

**INFORMATION REGARDING EXERCISE OF WARRANTS OF SERIES TO 1**

Exercise period 18 August 2022 - 1 September 2022

**IMPORTANT INFORMATION**

This is an information document prepared by CS MEDICA A/S ("CS MEDICA" or the "Company"). Warrant holders are advised to consult the prospectus published by CS MEDICA on August 13, 2021, for a description of the risks associated with an investment in the Company. The prospectus is available on the Company's website ([www.cs-medica.com](http://www.cs-medica.com)). CS MEDICA A/S, CVR.no. 33871643.

**ABOUT CS MEDICA**

CS MEDICA A/S is a Danish medico cannabis company founded in 2011. CS MEDICA is committed to developing, manufacturing, and commercializing over the counter (OTC) medical device products and cosmetics containing cannabinoids (such as CBD, CBG, and CBN). CS MEDICA currently focuses on 20 products with cannabidiol (CBD) for autoimmune-related disorders such as the treatment of psoriasis and arthritis, and stress related symptoms such as sleep disorders and hair loss. The Company's product portfolio is featured under the trademark CANNASEN® CBD and has several pending patents. The Company's business is operated through the two fully owned subsidiaries, CanNordic A/S and Galaxa Pharma A/S, whereby CanNordic A/S is a medical device product developer and Galaxa Pharma A/S is a product distributor in the Nordic Region.

**HIGHLIGHTS SINCE THE IPO**

Since its IPO in September 2021, CS MEDICA has accelerated its business and achieved several milestones according to set targets. The activities include, among other things, signing of distribution contracts and partnerships, launching CANNASEN® CBD products, and completing clinical trials.

**Accelerated market penetration**

In April 2022, CS MEDICA signed an agreement with the Asian distributor and China-based CBF SciTech Ltd. The agreement's value in minimum orders for the first three years amounts to DKK 134,4 million, if terms and conditions of the agreement are fulfilled. In May 2022, CS MEDICA signed a distributor agreement with Alsiton GmbH regarding 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. In June, CS MEDICA signed a distributor agreement with Forbe Healthcare Ltd. The agreement covers the territory of Israel and Palestine and the order, which concerns the full portfolio of medical devices under the CANNASEN® brand, amounts to 852,000 units, corresponding to DKK 37,1 million in revenue distributed over a 3.5-year period. The terms include that the products will be introduced to the market if the products are approved by local authorities. CS MEDICA sees a strong global market potential in the top 25 distributor negotiations, where the Company estimates the potential sales pipeline to DKK 650,5 million<sup>3</sup> covering the period up to 2025.

**Positive clinical results**

In June 2022, CS MEDICA announced that data from the clinical trial on its Arthritis gel (NGA-01) shows positive results on efficacy in reducing pain. Furthermore, in July 2022, CS MEDICA received final data from trials of the CANNASEN® CBD Arthritis Gel & CANNASEN® CBD ARTH Supplement (NGA-01 gel and NSA-01 capsule). The study showed that the CANNASEN® CBD Arthritis Gel & CANNASEN® CBD ARTH Supplement - in combination - are proving to be both safe and efficient for patients and improves the overall quality of life for patients with Osteoarthritis. During the coming months, CS MEDICA's clinical trials within Psoriasis will be finalized in phase III. Subsequently, in Q1 2022/2023, the Company expects to initiate clinical trials covering: Nasal Spray Night, Protective Nasal Gel and Pain Patch, and Invitro test for Wound gel.

**Financing**

In February 2022, CS MEDICA finalized a direct issue with Diaz Capital Invest AB. The raised capital, approximately 850,000 DKK, was intended to finance the acceleration of the marketing of the newly introduced products, to reach as many of the potential customers as possible. In May 2022, CS MEDICA announced that the Company has secured 6 MDKK in loan financing in order to maintain momentum and scale the business on international markets.

**Extended lock-up**

In August 2022, CS MEDICA announced the voluntarily extension of lock-up agreements for CEO and CFO until August 2023. The lock-up agreements prevent them from selling their holdings of shares in CS MEDICA, corresponding to approximately 74 percent of the votes and capital in the Company at the time of the publication of this document.

**THE WAY FORWARD**

The CBD sales globally in 2018 was USD 1.9 billion and the estimated market growth is expected to match a 49 percent compound annual growth rate (CAGR) until 2024.<sup>1</sup> CS MEDICA sees a strategic turnaround and new era for the CBD Medical treatment sector as Pfizer has announced the acquisition of Arena Pharmaceuticals<sup>2</sup>. The acquisition exemplifies Big Pharma moving into the Cannabinoid treatment space and acknowledging Cannabinoids (CBD) in the medical treatment market. Based on this, the Company sees global growth opportunities and aims to continue the progress of transforming from an R&D-centric company to a sales-focused company by working towards its objectives.

**Refining growth strategy**

In order to strengthen its market strategy, CS MEDICA, in early 2022, signed a partnership with Ampilio AB, a subsidiary of SpectrumOne, which will assist CS MEDICA as a strategist and growth specialist in the preparation to execute global expansion on Amazon.

Moreover, CS MEDICA has continued the launch of its products through current and new sales channels. Currently, the Company has more than 500 sales channels in the Nordic area, mainly through Nordic pharmacies. Recently, the Company expanded its sales channels by launching products through Amazon Sweden and Amazon Germany.

The Company is tailoring its go-to-market plans for each product by establishing a dual distribution strategy with an omnichannel focus. The recruitment, in April 2022, of a new Chief Growth & Marketing Officer will strengthen this capacity and boost growth and market launch strategies. A key milestone in the Company's go-to-market strategy was the approval by Hong Kong customs to sell CANNASEN® CBD products in Hong Kong. The approval also opens up for sales in other important Asian countries (Thailand, Malaysia, and Japan).

<sup>1</sup> BDSA (2021) BDS Analytics: The Global Cannabinoids Market, Will CBD Overtake THC.

<sup>2</sup> <https://www.pfizer.com/news/press-release/press-release-detail/pfizer-acquire-arena-pharmaceuticals>

<sup>3</sup> Find more information about the potential order pipeline in the Q3 report in the section "CS MEDICA Go-to-market activities & strategy"

**OPERATIONAL OBJECTIVES IN BRIEF****2021/2022\*****H2**

- Global market launch of all launched CANNASEN® CBD products.
- Launch on Amazon sales channel in Italy and France.
- Continuation of DK patent to PCT landing.
- Closing of major distributor agreements with key pharmaceutical global players covering brand and white labels agreements.
- Clinical trials: Psoriasis versus placebo, Psoriasis + supplements - versus placebo supplements.

**2022/2023\*****H1**

- Partner identification of US distributor/partner.
- Product launches cosmetic: Psoriasis Shampoo, Anti-hair loss Shampoo and 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: CANNASEN® CBD wound gel.
- Clinical information Management System (CIM) goes live.
- Scientific papers covering completed clinical trials (published on min. two Science platforms).

#### 2022/2023\*

##### H2

- Finalised identification of US distributor/partner.
- Initiate FDA approval process.
- Product launches of cosmetic skincare line (five products).
- 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 and Canada.
- Start-up development of Medical device under MDR - Eyelash growth/extension serum.

\*The Company's financial year runs from 1 October to 30 September.

#### FINANCIAL TARGETS

CS MEDICA's revenue goal for 2021/2022 is DKK 12 million. The revenue goal for the following financial year 2022/2023 is DKK 65 million. The Company's revenue goal for 2023/2024 is DKK 150 million.

#### SUMMARY OF THE OFFERING

**Exercise period:** 18 August - 1 September 2022.

**Exercise price:** One (1) warrant gives the right to subscribe for one (1) new share at a price of DKK 9.30 per share.

**Last day of trading in warrants:** 30 August 2022.

**Number of outstanding shares:** 11,002,000.

**Issue volume:** If all warrants are exercised, the Company will receive approx. DKK 10.8 million before deduction of transaction related costs.

**Ticker, ISIN:** CSMED TO 1, DK0061668308.

#### TERMS AND CONDITIONS

There are 1,160,800 outstanding warrants of series TO 1. Holders of warrants of series TO 1 have the right to subscribe for one (1) new share in CS MEDICA at a price of DKK 9.30 per share. Subscription with support of warrants of series TO 1 can take place during the period from 18 August 2022, until 1 September 2022. Subscription shall be made by immediate cash payment no later than on 1 September 2022.

#### As warrant holder you need to decide on the offer - here is how to exercise your warrants of series TO 1

For your warrants not to expire worthless, you must subscribe for new shares, with the support of warrants, on the 1 September 2022, at the latest, alternatively sell your warrants no later than the 30 August 2022.

#### You can have your warrants registered in two ways:

1. In a securities custody account with a bank or other nominee (for example, Avanza or Nordnet), in an investment savings account (Sw. Investeringsparkonto) or endowment account (Sw. Kapitalförsäkring). Your warrants are then nominee registered.
2. In a VP-account (a VP-account starts with three zeros). Your warrants are then directly registered.

#### If your warrants are nominee registered

Subscription and payment of new shares, by exercise of warrants, shall be made to the account-holding bank/nominee with which the warrants are registered. The subscription and payment shall be made in accordance with the instructions from each such bank or nominee. Usually, the bank/nominee sends out a digital notice to the account holder, otherwise it is enough to log into the securities custody account from the first day in the exercise period in order to get instructions on how to exercise warrants for subscription of new shares. If you do not find these instructions, please contact your bank or trustee. Please note that banks and other nominees may set different time limits for the last day for subscription, hence it is recommended to contact the account-holding bank/nominee early in the exercise period. This information document will be available for all nominee registered warrant holders on below mentioned websites. Subscribed and paid for shares may be entered as "interim shares" or "IA" into your securities custody account until registration of the warrant exercise is completed with the Danish Companies Registration Office, whereby interim shares will automatically be converted to ordinary shares in CS MEDICA.

#### If your warrants are directly registered

No VP-account statement will be sent out. Subscription of new shares, by exercise of warrants, shall be made by sending a completed subscription form to Nordic Issuing AB. In conjunction with sending the completed subscription form, payment must be made to Nordic Issuing AB in accordance with the payment details stated on the subscription form. Subscription form along with this information document will be available to all VP-account holders on below mentioned websites. The subscription form and information document are available at the websites of CS MEDICA ([www.cs-medica.com](http://www.cs-medica.com)), Nordic Issuing AB ([www.nordic-issuing.se](http://www.nordic-issuing.se)), and Sedermera Corporate Finance AB ([www.sedermera.se](http://www.sedermera.se)).

Completed subscription form and payment must be registered with Nordic Issuing AB no later than on the 1<sup>st</sup> of September 2022. Subscribed and paid for shares will be entered as "interim shares" or "IA" into your VP-account until registration of the issue is completed with the Danish Companies Registration Office, whereby interim shares will automatically be converted to ordinary shares in CS MEDICA.

#### Subscription over EUR 15,000 where applicable

If the subscription amounts to or exceeds EUR 15,000, a money laundering form must be completed on the money laundering form available on [www.nordic-issuing.se](http://www.nordic-issuing.se) which can be signed digitally.

In case of any questions regarding the warrants exercise, please contact Sedermera Corporate Finance AB or Nordic Issuing AB.

#### Sedermera Corporate Finance AB:

Phone: +46 40-615 14 10, E-mail: [cf@sedermera.se](mailto:cf@sedermera.se)

#### Nordic Issuing AB:

Phone: +46 40-632 00 20, E-mail: [info@nordic-issuing.se](mailto:info@nordic-issuing.se)

#### IMPORTANT DATES

**18 August 2022:** Exercise period commences.

**30 August 2022:** Last day of trading in warrants.

**1 September 2022:** Exercise period ends.

**6 September 2022:** Planned communication of outcome of warrant exercise.

**14 September 2022:** Planned conversion from interim shares to shares.

**NOTE** - In order for your warrants not to expire worthless, you must actively exercise your warrants and subscribe for shares no later than the **1 September 2022** or sell your warrants no later than on the **30 August 2022**.