



2021 – 2022

INTERIM REPORT Q3

APRIL 2022 - JUNE 2022

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

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# Performance Highlights

## Third Quarter (April 2022 – June 2022)

This year we have invested heavily in preparing our product portfolio for commercial success to reinforce proof-of-content. We were delayed due to COVID-19 with clinical trials, trademarks and our technology platforms CIM/PIM, which are now live. Additionally, the War in Ukraine has significantly impacted our sourcing and kickstarting of our revenue growth, especially in the European countries. Despite this, we have managed to speed up and get ahead with the commercial rollout in new markets and our three-year plan to generate growth and brand awareness is finally back on track. Since our Vitafoods Fair in May, our sales pipeline has accelerated with the new team and strategy, plus clinical trials finalized to support listings. With contracts signed or up for signature, we aim to match our 2021/2022 target. Further, additional 19 contract negotiations deliver a 26M DKK pipeline and a three-year forecast of 474M DKK. With our additional amounts of leads and more extensive negotiations with i.e., big pharma, we currently track the amount to DKK 650,5 million<sup>1</sup> up to 2025. This means that we no longer only focus on Europe as the go-to-market in the first commercial year but will now reach global distribution. With this broader market coverage, we will additionally be able to drive post-consumer tests and brand awareness faster than expected (year three).

- Operating profit in the third quarter amounted to tDKK -5.442 (tDKK 670)
- As of June 30, 2022, cash and cash equivalents in the Company amounted to tDKK 1.836 (tDKK 0).
- At the end of the period, CS MEDICA's equity/asset ratio was 62% (-1%).
- We see a strong global market potential in our top 25 distributor negotiations where we estimate the potential sales pipeline<sup>1</sup> to DKK 650,5 million<sup>1</sup> covering the period up to 2025.

	QUARTER		YEAR-TO-DATE	
	1. April 2022 -30. June 2022 Actual	1. April 2021 -30. June 2021 Last year	1. Oct 2021 -30. June 2022 Actual	1. Oct 2020 -30. June 2021 Last Year
Net sales	1.106.835	90.761	1.327.984	924.903
Gross profit	648.916	47.494	547.412	659.478
Operating profit	- 5.442.414	669.950	- 13.235.495	158.630
Depreciation and amortisation	- 518.945	- 208.415	-1.556.835	-765.262
Net financials	- 247.288	- 66.832	-339.471	- 1.876
Profit before taxes	- 5.689.703	603.119	- 13.574.964	- 16.826
Net profit	- 4.451.349	902.810	- 10.670.348	282.865
Cash and cash equivalents	1.836.121	0	1.836.121	0
Addition Research and development costs	- 54.960	2.362.095	2.141.654	2.597.877
Cash flow	- 11.585	308.399	-3.497.475	-3.496.881
Total Assets	22.999.753	10.656.030	22.999.753	10.656.030
Equity	14.327.010	- 158.316	14.327.010	-158.316
<b>Financial Ratios</b>				
Gross margin	59%	52%	41%	71%
Operating margin	-492%	738%	-997%	17%
Addition research and development in percentage of sales	-5%	2603%	161%	281%
Net profit margin	-402%	995%	-803%	31%
Equity ratio	62%	-1%	62%	-1%
<b>Share performance</b>				
Basic earnings per share	- 0,40		-0,97	
Total number of shares, 30 September	11.002.000		11.002.000	
Closing share price	6,0		6,0	

<sup>1</sup> Find more information about the potential order pipeline and phases in the section ["CS MEDICA Go-to-market activities & strategy"](#)

## Significant events during the third quarter (April 2022 – June 2022)

- [April 6, 2022](#), CS MEDICA A/S announces that Heidi Ahlefeldt-Laurvig will take over as Chief Growth Officer (CGO) and Chief Marketing Officer (CMO) from May 1, 2022.
- [April 11, 2022](#), CS MEDICA announces that the Company has now finalized the Parts-per-billion (PPB) level THC test on their CANNASEN® CBD products, showing no trace of THC. Hong Kong, Thailand and Japan are the countries that have legalized CBD products, and with the PPB THC test results, CS MEDICA is now able to sell CANNASEN® CBD products in these countries.
- [April 13, 2022](#), CS MEDICA announces that the Company has completed one national and two PCT continuation patents, out of the 7 total patent applications covering 11 products.
- [April 21, 2022](#), CS MEDICA announces that the Company has been approved by the Hong Kong customs and is now able to sell its CANNASEN® CBD products in Hong Kong. The Company has just received its first trial order from its sponsor/importer in Hong Kong.
- [April 27, 2022](#), CS MEDICA announces that the CANNASEN® CBD products Pain Patch, Protective Nasal gel, and PSOR + ATOPIC lotion have been launched on Apopro's Webshop and are now available for online sales. The Company also announces the launch of CANNASEN® CBD Protective Nasal gel has been launched in Matas, now available on shelves in 186 Medicare stores. Previous product availability in Matas includes the medical devices CANNASEN® CBD Arthritis Gel, Psoriasis Gel, Anti-Hair Loss Serum and Hand Cream.
- [April 28, 2022](#), CS MEDICA announces that the Company has signed an agreement with the Asian distributor and Chinese-based CBF SciTech Ltd. The contract follows the test order announced on April the 21st and will ensure the first presence of the CANNASEN® CBD products in Asia, specifically Hong Kong. The agreement's value in minimum orders for the first three years amounts to DKK 134,4 million if the terms and conditions of the agreement are fulfilled.
- [May 2, 2022](#), CS MEDICA announces that the Company is expanding its sales channels by launching products through Amazon Sweden. The products CANNASEN® CBD Pain Patch, Protective Nasal Gel and CBD PSOR+ATOPIC Lotion, Anti-Hair Loss Serum, and Hand Cream are now available on Amazon Sweden's webshop.
- [May 2, 2022](#), CS MEDICA announces that due to delays from the COVID-19 lockdown, the Company's revenue goal for the coming three financial years has been revised. The revenue goal for 2021/2022 is reduced to DKK 12 million from DKK 50 million forecasted prior COVID-19 lockdown. The revenue goal for the following financial year, 2022/2023, will be adjusted to DKK 65 million from DKK 150 million previously. The revenue goal of DKK 150 million is sought to be accomplished in the financial year 2023/2024.
- [May 10, 2022](#), CS MEDICA announces that the Company has signed a distributor agreement with Alsitan GmbH ("Alsitan"). The agreement regards the sales of CS MEDICA's Arthritis gel under a private label in the German and Austria territory. The order amounts to 140,000 units and corresponds to an order value of DKK 4,4 million in revenue.
- [May 20, 2022](#), CS MEDICA announces that the CFO Gitte Lund Henriksen has today acquired 26 841 shares in CS MEDICA at a price of 5,95, amounting to a total value of 160 012,94 DKK.
- [May 31, 2022](#), CS MEDICA announces that the Company has secured loan financing of a total of approximately 6 M DKK from Bizcap AB, Gerhard Dal, and Råsunda Förvaltning AB. This financing will enable CS MEDICA to pursue additional collaboration negotiations and enter into more agreements with international customers, thus maintaining its momentum and scaling the business on international markets.
- [June 3, 2022](#), CS MEDICA announces that the CFO of the Company, Gitte Lund Henriksen, has today acquired 10 159 shares in CS MEDICA at a price of 5,88, amounting to a total value of 59 824,52 DKK including commission.
- [June 22, 2022](#), CS MEDICA A/S announces that the CEO of the Company, Lone Henriksen, has today acquired 6 328 shares in CS MEDICA at a price of 5,80, amounting to a total value of 36 702,4 DKK including commission.
- [June 23, 2022](#), CS MEDICA announces that the final efficacy analysis in their clinical trial of CANNASEN® CBD Arthritis Gel (NGA-01) met all the trial's primary efficacy endpoints. Analysis of the data indicates that CANNASEN® CBD Arthritis Gel (NGA-01) has efficacy in reducing pain in joints, swelling, stiffness, and pain during flexion of joints of participants with osteoarthritis with joint pain in the joints; knee, hip, ankle, elbow, and shoulder. The final objective analysis is based on 60 cases of osteoarthritis, as specified in the study protocol.
- [June 28, 2022](#), CS MEDICA announces that the Company has signed a distributor agreement with Forbe Healthcare Ltd. The agreement covers the territory of Israel and Palestine and includes CS MEDICA's entire portfolio of medical devices under the CANNASEN® CBD brand. The order, which concerns the portfolio of medical devices, amounts to 852,000 units, corresponding to DKK 37,1 million in revenue which will be distributed over 3.5 years if the terms and conditions are met. The terms include that the products will be introduced to the market if they are approved by local authorities.
- [June 28, 2022](#), CS MEDICA announces that the Company has signed a distributor agreement with NaturaMedica. The agreement covers the territory of Slovenia and includes 4 of CS MEDICA's medical device products under the CANNASEN® CBD brand. The order amounts to 20,700 units, corresponding to DKK 0,9 million in revenue which will be distributed over a 3.5-year period.

## Significant events after the period

- [July 7 2022](#), CS MEDICA A/S ("CS MEDICA" or the "Company") announces today that the CEO of the Company, Lone Henriksen, has acquired 35 190 shares in CS MEDICA through several transactions at an average price of 6,35, amounting to a total value of 223 400,48 DKK.
- [July 12, 2022](#), CS MEDICA announces that, after conducting the final efficacy analysis in their clinical trial, their CANNASEN® CBD Arthritis Gel & CANNASEN® CBD ARTH Supplement (NGA-01 gel and NSA-01 capsule), met all the

trial's primary and secondary efficacy, tolerability & safety endpoints. The final analysis was based on 60 cases of osteoarthritis. The trial data showed that both NGA-01 and NSA-01 were well tolerated, no adverse event was reported, and no significant changes were observed in the urinalysis. The results strengthen our product offering and improve our competitive advantage in the Medical CBD product market.

- [July 12, 2022](#), CS MEDICA A/S announces that the Company has expanded its presence on the Amazon sales platform and is now also distributed on the German Amazon site.
- [July 14, 2022](#), CS MEDICA A/S announces that the CEO of the Company, Lone Henriksen, has acquired 10 470 shares in CS MEDICA through several transactions at an average price of 7,33 DKK, amounting to a total value of 76 779,76 DKK.
- [August 5, 2022](#), CS MEDICA A/S announces that CEO Lone Henriksen as well as CFO Gitte Lund Henriksen have extended their lock-up agreements for their shares in the Company until August 2023. In total, the lock-up agreements correspond to approximately 74 percent of the votes and capital in CS MEDICA.

*"CS MEDICA" refers to CS MEDICA A/S with company registration number 33871643. The number of shares in CS MEDICA as of March 31, 2022: 11 002 000 shares.*

## Comments from the CEO

We are very pleased to report that we have taken exceptionally important steps in the period towards a continued transformation of CS MEDICA. Since May, we have had accelerating progress in ongoing negotiations with our well-developed distributor pipeline to provide the current revenue target and additionally give us an estimate of the market potential through our top distributors in negotiations of DKK 650,5 million<sup>2</sup>, covering the period up to 2025. Simultaneously, our ongoing discussions within big pharma are moving to the third phase, with NDA signed and the regulatory process initiated.

Our long-term vision is still to build a company with multiple revenue streams based on a product portfolio that creates new therapeutic options for treating several autoimmune and stress-related disorders, benefiting patients and healthcare providers worldwide. As of today, all present and future treatment products (topical and oral products) are patent pending per PCT (Patent Cooperation Treaty), covering 153 nations across the globe.

At this point, we are encouraged by the phase III trials within Arthritis now finalized, showing the efficacy of NSA-01 gel & NSA-01, reducing pain and improving the life quality for people with Arthritis.

During the coming months, we are broadening the clinical milestones with our clinical phase III trials within Psoriasis, accompanied by the initiation of clinical trials covering: Nasal Spray Night, Protective Nasal Gel, and Pain Patch, and an Invitro test for Wound gel.

By actively challenging ourselves in how we work and continue taking strong initiatives to innovate, we will successfully manage to expand our pool of customers and provide them with one of the highest quality treatments and solutions the industry offers. This also entails combining our company's deep in-house expertise with the best science from outside through partnerships with other businesses, universities around the world, and research institutions. Hence, we expect CS MEDICA's market position and business venture to experience a significant shift towards becoming a driving force in the global medical cannabis treatment field. Within a decade, we will see stronger-than-ever capabilities and skills in key growth areas of our business, where we will not only help people with autoimmune- and stress-related disorders but will simultaneously have a positive impact in new therapeutic areas.

To complement this purpose, we are simultaneously broadening our commercial and global outreach tailoring our go-to-market plans for each product by establishing a dual distribution strategy with an omnichannel focus. Additionally, we invest in the best-in-class clinical trials, post-consumer tests, and disease community platforms. In addition, direct-to-consumer marketing for innovative engagement channels is to build our CANNASEN® CBD brand and support our existing and new partners. Our efforts and investments enable us to meet our sales forecast and carve out a leading position in its indication, despite head-to-head competition from established players. When early data from medical engagement suggests that disease-state education isn't as effective as expected in our key markets, we quickly step in to redesign



or create material to address the market's concerns and needs better.

Despite these encouraging and data-driven initiatives, we are experiencing challenges with the current transition stage within the market of cannabinoids, mainly represented by:

- Lack of knowledge within cannabinoids treatment in the EU
- Acceptance of treatment with cannabinoids within the health industry
- Regulatory and registration procedures.

However, our immense work is starting to pay off. We are now starting to be recognized, accepted, and well-known in our field of business, giving us the opportunities to partner up with larger and more established companies. In the last quarters, we have invested heavily in production and sales staff. We expect to reap the rewards of our effort in the future.

Consequently, we are currently navigating a period with larger outflows than inflows of money - a challenge that we continuously address to make sure to pull through the upcoming period of rapid growth. In this process, we just finalized a bridge loan of DKK 6 million, which together with our upcoming TO1 warrants will finance the period to come.

Looking to the future, I am confident that our clear corporate and go-to-market strategy will secure our leadership within the global cannabis medical treatment industry while ensuring that as many people as possible have access to quality treatment.

*Lone Henriksen – CEO, CS MEDICA*

<sup>2</sup> Find more information about the potential order pipeline and phases in the section "[CS MEDICA Go-to-market activities & strategy](#)".



# CS MEDICA'S corporate strategy

## CS MEDICA at a glance

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

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



In CS MEDICA we are driven by making the best cannabis medical products in the world. Our goal is to become a leading company in the cannabis medical treatment industry, and we truly believe we are going to change the millions of people life's who buy our products. With the introduction of CANNASEN® CBD product line, we are positioned at the forefront and are currently the only company delivering medical products based on cannabinoids under the pharmaceutical legislation. The competitive advantage that truly distinguishes CS MEDICA is that the Company's product offering is positioned at the intersection of natural products, science, and cannabinoid technology, while also working under the pharmaceutical legislation (MDR). Bringing these aspirations together - is what drives us.

The below products are available or in late clinical trial phase in each category. All Medical technical products (CE) have been launched before the 26th of May 2021 before the change of legislation from MDD to MDR.

<b>SKIN DISORDERS</b> <ol style="list-style-type: none"> <li>1. Psoriasis Gel (€) - immediately stops the itch and reduces the redness and scaling.</li> <li>2. PSOR+ATOPIC lotion – moisturizes and softens the skin.</li> <li>3. Wound Gel (€) – gives the optimal wound healing environment and reduces the healing time.</li> </ol>	<b>MUSCULOSKELETAL DISORDERS</b> <ol style="list-style-type: none"> <li>4. Pain Patch (€) – long-lasting pain relief – local treatment.</li> <li>5. Arthritis Gel (€) – immediate cooling effect and pain relief.</li> </ol>
<b>RESPIRATORY DISORDERS</b> <ol style="list-style-type: none"> <li>6. Protective Nasal Gel (€) – protects against environmental antigens.</li> <li>7. Nasal Spray Night (€) – improves breathing and sleep quality.</li> <li>21. Infect Protect Lozenges (€) (protect against COVID-19)</li> </ol>	<b>DERMACEUTICALS</b> <ol style="list-style-type: none"> <li>8. HAIR REGROWTH SERUM<sup>1</sup> – INCREASES THE HAIR DENSITY, THICKNESS AND REDUCES HAIR LOSS.</li> <li>9. COSMETIC LINE (5 PRODUCTS)<sup>3</sup> – CALMS THE SKIN AND REDUCES ROSACEA FLARE-UPS – REDNESS (INFLAMMATION) OF THE SKIN.<sup>4</sup></li> <li>14. EYELASH SERUM<sup>1</sup> - STIMULATES THE NATURAL GROWTH OF LASHES, UP TO 85% LONGER, 53% THICKER AND 43% DENSER.</li> <li>15. ANTI-HAIR LOSS SHAMPOO &amp; CONDITIONER<sup>1</sup> (2 PRODUCTS).</li> <li>17. ANTI-BACTERIAL HAND CREAM.</li> </ol>

Blue products are developed but not launched yet.

Besides the above products, we have a clinical test finalised in H2 2021/2022, testing our Arthritis and Psoriasis gels in combination with our newly developed Food supplement. The first clinical results are showing that a combination treatment (oral + topical), from the inside and outside, results in an optimised efficacy, greater than the 2 products separately (1+1 < 2). If the clinical test shows positive results on all defined endpoints, we'll launch our food supplements in H1 2022/2023;

18. Arthritis Food supplement
19. Psoriasis Food supplement

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

20. Hair loss Food supplement



## Background

CS MEDICA is a Danish medical company founded in 2011. CS MEDICA is committed to developing, manufacturing, and commercializing over the counter (OTC) medical products and cosmetics containing cannabinoids (such as CBD, CBG, and CBN). The Company currently focuses on 20 products with cannabidiol (CBD) for autoimmune-related disorders such as the treatment of psoriasis, arthritis, and stress-related symptoms such as hair loss. Altogether, eleven of the products are patent pending. The Company's product portfolio is featured under the trademark of CANNASEN® CBD.

## Business model

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

<sup>3</sup> products in Pipeline

<sup>4</sup> products in Pipeline











## Technology Platforms

To ensure future success, CS MEDICA has developed a cannabinoid therapeutic strategy and continuously invests in new and ground-breaking technologies. Today, CS MEDICA has technology platforms that cover several core areas that are important for driving innovation across the target diseases and to facilitate the scale-up of the company. Since 2016, CS MEDICA has been using and refining these technologies and exploring the endocannabinoid system and the more than 140 currently known Phyto cannabinoids (from cannabis) to provide solutions for conditions in which those compounds offer treatment possibilities.

## CS MEDICA's opportunities

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

With USD 1.9 billion in CBD sales globally during 2018, the estimated market growth is expected to match a 49 % compound annual growth rate (CAGR) until 2024.<sup>5</sup> In general, cannabis-derived compounds are claimed to have market disrupting potential. Due to hemp's composition, the disruption is supposed to cover multiple industries, including medical and cosmetic. The disruption is expected to last for about a decade. The global markets disrupted by cannabis amounts to 5 USD trillion<sup>6</sup>, which together with a large unmet market, within alternative treatment, across all therapies in scope cannot be overlooked<sup>7</sup>;

SKIN DISORDERS	MUSCULOSKELETAL DISORDERS	RESPIRATORY DISORDERS	DERMACEUTICALS
<b>PSORIASIS</b>  <b>125M</b> People have <b>PSORIASIS</b> globally. <sup>6.1</sup> <b>50%</b> Of all Psoriasis patients are actively seeking for alternative treatment The <b>global PSORIASIS drugs market</b> was valued at <b>USD 24 Billion</b> in 2021 and have a predicted CAGR of <b>8,7%</b> up to 2026. <sup>6.2</sup>	<b>ARTHRITIS</b>  <b>350M</b> People have <b>ARTHRITIS</b> globally. <sup>6.3</sup> <b>75%</b> Of all Arthritis patients are actively seeking for alternative treatment The <b>global ARTHRITIS drugs market</b> was valued at <b>USD 26 Million</b> in 2021 with a predicted CAGR of <b>8,6%</b> up to 2023. <sup>6.4</sup>	<b>SLEEPING DISORDERS</b>  <b>1000M</b> People suffer from <b>SLEEPING disorders</b> globally. <sup>6.5</sup> The <b>global INSOMNIA drugs market</b> was valued at <b>USD 60 Trillion</b> in 2020 with a predicted CAGR of <b>6,9%</b> up to 2023. <sup>6.6</sup>	<b>HAIR LOSS</b>  <b>147M</b> People suffer from <b>HAIR LOSS disorders</b> globally. <sup>6.7</sup> The <b>global HAIR CARE market</b> was valued at <b>USD 78 billion</b> in 2020 with a predicted CAGR of <b>4,6%</b> up to 2027. <sup>6.8</sup>
<b>WOUND CARE</b>  <b>78M</b> People suffer with <b>WOUNDS</b> globally. <sup>6.9</sup> The <b>global WOUND care market</b> equaled to approx. <b>USD 17 Billion</b> In 2021 with a predicted CAGR of <b>6,2%</b> up to 2019. <sup>6.10</sup>	<b>PAIN</b>  <b>1460M</b> People suffer from <b>PAIN</b> globally. <sup>6.11</sup> The <b>global PAIN care market</b> equaled to approx. <b>USD 71 Billion</b> In 2020 with a predicted CAGR of <b>3,8%</b> up to 2019. <sup>6.12</sup>	<b>POLLEN, VIRUS &amp; BACTERIAL</b>  <b>50M</b> People suffer from <b>ALLERGY</b> globally. <sup>6.13</sup> The <b>global ALLERGIC treatment market</b> equaled to approx. <b>USD 25 Billion</b> In 2017 with a predicted CAGR of <b>6,3%</b> up to 2025. <sup>6.14</sup>	<b>SKIN PROBLEMS</b>  <b>900M</b> People suffer from <b>SKIN PROBLEMS</b> globally. <sup>6.15</sup> The <b>global SKIN DISEASE treatment market</b> was valued at <b>USD 20 Billion</b> in 2020 and has predicted a CAGR of <b>3,6%</b> up to 2030. <sup>6.16</sup>

Source: 6.1 <https://www.psoriasis.org/psoriasis-statistics/> - 6.2 <https://www.fortunebusinessinsights.com/industry-reports/psoriasis-treatment-market-100600> - 6.3 <https://globalranetwork.org/project/disease-info/> - 6.4 Rheumatoid Arthritis marked- <https://www.globenewswire.com/news-release/2022/01/28/2374912/28124/en/The-Worldwide-Rheumatoid-Arthritis-Drugs-Industry-is-Expected-to-Reach-34-3-Billion-by-2027.html> - 6.5 <https://onlinelibrary.wiley.com/doi/full/10.1111/resp.13838> - 6.6 <https://www.alliedmarketresearch.com/sleep-aids-market> - 6.7 <https://www.prnewswire.com/news-releases/global-alopecia-market-size-to-reach-usd-13-80-billion-in-2028--says-reports-and-data-301500078.html> - 6.8 <https://www.blueweaveconsulting.com/report/global-hair-care-products-market-bwc19130> - 6.9 <https://soft-ox.com/chronic-wounds/> - 6.10 <https://www.fortunebusinessinsights.com/wound-care-market-103268> - 6.11 <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3201926/> - 6.12 <https://www.alliedmarketresearch.com/pain-management-therapeutics-market> - 6.13 <https://www.aafa.org/allergy-facts/> - 6.14 <https://www.alliedmarketresearch.com/allergy-treatment-market> - 6.15 <https://www.who.int/news/item/08-06-2018-recognizing-neglected-skin-diseases-who-publishes-pictorial-training-guide> - 6.16 <https://www.bccresearch.com/market-research/pharmaceuticals/skin-disease-treatment-technologies-markets-report.html>

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

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

7 See notes for figure below the figure.

## CS MEDICA's first-mover status

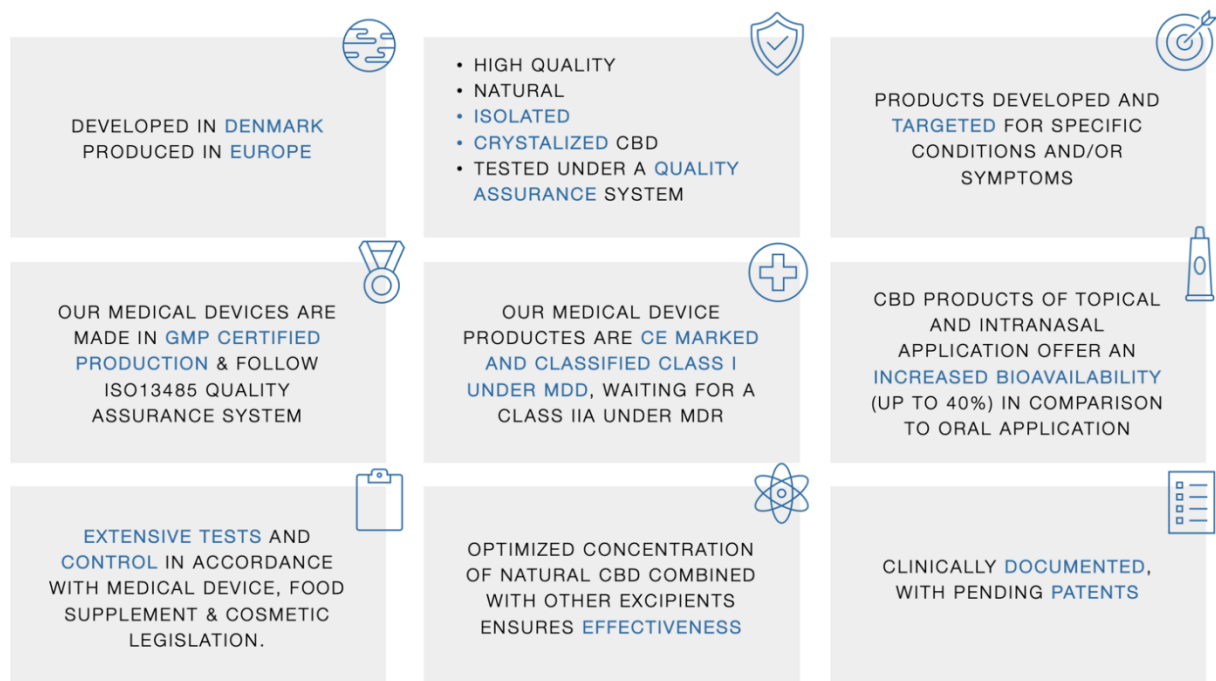
*provides a competitive advantage lasting at least 3 years, leaving the company alone on the market, of medical treatment from cannabinoids*

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

Up to May 26, 2021, Medical Devices were regulated under MDD, but today they follow the MDR (Medical Device Regulation) (EU) 2017/745.35. Products filed under the MDD as Class I will, with the new MDR, be lifted to a Class IIa or III. For a transitional period of four years, permission has been granted for products certified as an MD Class I before the 26th of May 2021, to remain on the market, provided that the extended requirements for the classification lift are initiated.<sup>8</sup> The Products are allowed to stay at the mark after the transition period provided that the extended requirements and the classification lift for Class IIa/III are finalized.

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

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



<sup>8</sup>Ibid

## CS MEDICA Go-to-market activities & strategy

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

The Go-to-market section describes the activities and future growth objectives of the company under the headline CS MEDICA Go-to-market strategy. The Go-to-market strategy is aspirations and objectives that CS MEDICA intends to work towards and is not a projection of CS MEDICA's financial outlook or expected growth.

### Go-to-market

CS MEDICA still holds the position as the first mover in medical technical cannabis products, and the effect of the transformation from an R&D-oriented company to a commercial-driven company has started to deliver results. Our new dual distribution strategy helps us navigate and build volume and market awareness with strong white-label and private-label solutions, fit for the advanced and major big pharma collaborations. While we simultaneously grow our Brand CANNASEN® CBD directly to consumers or partners.

The company has signed several distribution agreements within and outside the European region, and the pipeline outlines that we will speed up doing so in the 4th quarter. The Vitafoods fair was a stepping stone to a new future for CS MEDICA. Distributors globally are reaching out to become part of our journey, as they wish to be a first-mover in their respective regions.

With the new entry of the very experienced Chief Growth Officer and Chief Marketing Officer, Heidi Ahlefeldt-Laurvig onboard the team and the newly appointed Chief Commercial Officer, responsible for Global Sales, Mikkel Raahauge Nielsen, we set the team for the future expansion on global collaborations. The new team works closely to reach synergies in the portfolio, market, concepts, and distribution strategies with global partners in a dynamic and ever-changing global environment. CS MEDICA is to tailor-make the best solutions for our partners to win markets and consumers.

### Quarterly Activities

The CCO and the CEO managed to visit Geneva for the Vitafoods fair, Turkey, and Spain for potential partnerships and to plan activities outside Europe in the upcoming quarter. After Vitafoods, the list of potential future partners is extended to 255 companies globally, ranging from Iceland to India in 66 countries.

Furthermore, we restructured the marketing team and the process of locating and selecting partners in the previous quarter. Hence, we are currently working without silos across different departments to ensure a streamlined onboarding process for potential partners to perform registrations, translation, and go-to-market strategies in an optimized manner. In addition, we have implemented a control tower to monitor but also support regional partners with insights and we will move into a data-driven team within the 4th quarter.

Markets like France and the United Kingdom have a list of distributors reaching out. Still, the market has proven more difficult due to regulatory obstacles on the CBD stand by the relevant authorities. In contrast, these markets show clear indications that they are ready to pave the way for the companies with all permits and certificates. Italy and Spain show potential as markets with easy access and a more mature perception of CBD products with the proper regulatory foundation and approvals. We are in dialogue with preferred partners looking to fulfil these markets' potential soon.

We are additionally experiencing a growing interest in the Danish retail and pharmacy channels. We already have strong partners listing our products in Denmark and Sweden, so our main focus is to build and activate the CANNASEN® CBD brand with these partners. In addition, we launched our cannasen.dk shop and alongside this, we are promoting trade activities, pushing SoMe and Influencer activities to onboard consumers in our community. Hence, we believe in an even broader presence in the marketplace within the upcoming quarter. Inciting things are in the scope and we are very excited about the opportunities this will bring us.

We launched our products and brand store on Amazon.se and Amazon.de, testing the coming months before rolling out to the following three countries' Amazon platforms in scope.

## Our sales process step-by-step

Selecting the right distributor is crucial for our success and the selection of candidates is based on comprehensive analysis securing only distributors meeting our requirements are passing the first gateway.

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

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

To streamline this process, we developed a series of models, as per below.

Market Potential Evaluation model is prioritizing our market entry, as the interest in CBD and the regulatory landscape might differ from country to country.

The Distributor Selection Model is rating the potential partner on various parameters, such as market penetration, relevant sales channels, product category expertise, sales force, KOL access and more.

The partnership process model tracks the level of engagement and involvement in everything from pricing, marketing support and clinical data all to support a smooth process for all parties.

The Market Strategy addresses the market with the partners on board or in the pipeline for private-, dual- or the CANNASEN label.

When the right country and market have been identified the sales processes are compiled in the following phases.

PHASE	PROCESS	WEEKS 1-6	WEEKS 2-4	WEEKS 10-12	WEEKS 25-30	Hit rate
I	Identification of potential distributors or sales channels	X				1%
II	Initial Product and company presentation		X			2%
III	NDA signature		X			2%
IIII	Product presentation, Study summary and White paper are released to the potential distributor		X			10%
V	Evaluation and Approval of products by their legal department			X		20%
VI	Agreement negotiation including local rights & Local approval of products outside EU			X		40%
VII	Distributor agreement is signed, and first order issued	X				70%
VIII	Design delivery from Private Label customer			X		100%
VIIII	Approval of design and claims – Private label customer		X			100%
X	Production. & Delivery				X	100%

Currently the sales agreement is finalized and active in Denmark and Sweden with more than 500 established sales outlets. In Denmark through Matas, med24.dk and all online pharmacy chains and in Sweden through Amazon, med24.se and Kronans. The Arthritis- and Psoriasis gel are on shelf in Matas (DK) and the Arthritis gel in Kronans (SE).

In the International market, distributor agreements are currently finalised in Asia, Belgium and the Netherlands, Germany, (White Label), Palestine and Slovenia.

Potential sales through already established and new sales channels currently in progress divided in the above phases, are distributed, on the day of this report, as below. Phase X indicates already established channels. Making a total pipeline of 650 Mio DKK covering orders up to 2025.

Phase	Potential order value DKK
II	50.000.000
III	80.000.000
V	141.000.000
VI	180.000.000
VII	197.000.000
X	2.500.000
<b>TOTAL</b>	<b>650.500.000</b>

## Disclaimer

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

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

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

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

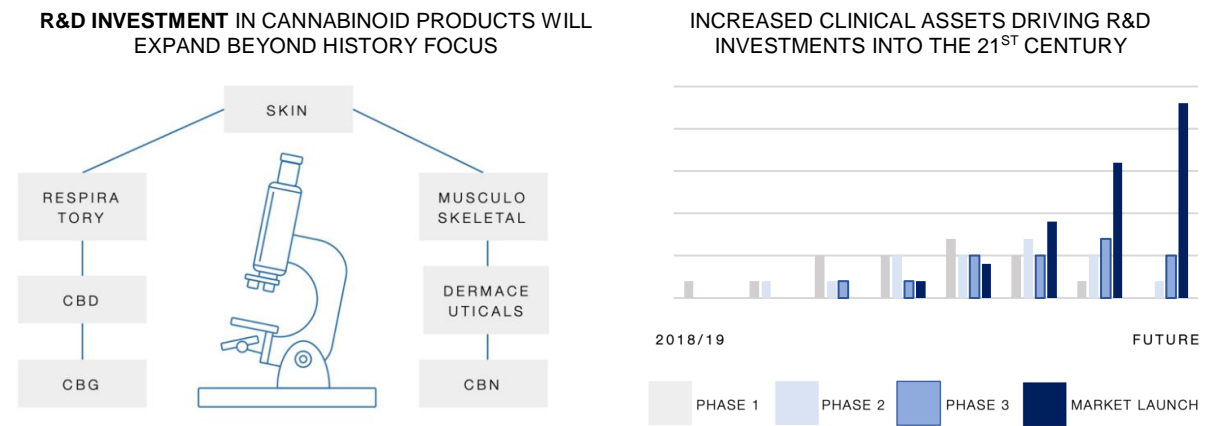
*is to focus on increasing the number of clinical assets while optimizing our first-mover advantage*

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

Globally, the number of people living with autoimmune, and stress-related disorders is growing at an exponential rate and the need to supply improved treatments is critical. To ensure that cannabinoids medical treatment reaches all those who require them, new ways of doing business are required.

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

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













PRODUCTS	Planned	Approved by medical agency	Phase III	Intermediate report	Performed final report	MDD Classification	MDR Classification
<b>CANNASEN® CBD ARTHRITIS GEL</b> NGA-01: ART GEL VS PLACEBO	X	X	X	X	X	Class I	Class IIa
<b>CANNASEN® CBD PSORIASIS GEL</b> NGP-01: PSOR GEL VS PLACEBO	X	X	X	X		Class I	Class I
<b>CANNASEN® CBD PROTECTIVE NASAL GEL</b> NGPG-01: PROTECTIVE NASAL GEL VS PLACEBO	X					Class I	Class IIa
<b>CANNASEN® CBD PAIN PATCH</b> NGPP-01: PAIN PATCH VS PLACEBO	X					Class I	Class IIa
<b>CANNASEN® CBD WOUND GEL</b> NGW-01: WOUND GEL VS PLACEBO	X					Class I	Class IIa
<b>CANNASEN® CBD NASAL SPRAY NIGHT</b> NGS-01: NASAL SPRAY NIGHT VS PLACEBO	X					Class I	Class IIa

## CS MEDICA holds solid IPR protection

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

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

CS MEDICA's POSITION IS PROTECTED BY PATENTS & TRADEMARKS	BARRIERS TO ENTRY FOR CANNABINOIDS SIMILAR PLAYERS	PARTNERSHIP, VALUE CHAIN SETUP AND SUPPORT FROM FUTURE R&D	EXTENSIVE CLINICAL EVIDENCE AND TRUST
<p><b>PATENT PROTECTION<sup>15</sup></b></p> <p>PA 2021 70056 2039 PA 2021 70171 2041 PA 2021 70213 2041 PA 2021 70269 2041 PA 2021 70207 2041 PA 2021 70268 2041 PA 2019 70497 PA 2020 70343 PCT/DK2020/050222 2020325925 3148643 202080066468.4 20757830.3 290339 2022-507635 2022-7007428 785579 17/633,006 PCT/EP2022/052873 PCT/EP2022/059861 PA 2021 70207 PCT/EP2022/061792 PCT/EP2022/062150 PCT/EP2022/064268 PA 2021 70268 PCT/EP2022/064271</p> <p><b>TRADEMARKS</b> registration in class <b>03, 05, and 10<sup>16</sup></b></p> <p>EU, International Protocol, Norway, Switzerland, Canada, India, Indonesia, Japan, Malaysia, South Korea, Thailand, United States, Vietnam, United Kingdom, Hong Kong, Australia, New Zealand, Turkey, China, Brazil, United Arab Emirates.</p>	<p><b>RESEARCH &amp; DEVELOPMENT</b></p> <ul style="list-style-type: none"> <li>Needs to be approved under the <b>MDR Class IIa</b></li> <li>Strict regulatory requirements in the <b>EU</b> and the <b>US</b></li> </ul> <p><b>MANUFACTURING</b></p> <ul style="list-style-type: none"> <li><b>Approval</b> under the pharmaceutical <b>legislation</b></li> <li>Strict regulatory requirements in the <b>EU</b> and the <b>US</b></li> </ul> <p><b>COMMERCIALIZATION</b></p> <ul style="list-style-type: none"> <li><b>Approval</b> under the pharmaceutical legislation before <b>market entrance</b></li> <li>Technical documentation assessed by a <b>Notified Body</b></li> <li>Comprehensive description of <b>technology</b> impact and <b>testing</b> with reference to Cannabinoid's regulations, to ensure <b>market reception</b>.</li> <li>On-going conversion to <b>next generation</b> cannabinoid combination and market dynamics</li> </ul>	<p><b>HEMP PLANTS</b></p> <p>⊕ enecta</p> <p><b>CANNABINOIDS CRYSTALS</b></p> <p>⊕ enecta</p> <p><b>TOPICAL, ORAL &amp; COMBINATION</b> formulation of therapeutics</p> <p> </p> <p>  <b>OCEANIC</b></p> <p></p> <p><b>PRODUCTION SITES</b></p> <p> </p> <p></p> <p><b>MEDICAL DEVICE REGULATION &amp; QUALITY CONTROL</b>, including HACCP, GMP, ISO through product lifecycle</p>	<p><b>RESEARCH &amp; DEVELOPMENT</b></p> <ul style="list-style-type: none"> <li><b>Monitor</b> and evaluating <b>global</b> development within cannabinoids therapeutics</li> <li>On-going evaluation of cannabinoids combinations optimizing the overall efficacy</li> </ul> <p><b>DOCUMENTATION</b></p> <ul style="list-style-type: none"> <li>Updated technical documentation &amp; regulation according to MDR - MDR class IIa.</li> <li>Compliance with ICH and ISO 13485, ISO 22716, ISO 10993 &amp; GNP, GDP, GACP, GMP &amp; ISO 14971 (MDD).</li> </ul> <p><b>CLINICAL EVIDENCE EFFICACY &amp; TRUST</b></p> <ul style="list-style-type: none"> <li>New extensive Clinical trials under MDR</li> <li>Post-marketing clinical trials together with local disease organisation in CIM</li> <li>Global consolidation of test results through CIM provided as SaaS.</li> </ul>

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

16. **Trademark** Classification.

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

Class 5 covers the Pharmaceutical and veterinary preparations.

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

# Strategic Outlook 2023

The Strategic Outlook is included to reflect the broad aspects of CS MEDICA across therapy areas and geographies, describing the future growth aspirations and previous communicated operational objectives of the company under the headline Strategic Outlook 2023. The strategic outlooks are aspirations and objectives that CS MEDICA intends to work towards and are not a projection of CS MEDICA's financial outlook or expected growth. However, due to our recent learnings and high levels of interests in our brand and products we are evaluating our strategic outlook and will implement a unicorn growth strategy for 2023-2025.

## 2021/2022

### H2

- Global market launch of all launched CANNASEN® CBD products (7);
    1. CANNASEN® CBD Arthritis gel
    2. CANNASEN® CBD Psoriasis gel
    3. CANNASEN® CBD Pain Patch
    4. CANNASEN® CBD Protective nasal gel
    5. CANNASEN® CBD Hair regrowth
    6. CANNASEN® CBD PSOR + ATOPIC LOTION
  - Launch on Amazon sales channel in Germany, Italy and France.
  - Continuation of DK patent to PCT landing:
    - Nasal spray (sleep) P25076DK00
    - Wound gel P25009DK00
    - Pain patch P25075DK00
    - Nose gel P25364DK00
  - Closing of major distributor agreements with key pharmaceutical global players covering brand and white labels agreements.
- Clinical trials (3)
- Psoriasis versus placebo
  - Psoriasis + supplements - versus placebo supplements

## 2022/2023

### H1

- Partner identification of US distributor/partner.
- Product launches cosmetic (3)
  - Psoriasis Shampoo
  - Anti-hair loss Shampoo
  - Anti-hair loss Conditioner
- If the clinical test performed in H1 2021/2022 of our combination treatment within psoriasis and arthritis meets all endpoint, the CANNASEN® CBD Food supplement for Arthritis and Psoriasis respectively will be launched in this half year.
- Product launch in Denmark (2)
  - CANNASEN® CBD wound gel
- Clinical information Management System (CIM) goes live \*)
- Scientific papers covering completed clinical trials Published on min. two Science platforms \*)

\*) moved from H2 2021/2022

## 2022/2023

### H2

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

2023/2024

H1

- FDA approval granted.
- Finalize US distributor agreement.
- Launch Amazon sales channel in US & Canada.
- Start-up development of Medical device under MDR  
- Eyelash growth/extension serum \*)

\*) moved from H2 2022/2023

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

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

# Corporate Governance

## Accounting and accounting principles

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

## CS MEDICA's share

CS MEDICA's share is listed on Spotlight Stock Market, [www.spotlightstockmarket.com](http://www.spotlightstockmarket.com). The share has the ticker name CSMED and ISIN code DK0061668225. The number of shares in CS MEDICA as of June 30, 2022: 11 002 000 shares.

## Review

This report has not been audited.

## Business-related risks and uncertainties

The risks and uncertainties to which CS MEDICA's operations are exposed are, in summary, related to the aftermath of COVID-19, the development, competition, technology development, patents, regulatory requirements, capital requirements, currencies, and interest rates. For a more detailed description of significant risk factors in CS MEDICA's operations, please see the company's prospectus published in June 2021. During the current period, the war in Ukraine, can be added to the list, following the complications within transportation packaging and raw material.

## Owners and insider trade

In the table below, the largest ten shareholders as of June 30, 2022, are disclosed:

Name	Number of shares	Votes and capital (%)
Lone Henriksen	4.065.441,00	36,95
Gitte Henriksen	4.037.000,00	36,69
Finn-Ove Henriksen and Nina Henriksen	367.466,80	3,34
Ylber Rexhapi	255.246,40	2,32
Tonoy Sayeed	160.629,20	1,46
Michael Kaa Andersen	130.000,00	1,18
Tobias Ryde	120.926,00	1,10
Kent Eklund	113.320,60	1,03
Taulant Bara	113.320,60	1,03
Hosni Omeirat	101.000,00	0,92
Others	1.537.649,40	13,98
<b>Total</b>	<b>11.002.000,00</b>	<b>100%</b>

### Financial calendar

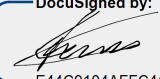
Year-end report October 2021 – September 2022	18 November 2022
Annual report 2021/2022	25 November 2022
Annual General Meeting	9 December 2022

## Signatures


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

Copenhagen 11 August 2022  
CS MEDICA A/S (publ)

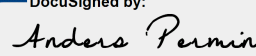
Jørgen Flemming Ladefoged  
Chairman of the Board

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Stain Løkstad  
Member of the Board

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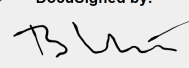
Anders Permin  
Member of the Board

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Gitte Henriksen  
Member of the Board, COO and CFO

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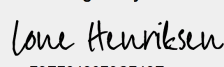
Bo Unéus  
Member of the Board

DocuSigned by:  
  
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Alexandre FEVRE  
Member of the Board

DocuSigned by:  
  
B8A6F20C94D44BA...

Lone Henriksen  
CEO and CSO

DocuSigned by:  
  
73E7843078C748E...

For further information, please contact:  
Lone Henriksen, CEO

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DK-2100 Copenhagen,  
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Orgnr: 3387164



# Financial Statements

## Comments on the financial results

### Income

In line with our previous expectations, our third quarter revenue, tDKK 1.107, is higher than the corresponding quarter in 2020/2021, tDKK 91.

Gross profit for the third quarter amounted to tDKK 649 (47). Profit before tax during the third quarter amounted to tDKK -5.690 tDKK (603).

### Costs

The operating profit for the third quarter amounted to tDKK -5.442 (670). The cost mainly consisted of costs for goods sold, administrative costs, Investor relation costs, depreciation, and staff costs.

### Results

The Net Profit for the quarter amounted to tDKK -4.451 (902).

In this quarter we have received the funding from our previous approved SMV application. The funding, totally 80 tDKK, is incorporated under other operating income.

### Financing and financial position

The Net Financials for the quarter amounted to tDKK -247 (-66). In Net financials is included tDKK 181 concerning the bridge loan finalised in this quarter.

Cash and cash equivalents as of June 30, 2022, amounted to tDKK 1.836 (0).

We are currently about to finalise moving our bank connection from Sparekassen Sjælland to Danske bank. Moving to Danske Bank will ensure us better terms within our international business.

We just finalized a bridge loan, of DKK 6 million, which together with our upcoming TO1 warrants will finance the period to come.

### Equity

At the end of the period, CS MEDICA's equity/asset ratio was 62% (-1%).

### Equity investments in group enterprises

CS MEDICA's subsidiaries ended this quarter with negative equity; respectively tDKK 2.679 for CanNordic A/S, and tDKK 1.932 in Galaxa Pharma A/S. We expect to be able to re-establish the equity in both companies through normal operation, alternatively through a capital injection from the parent company, CS MEDICA. Hence, equity in subsidiaries in the parent company has been written down to DKK 0, after which only the written-down value of share premium calculated by the share exchange at the IPO between CanNordic and CS MEDICA, a total of 364.126,80 shares, is included under "Equity investments in group enterprises". Profit and equity in group company and Parent company are thus not the same.

## Consolidated Financial Statements

### Income statement

	QUARTER		YEAR-TO-DATE	
	1.April 2022 -30. June 2022 Actual	1.April 2021 -30. June 2021 Last Year	1.Oct 2021 -30. June 2022 Actual	1.Oct 2020 -30. June 2021 Last Year
Revenue	1.106.835	90.761	1.327.984	924.903
Cost of raw materials and consumables	-457.919	-43.267	-780.571	-265.425
<b>Gross Profit</b>	<b>648.916</b>	<b>47.494</b>	<b>547.412</b>	<b>659.478</b>
Other operating income <sup>1)</sup>	41.238	1.181.436	614.585	1.356.335
Sales and distribution cost	-730.090	-93.478	-2.545.736	-631.259
Administrative costs	-2.721.854	-257.087	-5.363.249	-460.663
Staff costs <sup>2)</sup>	-2.161.679	0	-4.931.674	0
Amortisation and impairment intangible assets	-518.945	-208.415	-1.556.835	-765.262
<b>Operating profit</b>	<b>-5.442.414</b>	<b>669.950</b>	<b>-13.235.495</b>	<b>158.630</b>
Income from equity investments in group enterprises	0	2	2	2
Financial costs net	-247.288	-66.832	-339.471	-175.458
<b>Pre-tax net profit or loss</b>	<b>-5.689.703</b>	<b>603.119</b>	<b>-13.574.964</b>	<b>-16.826</b>
Tax on net profit or loss for the year	1.238.354	299.691	2.904.616	299.691
<b>NET PROFIT OR LOSS FOR THE YEAR</b>	<b>-4.451.349</b>	<b>902.810</b>	<b>-10.670.348</b>	<b>282.865</b>

1) Other operating income is Income related to grants.

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

## Balance sheet

<b>Assets</b>	<b>30. June 2022 Actual</b>	<b>30. June 2021 Actual</b>	<b>30. Sept 2021 Actual</b>
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Development projects, patents and similar	9.289.691	7.028.186	8.346.146
Goodwill	4.072.450	0	4.431.174
<b>Total intangible assets</b>	<b>13.362.141</b>	<b>7.028.186</b>	<b>12.777.322</b>
<b>Investments</b>			
Deposits	109.011	29.138	82.186
<b>Total Investments</b>	<b>109.011</b>	<b>29.138</b>	<b>82.186</b>
<b>Total non-current assets</b>	<b>13.471.151</b>	<b>7.057.324</b>	<b>12.859.508</b>
<b>Current assets</b>			
<b>Inventories</b>			
Work in progress	0	516.494	64.428
Manufactured goods and goods for resale	2.666.197	1.148.398	1.164.684
<b>Total inventories</b>	<b>2.666.197</b>	<b>1.664.892</b>	<b>1.229.113</b>
<b>Receivables</b>			
Trade receivables	1.122.220	538	1.635.557
Deferred tax assets	3.131.159	1.317.078	226.544
Other receivables	772.905	616.198	1.464.357
<b>Total receivables</b>	<b>5.026.284</b>	<b>1.933.814</b>	<b>3.326.458</b>
<b>Cash on hand and demand deposits</b>	<b>1.836.121</b>	<b>0</b>	<b>9.996.085</b>
<b>Total current assets</b>	<b>9.528.602</b>	<b>3.598.706</b>	<b>14.551.655</b>
<b>TOTAL ASSETS</b>	<b>22.999.753</b>	<b>10.656.030</b>	<b>27.411.163</b>

## Balance sheet

Equity and liabilities	30. June 2022 Actual	30. June 2021 Last Year	30. Sept 2021 Last Year
<b>Equity</b>			
Contributed capital	715.130	520.000	708.630
Reserve for net revaluation - equity method	1.387.251	-528.420	1.387.251
Reserve for development costs	7.237.523	5.216.785	5.763.914
Retained earnings	4.987.106	-5.366.681	16.287.566
<b>Total equity</b>	<b>14.327.010</b>	<b>-158.316</b>	<b>24.147.362</b>
<b>Provisions</b>			
Provisions for deferred tax	0	1.540.063	0
Other provisions	206.186	494.850	329.900
<b>Total provisions</b>	<b>206.186</b>	<b>2.034.913</b>	<b>2.034.913</b>
<b>Liabilities other than provisions</b>			
Subordinate loan capital	0	2.800.000	
Other mortgage loans	7.161.724	5.761.179	1.718.807
<b>Total long-term liabilities other than provisions</b>	<b>7.161.724</b>	<b>8.561.179</b>	<b>1.718.807</b>
Current portion of long terme payables	0	0	0
Trade payables	979.732	134.092	504.157
Other payables	325.101	84.163	710.937
<b>Total short-term liabilities other than provisions</b>	<b>1.304.833</b>	<b>218.255</b>	<b>1.215.094</b>
<b>Total liabilities other than provisions</b>	<b>8.466.557</b>	<b>8.779.434</b>	<b>2.933.903</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>22.999.753</b>	<b>10.656.031</b>	<b>27.411.163</b>

## Equity Statement

	QUARTER		YEAR-TO-END	
	1.April 2022 -30. June 2022 Actual	1.April 2021 -30. June 2021 Last Year	1.Oct 2021 -30. June 2022 Actual	1.Oct 2020 -30. June 2021 Last Year
<b>Contributed capital</b>				
Equity beginning of period	715.130	80.000	708.630	80.000
Change	0	440.000	6.500	440.000
<b>Equity end of period</b>	<b>715.130</b>	<b>520.000</b>	<b>715.130</b>	<b>520.000</b>
<b>Reserve for net revaluation - equity method</b>				
Equity beginning of period	1.387.251	0	1.387.251	0
Change	0	0	0	0
<b>Equity end of period</b>	<b>1.387.251</b>	<b>0</b>	<b>1.387.251</b>	<b>0</b>
<b>Reserve for development costs</b>				
Equity beginning of period	7.793.459	2.692.110	5.763.914	2.692.108
Change	-555.936	2.789.875	1.473.609	2.524.677
<b>Equity end of period</b>	<b>7.237.523</b>	<b>5.481.985</b>	<b>7.237.523</b>	<b>5.216.785</b>
<b>Retained earnings</b>				
Equity beginning of period	7.874.819	-3.304.814	16.287.563	-2.684.868
Share premium	0	0	843.500	0
Reserve for net revaluation - equity method	0	0	0	0
Deferred tax	0	-968.420	0	-440.000
IPO cost 2021/2022 transferred to profit and loss	1.007.700	0	0	0
Reserve for development costs	555.936	-2.789.875	-1.473.609	-2.524.677
Retained earnings for the period	-4.451.349	902.810	-10.670.348	282.865
<b>Equity end of period</b>	<b>4.987.106</b>	<b>-5.631.881</b>	<b>4.987.106</b>	<b>-5.366.679</b>
<b>Total Equity end of period</b>	<b>14.327.010</b>	<b>-158.316</b>	<b>14.327.010</b>	<b>-158.316</b>

## Cash flow Statement

	QUARTER		YEAR-TO-END	
	1.April 2022 -30. June 2022 Actual	1.April 2021 -30. June 2021 Last Year	1.Oct 2021 -30. June 2022 Actual	1.Oct 2020 -30. June 2021 Last Year
Profit/loss before tax	-4.451.349	902.810	-10.670.348	282.865
Financial expenses, reversed	247.288	66.832	339.471	175.458
Depreciation, reversed	518.945	208.415	1.556.835	765.262
Changes in working capital	-2.775.332	-1.641.010	-2.812.162	-1.760.827
<b>Cash flows from operating activities before net financials</b>	<b>-6.460.448</b>	<b>-462.953</b>	<b>-11.586.204</b>	<b>-537.242</b>
Investing in Goodwill	0	0	0	0
Investing in Development projects	-64.615	-2.153.680	-2.500.378	-4.133.612
<b>Cash flow from investment activities</b>	<b>-64.615</b>	<b>-2.153.680</b>	<b>-2.500.378</b>	<b>-4.133.612</b>
Share capital	0	440.000	6.500	440.000
Share premium	0	0	843.500	0
Financial expenses paid	-247.288	-66.832	-339.471	-175.458
Cost IPO	1.007.700	0	0	0
Loan internal partners	0	0	0	1.500.000
Loan external	5.753.065	2.551.863	5.416.091	2.609.430
<b>Cash flow from financing activities</b>	<b>6.513.477</b>	<b>2.925.031</b>	<b>5.926.620</b>	<b>4.373.972</b>
<b>Total cashflows end of period</b>	<b>-11.585</b>	<b>308.399</b>	<b>-8.159.962</b>	<b>-296.881</b>
Cash, beginning of period	1.847.707	-308.395	9.996.085	296.885
<b>Cash, end of period</b>	<b>1.836.122</b>	<b>0</b>	<b>1.836.122</b>	<b>0</b>

## Change in working capital

Change in Finished goods	91.997	-186.012	-1.501.513	-27.617
Trade + other receivables	-601.928	-921.414	1.269.218	-1.017.743
Trade + other payables	-1.113.443	-322.313	89.737	-649.217
Other provisions	-41.238	0	-123.714	0
Deferred tax	-1.238.354	-211.271	-2.904.616	-66.250
Other changes	127.634	0	358.726	0
	<b>-2.775.332</b>	<b>-1.641.010</b>	<b>-2.812.162</b>	<b>-1.760.827</b>



## Parent Financial Statements

### Income Statement

	QUARTER		YEAR-TO-DATE	
	1.April 2022 -30. June 2022 Actual	1.April 2021 -30. June 2021 Last Year	1.Oct 2021 -30. June 2022 Actual	1.Oct 2020 -30. June 2021 Last Year
Revenue	203.988	0	612.093	0
Cost of raw materials and consumables	0	0	0	0
<b>Gross Profit</b>	<b>203.988</b>	<b>0</b>	<b>612.093</b>	<b>0</b>
Other operating income	0	0	0	0
Sales and distribution cost	17.043	0	-6.326	0
Administrative costs	-2.215.907	0	-2.956.774	0
Staff costs	-744.998	0	-1.600.220	0
Amortisation intangible assets	-51.375	0	-154.125	0
<b>Operating profit</b>	<b>-2.791.250</b>	<b>0</b>	<b>-4.105.353</b>	<b>0</b>
Income from group enterprises	0	24.723	-2.254.149	-22.050
Financial costs net	-227.622	-1.876	-253.448	-1.282
<b>Pre-tax net profit or loss</b>	<b>-3.018.872</b>	<b>22.847</b>	<b>-6.612.951</b>	<b>-23.332</b>
Tax on net profit or loss for the year	664.152	306.195	958.936	306.195
<b>NET PROFIT OR LOSS FOR THE YEAR</b>	<b>-2.354.720</b>	<b>329.042</b>	<b>-5.654.014</b>	<b>282.863</b>

## Balance Sheet

Assets	30. June 2022 Actual	30. June 2021 Last Year	30. Sept 2021 Last Year
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Development projects, patents and similar	1.068.439	511.418	616.514
Goodwill	0	0	0
<b>Total intangible assets</b>	<b>1.068.439</b>	<b>511.418</b>	<b>616.514</b>
<b>Investments</b>			
Equity investments in group enterprises	4.192.025	5.718.590	6.446.176
Deposits	0	0	0
<b>Total Investments</b>	<b>4.192.025</b>	<b>5.718.590</b>	<b>6.446.176</b>
<b>Total non-current assets</b>	<b>5.260.464</b>	<b>6.230.008</b>	<b>7.062.690</b>
<b>Current assets</b>			
<b>Receivables</b>			
Trade receivables	0	0	0
Receivables from group enterprises	18.995.059	2.075.208	7.891.9398
Deferred tax assets	1.029.004	306.195	70.068
Other receivables	50.000	58.296	124.599
<b>Total receivables</b>	<b>20.074.063</b>	<b>2.439.699</b>	<b>8.086.606</b>
<b>Cash on hand and demand deposits</b>	<b>556.110</b>	<b>176.000</b>	<b>9.149.276</b>
<b>Total current assets</b>	<b>20.630.173</b>	<b>2.615.699</b>	<b>17.235.882</b>
<b>TOTAL ASSETS</b>	<b>25.890.636</b>	<b>8.845.707</b>	<b>24.298.573</b>

## Balance Sheet

	30. June 2022 Actual	30. June 2021 Last Year	30. Sept 2021 Last Year
<b>Equity and liabilities</b>			
<b>Equity</b>			
Contributed capital	715.130	520.000	708.630
Shared Premium	843.500	4.786.982	0
Reserve for net revaluation - equity method	1.387.251	-528.420	1.387.251
IPO Cost	-3.719.889	0	0
Reserve for development costs	833.382	398.906	480.881
Retained earnings	19.283.973	-548.802	21.570.599
<b>Total equity</b>	<b>19.343.348</b>	<b>4.628.666</b>	<b>24.147.361</b>
	0	0	0
<b>Provisions</b>			
Provisions for deferred tax	0	290.041	0
Other provisions	0	0	0
<b>Total provisions</b>	<b>0</b>	<b>290.041</b>	<b>0</b>
<b>Liabilities other than provisions</b>			
Subordinate loan capital	0	0	0
Other mortgage loans	6.046.498	3.927.000	0
Payables to group enterprises	0	0	0
<b>Total long-term liabilities other than provisions</b>	<b>6.046.498</b>	<b>3.927.000</b>	<b>0</b>
Current portion of long-term payables	0	0	-50.000
Trade payables	448.675	0	110.000
Other payables	52.116	0	41.212
<b>Total short-term liabilities other than provisions</b>	<b>500.791</b>	<b>0</b>	<b>151.212</b>
<b>Total liabilities other than provisions</b>	<b>6.547.289</b>	<b>3.926.999</b>	<b>151.212</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>25.890.636</b>	<b>8.845.706</b>	<b>24.298.573</b>

## Equity Statement

	QUARTER		YEAR-TO-DATE	
	1.April 2022 -30. June 2022 Actual	1.April 2021 -30. June 2021 Last year	1.Oct 2021 -30. June 2022 Actual	1.Oct 2020 -30. June 2021 Last year
<b>Contributed capital</b>				
Equity beginning of period	715.130	80.000	708.630	80.000
Change	0	440.000	6.500	440.000
<b>Equity end of period</b>	<b>715.130</b>	<b>520.000</b>	<b>715.130</b>	<b>520.000</b>
<b>Reserve for net revaluation - equity method</b>				
Equity beginning of period	1.387.251	0	1.387.251	0
Change	0	0	0	0
<b>Equity end of period</b>	<b>1.387.251</b>	<b>0</b>	<b>1.387.251</b>	<b>0</b>
<b>Reserve for development costs</b>				
Equity beginning of period	803.173	0	480.881	0
Change	30.209	398.906	352.501	398.906
<b>Equity end of period</b>	<b>833.382</b>	<b>398.906</b>	<b>833.382</b>	<b>398.906</b>
<b>Retained earnings</b>				
Equity beginning of period	17.784.813	-38.938	21.570.600	7.241
Share premium	0	4.786.982	843.500	4.786.982
Reserve for net revaluation - equity method	0	0	0	0
Deferred tax	0	-968.420	0	-440.000
IPO cost 2021/2022 transferred to profit and loss	1.007.700	0	0	0
Reserve for development costs	-30.209	-398.906	-352.501	-398.906
Retained earnings for the period	-2.354.720	329.042	-5.654.014	282.863
<b>Equity end of period</b>	<b>16.407.584</b>	<b>4.238.180</b>	<b>16.407.584</b>	<b>4.238.180</b>
<b>Total Equity end of period</b>	<b>19.343.348</b>	<b>4.628.666</b>	<b>19.343.348</b>	<b>4.628.666</b>

## Cash flow Statement

	QUARTER		YEAR-TO-DATE	
	1.April 2022 -30. June 2022 Actual	1.April 2021 -30. June 2021 Last Year	1.Oct 2021 -30. June 2022 Actual	1.Oct 2020 -30. June 2021 Last Year
Profit/loss before tax	-2.354.720	329.042	-5.654.014	282.863
Financial expenses, reversed	227.622	1.876	253.448	1.282
Depreciation, reversed	51.375	0	154.125	0
Changes in working capital	-617.683	264.604	-534.757	13.969
<b>Cash flows from operating activities before net financials</b>	<b>-2.693.406</b>	<b>66.314</b>	<b>-5.781.198</b>	<b>298.114</b>
Investing in Goodwill	0	0	0	0
Investing in Development projects	-90.104	-465.547	-606.050	-511.418
<b>Cash flow from investment activities</b>	<b>-90.104</b>	<b>-465.547</b>	<b>-606.050</b>	<b>-511.418</b>
Share capital	0	440.000	6.500	440.000
Share premium	0	0	843.500	0
Financial expenses paid	-227.622	-1.876	-253.448	-1.282
Cost IPO	1.007.700	0	0	0
Loan external	6.046.498	3.927.000	6.046.498	3.927.000
Loan Subsidiaries	-4.941.891	-3.791.110	-8.848.968	-3.977.039
<b>Cash flow from financing activities</b>	<b>1.884.685</b>	<b>574.014</b>	<b>-2.205.918</b>	<b>388.679</b>
<b>Total cashflows end of period</b>	<b>-898.825</b>	<b>174.781</b>	<b>-8.593.167</b>	<b>175.376</b>
Cash, beginning of period	1.454.935	1.218	9.149.276	624
<b>Cash, end of period</b>	<b>556.110</b>	<b>175.999</b>	<b>556.110</b>	<b>175.999</b>

## Change in working capital

Trade + other receivables	0	-58.296	74.599	-58.296
Trade + other payables	46.469	11.467	349.580	-1
Other provisions	0	0	0	0
Deferred tax	-664.152	-217.775	-958.936	72.266
	<b>-617.683</b>	<b>264.604</b>	<b>-534.757</b>	<b>13.969</b>



# CSMEDICA<sup>+</sup>

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