b>	<b>15,220,000</b>	<b>100.00</b>



# DIRECTORS' REPORT

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## INFORMATION ABOUT THE OPERATIONS

ODI Pharma AB (publ) (“Parent company”), organization number 559223-1392, with its European network, subsidiaries, and affiliates, is a producer of pharmaceutical cannabis finished products. The founders and board members of the Company have an extensive background in the trading industry, and the medical cannabis industry as well. The Company focuses on distribution to the medical cannabis market in Poland, through its subsidiary ODI Pharma Polska Sp z. o. o. ODI Pharma AB holds 100% of the shares in the company ODI Pharma Polska Sp. z o.o. through its Swiss subsidiary ODI Pharma Schweiz AG, in which the Company owns 100% of the shares. The Swiss subsidiary is the research hub and will develop further distribution agreements in other countries. The main focus of ODI Pharma is on the medical cannabis products that are sold to clients and patients through ODI Pharma’s relationships with pharmacies via wholesale distributors.

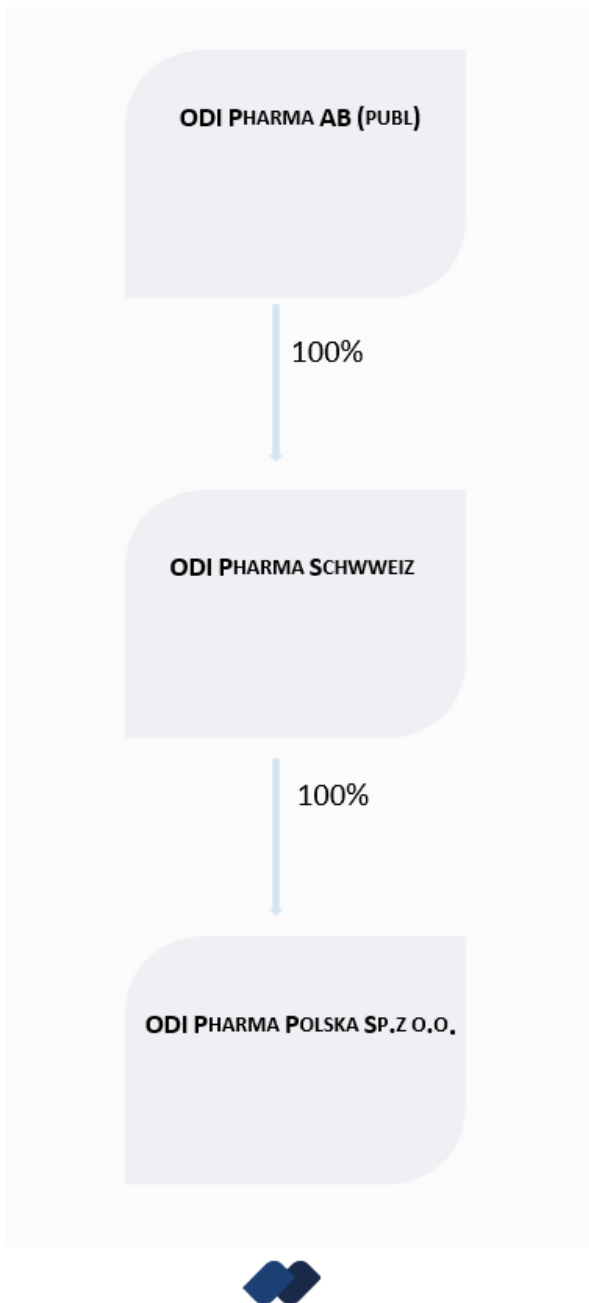
The mother company is headquartered in Stockholm and is listed on Spotlight.

## SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- January – ODI Pharma received approval from the Office for Registration of Medicinal Products, Medical Devices and Biocidal Products (URPL) in Poland for its Marketing Authorization Holder (MAH) application. The approval means that ODI Pharma has the right to distribute and sell its medical cannabis products on the Polish market.
- June – ODI Pharma secured loan financing of EUR 350,000 from an external international party in order to create flexibility in the operations.

## COMPANY STRUCTURE

Below is an overview of the Group's legal structure as of June 30, 2023



## EXPECTED FUTURE PROSPECTS AND SIGNIFICANT RISKS AND UNCERTAINTIES

Additional financing is needed to be a going concern. Management is working on a potential direct investment, a new issue or a potential personal share sale to finance.

## OTHER OPERATIONAL RISKS AND UNCERTAINTIES

The risks and uncertainties that ODI Pharma's operations are exposed to are summaries related to factors such as development, competition, permissions, capital requirements, customers, suppliers/manufacturers, currencies, and interest rates.

ODI Pharma's operations require a solid cash and capital basis. The operations would face severe downside in case a solid basis is not sustained.

## SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR

- August – ODI Pharma entered through its Polish subsidiary into a collaboration agreement ("Agreement") with Synoptis Pharma Sp. Z o.o. ("Synoptis") under which ODI becomes the exclusive supply partner for medicinal cannabis flos products to Synoptis for a period of 5 plus additional optional 3.5 years covering all Eastern and Southeastern European markets, including Poland, Czech Republic, Ukraine, Croatia etc.

Equity has continued to decrease after the end of the financial year. Additional equity financing is needed to continue operations. If the company does not succeed in obtaining new financing, this could significantly affect its future operations.

## KEY DATA

### OWNERSHIP

NAME	NUMBER OF SHARES	THE PROPORTION OF VOTES (%)
Volker Wiederrich	6,255,898	41.10
Derek Simmross	6,250,000	41.06
Niclas Kappelin	1,249,562	8.21
Other shareholders	1,464,540	9.62
<b>TOTAL</b>	<b>15,220,000</b>	<b>100.00</b>

### MULTI-YEAR OVERVIEW, THE GROUP

	2022/2023	2021/22	2020/21
Profit/loss after financial items (KSEK)	-6,895	-7,236	-3,967
Result per share (SEK)	-0,45	-0,48	-0,26
Solidity (%)	31	88	97

### MULTI-YEAR OVERVIEW, PARENT COMPANY

	2022/2023	2021/22	2020/21
Profit/loss after financial items (KSEK)	-7,318	-7,479	-3,924
Result per share (SEK)	-0,48	-0,49	-0,26
Solidity (%)	17	89	97



## PROPOSALS FOR PROFIT ALLOCATION

The Board of Directors recommends this year's loss and the share premium reserves are

Share premium reserve	21 472 267
Profit carried forward	-13 378 611
This year's loss	-7 318 119
<b>Total</b>	<b>775 537</b>
<b>The Board of Directors proposes that the profits be</b>	
<b>Carried over</b>	<b>775 537</b>

allocated as follows (SEK):



# FINANCIAL REPORTS

## CONSOLIDATED INCOME STATEMENT FOR THE GROUP

(SEK)	NOTE	2022-07-01 -2023-06-30	2021-07-01 -2022-06-30
Net sales		139,457	312,938
Other operating income		39,245	87,871
		<b>178,702</b>	<b>400,809</b>
<i>Operating expenses</i>			
COGS		-857,815	-416,575
Other external expenses	4	-4,967,023	-5,495,005
Personal expenses	5	-1,123,240	-1,625,866
Depreciation and amortization		-4,114	-5,588
Other operating expenses		-37,873	-64,676
		<b>-6,990,065</b>	<b>-7,607,710</b>
<b>Operating profit/loss</b>		<b>-6,811,363</b>	<b>-7,206,901</b>
<i>Results from financial items</i>			
Interest income and similar profit/loss items	6	23,912	133
Interest expense and similar profit/loss items	7	-107,668	-28,762
<b>Result after financial items</b>		<b>-6,895,119</b>	<b>-7,235,530</b>
<b>Result before taxes</b>		<b>-6,895,119</b>	<b>-7,235,530</b>
Tax expenses	8	-6,017	-3,508
<b>Profit/loss for the period</b>		<b>-6,901,136</b>	<b>-7,239,038</b>

## CONSOLIDATED BALANCE SHEET FOR THE GROUP

(SEK)	NOTE	2023-06-30	2022-06-30
<b>ASSETS</b>			
<i>Fixed assets</i>			
<i>Tangible fixed assets</i>			
Equipment, machines, tools	9	9,464	12,309
		9,464	12,309
<b>Total fixed assets</b>		<b>9,464</b>	<b>12,309</b>
<i>Current assets</i>			
<i>Inventories</i>			
Raw materials and consumables	10	348,695	237,066
Ready for sale		459,243	1,002,490
Advance payments to suppliers		0	188,050
		<b>807,938</b>	<b>1,739,235</b>
<i>Current receivables</i>			
Accounts receivables		132,614	108,628
Tax receivables		57,499	228,853
Other receivables		622,534	757,372
Deferred expenses and accrued income		62,700	282,744
		<b>875,347</b>	<b>1,377,597</b>
<i>Cash on hand and in bank</i>	11	6,492,804	7,357,789
<b>Total current assets</b>		<b>8,176,089</b>	<b>10,484,621</b>
<b>TOTAL ASSETS</b>		<b>8,185,554</b>	<b>10,496,930</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
Share capital		608,800	608,800
Other contributed capital		21,841,787	21,841,787
Other equity including result for the period		-19,877,906	-13,189,278
<b>Equity attributable to owners of the parent company</b>		<b>2,572,681</b>	<b>9,261,309</b>
<i>Current liabilities</i>			
Accounts payable		712,896	674,809
Current tax liabilities		4,230	0
Other current liabilities		4,543,535	7,681
Deferred income and accrued expenses		352,212	553,131
<b>Total current liabilities</b>		<b>5,612,873</b>	<b>1,235,621</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,185,554</b>	<b>10,496,930</b>



## CHANGES IN EQUITY FOR THE GROUP

(SEK)	NOT	Share capital	Other contributed capital	Other equity including result for the year	Total capital
Opening equity 2021-07-01		608,800	21,841,787	-6,152,232	16,298,355
Profit/loss for the year		0	0	-7,239,038	-7,239,038
Translation differences		0		201,992	201,992
<b>Closing equity 2022-06-30</b>		<b>608,800</b>	<b>21,841,787</b>	<b>-13,189,278</b>	<b>9,261,309</b>
Opening equity 2022-07-01		608,800	21,841,787	-13,189,278	9,261,309
Profit/loss for the year		0	0	-6,901,136	-6,901,136
Translation differences		0	0	212,509	212,509
<b>Closing equity 2023-06-30</b>		<b>608,800</b>	<b>21,841,787</b>	<b>-19,877,905</b>	<b>2,572,682</b>

## GROUP CASH FLOW ANALYSIS

(SEK)	NOTE	2022-07-01 -2023-06-30	2021-07-01 -2022-06-30
<b>Operating activities</b>			
Net operating profit/loss		-6 811,363	-7,206,901
Adjustment for items without cash flows			
Deprecations and write-downs		4,114	5,588
Inventory obsolescence		688,865	-
Current exchange rates differences		18,289	50,461
Paid interest		-79,116	-234
Paid tax		169,567	-32,497
<b>Cash flow before change in working capital</b>		<b>-5,985,722</b>	<b>-7 183 583</b>
<i>Change in working capital</i>			
Change in inventories and ongoing works		242,432	-489,700
Change in current receivables		330,896	-347,955
Change in current liabilities		308,507	653,895
<b>Cash flow from operating activities</b>		<b>-5,103,887</b>	<b>-7,374,343</b>
<i>Investing activities</i>			
Investments in tangible fixed assets		0	-4,109
<b>Cash flow from investing activities</b>		<b>0</b>	<b>-4,109</b>
<i>Financing activities</i>			
Loan		4,064,515	0
<b>Cash flow from financing activities</b>		<b>4,064,515</b>	<b>0</b>
<b>Cash flow for the year</b>		<b>-1,039,373</b>	<b>-7,378,452</b>
Cash and cash equivalents at beginning of year		7,367,789	14,624,893
Effects of exchange rate changes on cash		164,389	121,348
Cash and cash equivalents at end of year	11	6,492,804	7,367,789

## INCOME STATEMENT FOR THE PARENT COMPANY

(SEK)	NOTE	2022-07-01 -2023-06-30	2021-07-01 -2022-06-30
Net sales		139,456	295,986
Other operating income		38,003	46,162
		<b>177,459</b>	<b>342,148</b>
<i>Operating expenses</i>			
COGS		-793,247	-341,078
Other external expenses	4	-5,357,894	-5,822,289
Personal expenses	5	-1,083,706	-1,591,647
Other operating expenses		-194,563	-59,750
		<b>-7,429,410</b>	<b>-7,814,764</b>
<b>Operating profit/loss</b>		<b>-7,251,951</b>	<b>-7,472,616</b>
<i>Result from financial items</i>			
Interest income and similar profit/loss items	6	4,719	0
Interest expense and similar profit/loss items	7	-70,887	-6,825
<b>Result after financial items</b>		<b>-7,318,119</b>	<b>-7,479,441</b>
<b>Result before tax</b>		<b>-7,318,119</b>	<b>-7,479,441</b>
<b>Profit/loss for the period</b>		<b>-7,318,119</b>	<b>-7,479,441</b>

## BALANCE SHEET FOR THE PARENT COMPANY

(SEK)	NOTE	2023-06-30	2022-06-30
<b>ASSETS</b>			
<i>Fixed assets</i>			
<i>Financial assets</i>			
Participations in group companies	12,13	967,200	967,200
		<b>967,200</b>	<b>967,200</b>
<b>Total fixed assets</b>		<b>967,200</b>	<b>967,200</b>
<i>Current assets</i>			
<i>Inventories</i>			
	10		
Raw materials and consumables		348,695	348,695
Ready for sale		459,243	1,202,490
Advance payments to suppliers		0	188,050
		<b>807,938</b>	<b>1,739,235</b>
<i>Current receivables</i>			
Accounts receivables		97,860	44,709
Other current receivables		533,964	633,330
Deferred expenses and accrued income		242,940	436,063
		<b>874,764</b>	<b>1,114,102</b>
<i>Cash on hand and in bank</i>	11	5,261,128	5,932,603
<b>Total current assets</b>		<b>6,943,830</b>	<b>8,785,940</b>
<b>TOTAL ASSETS</b>		<b>7,911,030</b>	<b>9,753,140</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
	14, 15		
<i>Restricted reserves</i>			
Share capital		608,800	608,800
		<b>608,800</b>	<b>608,800</b>
<i>Non-restricted reserves</i>			
Share premium reserve		21,472,267	21,472,267
Retained earnings		-13,378,611	-5,899,170
Profit/loss for the year		-7,318,119	-7,479,441
		<b>775,537</b>	<b>8,093,656</b>
<b>Total equity</b>		<b>1,384,337</b>	<b>8,702,456</b>
<i>Current liabilities</i>			
Account payables		476,157	475,359
Liabilities to group companies		1,207,000	76,194
Other current liabilities		4,543,535	7,680
Accrued expenses and deferred income		300,000	491,451
		<b>6,526,693</b>	<b>1,050,684</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,911,030</b>	<b>9 753,140</b>

## CHANGES IN EQUITY FOR THE PARENT COMPANY

(SEK)	Note	Share capital	Share premium reserve	Retained profit/loss	Profit/loss this year	Total
Opening equity 2021-07-01		608,800	21,472,267	-1,974,870	-3,924,300	16,181,897
Appropriation of earnings as per decision of the Annual General Meeting		0	0	-3,924,300	3,924,300	0
Profit/loss for the year		0	0	0	-7,479,441	-7,479,441
New share issue expenses		0	0	0	0	0
<b>Closing equity 2022-06-30</b>		<b>608,800</b>	<b>21,472,267</b>	<b>-5,899,170</b>	<b>-7,479,441</b>	<b>8,702,456</b>
Opening equity 2022-07-01		608,800	21,472,267	-5,899,170	-7,479,441	8 702 456
Appropriation of earnings as per decision of the Annual General Meeting		0	0	-7,479,441	7,479,441	0
Profit/loss for the year		0	0	0	-7,318,119	-7,318,119
<b>Closing equity 2023-06-30</b>		<b>608,800</b>	<b>21,472,267</b>	<b>-13,378,611</b>	<b>-7,318,119</b>	<b>1,384,337</b>



## PARENT COMPANY CASH FLOW ANALYSIS

(SEK)	NOTE	2022-07-01 -2023-06-30	2021-07-01 -2022-06-30
<b>Operating activities</b>			
Net operating profit/loss		-7,251,951	-7,472,616
Other items that do not affect the cash flow		0	-2
Inventory obsolescence		688,865	
Paid interest		-66,168	-123
<b>Cash flow before change in working capital</b>		<b>-6,629,254</b>	<b>-7,472,741</b>
<i>Change in working capital</i>			
Change in inventories and ongoing works		242,432	-689,700
Change in current receivables		239,339	-193,456
Change in current liabilities		1,411,493	509,931
<b>Cash flow from operating activities</b>		<b>-4,735,991</b>	<b>-7,845,966</b>
<i>Financing activities</i>			
Loan		4,064,515	0
<b>Cash flow from financing activities</b>		<b>4,064,515</b>	<b>0</b>
<b>Cash flow from the year</b>		<b>-671,475</b>	<b>-7,845,966</b>
Cash and cash equivalents at beginning of year		5,932,603	13,785,271
Effects of exchange rate changes on cash		0	-6,702
Cash and cash equivalents at end of year	11	5,261,128	5,932,603





## NOTES

### NOTE 1 ACCOUNTING AND VALUATION PRINCIPLES

#### GENERAL INFORMATION

The parent company's accounting currency is Swedish kronor (SEK) which is also the reporting currency for both parent company and the Group. The financial statements of ODI Pharma AB, as well as the ODI Pharma Group, are prepared per the Swedish Annual Accounts Act and the standards of the Swedish Accounting Standards Board (BFNAR) 2012:1 (K3) and Spotlight's Rules and Regulations, as applicable. Consolidated accounts include parent company and subsidiaries in which parent company directly or indirectly owns shares that are more than 50% of the votes. ODI Pharma AB, ie the parent company, and the group applies the same accounting principles.

#### INFORMATION ABOUT BUSINESS LINES AND GEOGRAPHIC MARKETS

The Group's business consist at this point in time of two projects, Project Poland and Project Skin. Within Project Poland, the Company, is a representative of finished pharmaceutical cannabis and cosmetics products with a focus on distribution to the medical cannabis market in Europe, initially focused on Poland, through its subsidiary ODI Pharma Polska Sp. z o.o. Further target markets were recently added through the exclusive collaboration agreement with NEUCA Group. ODI Pharma intends to provide a high-quality product at a competitive price compared to competitors in Eastern Europe, thereby becoming the number one provider of medical cannabis in Poland. Within Project Skin, the Company is a producer of high-end cosmetics products that contain cannabidiol. The cosmetics products are available to customers throughout Europe.

#### CONSOLIDATED FINANCIAL STATEMENT

##### Subsidiaries

Subsidiaries are companies in which parent company directly or indirectly holds more than 50 percent of the votes or otherwise have a controlling influence. Controlling influence means a right to formulate a company's financial and operational strategies in order to obtain financial benefits.

The reporting of business acquisitions is based on the unit review. This means that the acquisition analysis is prepared as of the time when the acquirer acquires a controlling influence. From this point on, the acquirer and the acquired entity are seen as an accounting entity. The application of the unit view also means that all assets (including goodwill) and liabilities as well as income and expenses are included in their entirety also for partly owned subsidiaries. The acquisition value for subsidiaries is calculated at the sum of fair value at the time of acquisition for paid assets with the addition of incurred and assumed liabilities and issued equity instruments, expenses that are directly attributable to the business combination and any additional purchase consideration. The acquisition analysis determines the fair value,

with some exceptions, at the time of acquisition of acquired identifiable assets and assumed liabilities as well as minority interest. Minority interest is valued at fair value at the time of acquisition. From the time of acquisition, the consolidated accounts include the acquired company's revenues and expenses, identifiable assets and liabilities as well as any goodwill or negative goodwill that has arisen.

### **Elimination of transactions within the Group**

Intra-group transactions and balance sheet items as well as unrealized gains and losses on the transactions between Group companies are eliminated in their entirety.

### **Reevaluation of items in foreign currencies**

Receivables and liabilities in foreign currencies have been valued at the closing rate of exchange. Profit on exchange and exchange loss on operating receivables and liabilities are reported in the operating result.

### **Leasing**

All leasing agreements have been classified as operating leasing agreements. A financial leasing agreement is a leasing agreement according to which the risks and benefits associated with owning an asset are essentially transferred from the lessor to the lessee. An operational leasing agreement is a leasing agreement what is not a financial leasing agreement.

### **Inventories**

Inventories are valued at the lower of cost and net realizable value. The risk of obsolescence has been taken into account. The acquisition value is calculated according to the first-in, first-out principle. In addition to expenses for purchases, the acquisition value also includes expenses for bringing the goods to their current location and condition. The net sales value has been calculated at the sales value after deduction of the estimated sales cost.

## **INCOME TAXES**

Total tax consists of current tax and deferred tax. Taxes are reported in the income statement, except when the underlying transaction is reported directly in equity, whereby the associated tax effects are reported in equity.

### *CURRENT TAX*

The current tax liability is based on the taxable profit for the year. The Group's current tax liability is calculated on the basis of tax rates that have been prescribed or announced at the balance sheet date.

### *DEFERRED TAX*

Deferred tax refers to tax on temporary differences that arises between the carrying amount of assets and the tax value used in calculating the taxable profit. Deferred tax is recognised in accordance with the balance sheet liability method. Deferred tax liabilities are recognised for practically all taxable temporary differences, and deferred tax assets are recognised when it is likely that the amounts can be used to offset future taxable profits.

The carrying amount of deferred tax assets is tested for impairment at the end of each financial year and an impairment loss is recognized to the extent that it is no longer probable that

sufficient taxable profits will be available against which the deferred tax asset can be fully or partially offset. Utilization of tax loss carryforwards is dependent upon tax profits. Deferred tax is recognized at the nominal current tax rate with no discount. Deferred tax is recognized as a financial fixed asset and deferred tax liability.

### **Fixed assets**

Tangible fixed assets are posted at the acquisition value less accumulated depreciation and any write-downs. Depreciation is done on a straight-line basis over the estimated useful life of the asset taking the significant residual value into account. Equipment, machines and tools have useful life of 36 months.

### **Accounts receivable / current receivables**

Accounts receivable and current receivables are reported as current assets at the amount expected to be paid after deducting individually assessed doubtful receivables. At the first recognition, the receivables are valued at the acquisition value.

### **Loan and accounts payables**

Loan and accounts payables are recognized at initial acquisition value after deduction of transaction costs. If the reported amount differs from the amount to be repaid at the due date, the difference is accrued as interest expense over the term of the loan using the instrument's effective interest rate. Hereby, at the time of maturity, the reported amount and the amount to be repaid correspond.

### **Remuneration to employees**

Employee benefits relate to all kinds benefits the company provides to employees. Short-term employee benefits include wages, paid holidays, paid leave, bonuses and reimbursement upon completion of employment (pension) etc. Short-term employee benefits are reported as an expense and a liability when there is a legal or constructive obligation to pay compensation as a result of a past event, and a reliable estimate of the amount can be made.

### **Shares in subsidiaries**

Investments in subsidiaries are carried at cost less any impairment losses. The cost includes the purchase price paid for the shares and acquisition costs. Any capital contributions are added to the cost when they arise.

### **Translation of foreign operations**

Assets and liabilities, including goodwill and other consolidated surplus and deficit values, are translated into the reporting currency at the closing date rate. Income and expenses are translated at a rate that is an approximation of the actual rate used (for example average rate).

### **The cash flow analysis**

The cash flow analysis is prepared according to an indirect method. The reported cash flow only includes transactions that resulted in inflows or outflows. In addition to cash and bank balances, short-term investments are also classified as cash and cash equivalents that can easily be converted into a known amount and that are exposed to an insignificant risk of value fluctuation.



## NOTE 2 IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

During the financial year, a significant write-down was made of the company's inventory value regarding finished goods of cosmetics. As the company had low sales of these products in 2023, the remaining stock has also been valued corresponding to the company's sales rate. In 2024, the company will try to find business solutions to sell the products at a significantly higher value than the company's booked inventory value.

## NOTE 3 PURCHASES AND SALES BETWEEN GROUP COMPANIES

(SEK)	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
Purchases relating to Group companies	0	0	917,800	941,470
Sales relating to Group companies	0	0	0	41,754

Purchasing consist of trademark license between the parent company and ODI Pharma Schweiz AG.

Sales consist of kandol. skincare products between the parent company and ODI Pharma Schweiz AG.

## NOTE 4 FEES TO AUDITOR

(SEK)	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
PricewaterhouseCoopers Audit	318,266	416,281	287 839	416,281
Other audit services				0
Tax consultancy				0
Other services				0
<b>Total</b>	<b>318,266</b>	<b>416,281</b>	<b>287 839</b>	<b>416,281</b>

## NOTE 5 PERSONNEL AND PERSONAL EXPENSES

Average number of employees	2022/23	2021/22	2022/23	2021/22
Men	1	1	1	1
Women	0	0	0	0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>

Gender distribution among company management

	2023-06-30	2022-06-30
<i>Women</i>		

Board of directors	1	1
CEO and senior executives	0	0

*Men*

Board of directors	3	3
CEO and senior executives	1	1

**Salaries and other compensations**

(SEK)	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
Board of Directors and managing directors	375,000	375,000	375,000	375,000
Other employees	567,352	978,806	531,279	978,806
	<b>942,352</b>	<b>1,353,806</b>	<b>906,279</b>	<b>1,353,806</b>
Social security contributions according to law and agreement	180,888	237,841	177,427	237,841
<b>Total salaries, remunerations and social security expenses</b>	<b>1,123,240</b>	<b>1,591,647</b>	<b>1,083,706</b>	<b>1,591,647</b>

**NOTE 6 OTHER INTEREST INCOME AND SIMILAR PROFIT/LOSS ITEMS**

(SEK)	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
Other interest income	23,912	133	4,719	0
	<b>23,912</b>	<b>133</b>	<b>4,719</b>	<b>0</b>

**NOTE 7 OTHER EXPENSES AND SIMILAR PROFIT/LOSS ITEMS**

(SEK)	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
Other interest expenses	-107,668	28,762	-70,887	-6,825
	<b>-107,668</b>	<b>28,762</b>	<b>-70,887</b>	<b>-6,825</b>

**NOTE 8 TAX EXPENSES**

(SEK)	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
Current tax	-6,017	-3,508	0	0
Tax on previous year results	0	0	0	0
<b>Tax expenses total</b>	<b>-6,017</b>	<b>-3,508</b>	<b>0</b>	<b>0</b>

## Reconciliation effective tax

<b>Profit/loss before tax</b>	<b>-6 895 119</b>	<b>-7,235,530</b>	<b>-7 318 119</b>	<b>-7,479,441</b>
Tax on reported profit for this year calculated with tax rate at closing:	1 420 395	<b>1,490,519</b>	1 507 532	1,540,765
<b>Tax effect by:</b>				
Other non-deductible expenses	0	<b>-1,713</b>	0	0
Non-taxable income	0	<b>0</b>	0	0
Tax loss carryforwards which value is no longer recognized as an asset	0	<b>1,713</b>	0	0
Tax deficit for without deferred tax asset has been reported	-1 420 395	<b>-1 490 519</b>	-1 507 532	-1,540,765
Effect of foreign tax rates	-6,017	-3,508	0	0
<b>Total tax</b>	<b>-6,017</b>	<b>-3,508</b>	<b>0</b>	<b>0</b>

## NOTE 9 EQUIPMENT, MACHINES, TOOLS

(SEK)	Group		Parent company	
	2023-06-30	2022-06-30	2023-06-30	2022-06-30
Opening acquisition values	36,691	30,301	0	0
Reclassifications	2,940	2,281		
This year's acquisitions	0	4,109	0	0
<b>Outgoing accumulated acquisition values</b>	<b>39,631</b>	<b>36,691</b>	<b>0</b>	<b>0</b>
Opening depreciation	-24,382	-18,302	0	0
Reclassifications	-1,671	-492	0	0
This year's depreciations	-4,114	-5,588	0	0
<b>Outgoing accumulated depreciation</b>	<b>-30,167</b>	<b>-24,282</b>	<b>0</b>	<b>0</b>
Closing carrying amount	9,464	12,309	0	0

## NOTE 10 INVENTORIES ETC.

(SEK)	Group		Parent company	
	2023-06-30	2022-06-30	2023-06-30	2022-06-30
Raw materials	348,695	348,695	348,695	348,695
Ready for sale	459 243	1,202,490	459 243	1,202,490
Other advance payments to suppliers	0	188,050	0	188,050
<b>Total</b>	<b>807 938</b>	<b>1,739,235</b>	<b>807 938</b>	<b>1,739,235</b>

## NOTE 11 CASH ON HAND AND IN BANK

(SEK)	Group		Parent company	
	2023-06-30	2022-06-30	2023-06-30	2022-06-30
Bank	6,492,804	7,367,789	5,261,128	5,932,603
	6,492,804	7,367,789	5,261,128	5,932,603

## NOTE 12 PARTICIPATION IN GROUP COMPANIES

(SEK)	Parent company	
	2023-06-30	2022-06-30
Acquisition value start of year	967,200	967,200
Acquisitions	0	0
Acquisition value end of year	967,200	967,200
Book value at closing date	967,200	967,200

## NOTE 13 SPECIFICATION OF PARTICIPATION IN GROUP COMPANIES

(SEK)			
Name	Capital share	Share of voting power	Book value
ODI Pharma Schweiz AG.	100%	100%	967,200

ODI Pharma AB holds 100% of the shares in the company ODI Pharma Polska Sp.z o.o. through its Swiss subsidiary ODI Pharma Schweiz AG.

	Org.no.	Reg. office	Equity	Profit/loss
ODI Pharma Schweiz AG.	CHE-242.702.959	Zug, Switzerland	869,520	502,538
ODI Pharma Polska Sp.z o.o.	729 774	Warszawa, Poland	12,251	-82,134

## NOTE 14 NUMBER OF SHARES

	2023-06-30	2023-06-30
	Quote value	Number
A-shares	0.04	15,220,000

## NOTE 15 PROFIT OR LOSS ALLOCATION

### PROPOSALS FOR THE COMPANY'S PROFIT OR LOSS ALLOCATION

The Board of Directors propose that un-restricted equity, 775 537 SEK are allocated as follows:

(SEK)	
Carried over	775 537
Total	775 537

## NOTE 16 TRANSACTIONS WITH RELATED PARTIES



During the financial year, the parent company entered into a marketing agreement with Karina S.L., a company owned 50 percent each by board members Volker Wiederrich and Karina Kilinski. Karina S.L. has agreed to perform social media and sales management services for Customer's social media platform for an agreed compensation by 4,000 EUR per month. The contract starts on 1<sup>st</sup> of March 2022 and it is signed for 5 years.

The parent company ODI Pharma AB has a controlling influence over its subsidiaries, see note 13 "Specification of Participation in Group Companies". During the year, the following related party transactions took place between the parent company and other companies within the group.

(SEK)	2022/23	2021/22
Sale of goods	0	41,754
Purchase of goods	917,800	941,470
Debt to related parties at the balance sheet date	1,207,000	76,194

## NOTE 17 SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR

August – ODI Pharma entered through its Polish subsidiary into a collaboration agreement ("Agreement") with Synoptis Pharma Sp. Z o.o. ("Synoptis") under which ODI becomes the exclusive supply partner for medicinal cannabis flos products to Synoptis for a period of 5 plus additional optional 3.5 years covering all Eastern and Southeastern European markets, including Poland, Czech Republic, Ukraine, Croatia etc.

Equity has continued to decrease after the end of the financial year. Additional equity financing is needed to continue operations. If the company does not succeed in obtaining new financing, this could significantly affect its future operations.

## NOTE 18 DEFINITION OF KEY BUSINESS RATIOS

### NET TURNOVER

Main operating revenues, invoiced expenses, side income and revenue adjustments.

### PROFIT/LOSS AFTER FINANCIAL ITEMS

Profits after financial items and costs but before appropriations and taxes.

### BALANCE SHEET TOTAL

The Company's total assets.

### SOLIDITY

Adjusted equity (equity and untaxed reserves with deductions for deferred tax) as a percent of the balance sheet total.

## STATEMENT BY THE BOARD OF DIRECTORS AND MANAGEMENT ON THE ANNUAL REPORT

The Board of Directors and the Executive management have today considered and approved the annual report of ODI Pharma for the financial year 01.07.2022 - 30.06.2023. In our opinion, the financial statements give a true and fair view of the Group's financial position at 30.06.2022 and the results of its operations for the financial year 01.07.2022 - 30.06.2023. We believe that the director's review contains a fair review of the affairs and conditions referred to therein. We recommend the annual report for adoption at the Annual General Meeting.

STOCKHOLM, 24<sup>TH</sup> OF NOVEMBER 2023

### EXECUTIVE BOARD

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**DEREK SIMMROSS**

*CEO*

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**VOLKER**

**WIEDERRICH**

*Chairman*

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**KARINA KILINSKI**

*Member of the Board*

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**GÖSTA LIDÉN**

*Member of the Board*

Our audit report was submitted on 24.11.2023  
Öhrlings PricewaterhouseCoopers AB

Johan Engstam  
Authorized Public Accountant



## AUDITOR'S REPORT

To the general meeting of the shareholders of ODI Pharma AB (publ), corporate identity number 559223-1392

### Report on the annual accounts and consolidated accounts

#### Opinions

We have audited the annual accounts and consolidated accounts of ODI Pharma AB (publ) for the financial year 1 July 2022 to 30 June 2023. The annual accounts and consolidated accounts of the company are included on pages 17-39 in this document. In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 30 June 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

#### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

#### Material uncertainty relating to going concern

Without modifying our opinions above, we want to draw attention to the report of the board of directors on page 18 and to Note 17 in the financial statements which indicate that equity has continued to decrease after the end of the financial year. Additional equity financing is needed to continue operations. If the company fails to obtain new financing, this could significantly impact its future operations. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

#### Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-16. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

## Report on other legal and regulatory requirements

### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of ODI Pharma AB (publ) for the financial year 1 July 2022 to 30 June 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

### Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Responsibilities of the Board of Director's and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

Stockholm 24 November 2023  
Öhrlings PricewaterhouseCoopers AB

Johan Engstam  
Authorized Public Accountant





**ODI Pharma**