



ODI Pharma

Quarterly report

July 2019 – March 2020

Q3

ODI PHARMA QUARTERLY REPORT

In this Quarterly Report, the following definitions apply, unless stated otherwise: The "Company" or "ODI Pharma" refers to ODI Pharma AB with Org. number (Swedish corporate registration number) 559223-1392.

ODI Pharma AB was formed on the 23 rd of October 2019. ODI Pharma AB is the Swedish holding company of ODI Pharma Schweiz AG and ODI Pharma Polska Sp. z o.o. The group was established on the 28 th of June 2018 when ODI Pharma Schweiz AG acquired the shares in ODI Pharma Polska Sp. z o.o..

Third quarter (2020-01-01 – 2020-03-31)

The Group's net sales amounted to SEK -6 076.

The Group's loss after financial items amounted to SEK -1 662 333.

Result per share amounted to SEK -0,11.*

The solidity as of 2020-03-31 was 94%.**

Nine months (2019-07-01 – 2020-03-31)

The Group's net sales amounted to SEK 218 532.

The Group's loss after financial items amounted to SEK -3 712 338.

Result per share amounted to SEK -0,45.*

The solidity as of 2020-03-31 was 94%.**

** The Company's result per share: The result for the period divided by the number of shares at the end of the period. The total number of shares as of March 31st, 2020, amounted to 15,220,000 shares. The result per share based on the average number of shares (8 258 175,18) amounts to SEK -0,45 for the nine month period 2019-07-01 – 2020-03-31.*

*** Solidity: Equity divided by total capital.*

Highlights during Q3

- January – The interest in the new share issue was significant. The subscription rate amounted to approx. 383% and ODI Pharma received approx. SEK 25 million before issue costs.
- January – The new share issue was partially registered at the Swedish Companies Registration Office. 2,579,114 shares out of the total of 2,720,000 shares that were subscribed in the new share issue, were registered.
- January – The second and final part of the Company's new share issue was registered.
- January – ODI Pharma's first day of trading in the Company's share on Spotlight Stock Market commenced.
- January – ODI Pharma's supplier of medical cannabis received its European Union Good Manufacturing Practices ("EU-GMP") certification as an active substance manufacturer.

- January – ODI Pharma's founders made a comment on their minor sell of shares, returning to approximate Pre IPO shareholding levels.

Highlights after Q3

- February – ODI Pharma published half-yearly report 2019.
- April – ODI Pharma announced that the Board of Directors does not see any impact on the Company's mid- and long-term goals due to COVID-19. At the same time the current situation has caused ODI Pharma to experience a delay in the implementation of the import process.

COMMENTS BY CEO DEREK SIMMROSS



ODI Pharma has completed its first quarter as a listed company, we can conclude that things are moving fast and, in the broad perspective, as expected. From our point of view, I can assure our investors that we are working hard in order to prepare the business for the coming time.

Looking back at the first three months of 2020 we couldn't be happier regarding the support in connection to the IPO. As stated the subscription rate amounted to approx. 383% and ODI Pharma received approx. SEK 25 million before issue costs. The funds are of course crucial in order to drive the business forward.

Despite the challenging world caused by the ongoing pandemic, ODI Pharma is enthusiastic about our business. We are well capitalized for our needs and we are running low overhead (no managerial salaries). The heavy expenses from preparing for and listing on the exchange are behind us. We have great business partners and proper infrastructure to move forward with tenacity.

Notwithstanding minor delays as was indicated in a press release in April, ODI Pharma has relentlessly worked to streamline its time to market.

As stated throughout the IPO, our vision is to be a market leader in Europe within the Medical Cannabis industry. We have a clear understanding of how to achieve this. We will take all responsibility of the medical product after it leaves the cultivation/processing facility (including regulatory, legal, financial, logistics, storage, distribution, education and liability). We have put together a great team and infrastructure to implement these important tasks for our brand and I have full confidence that we will achieve this within a relatively short period of time.

Our goal is to always focus on excellence as it is crucial to our success, especially given the sensitive nature of our industry. We are in a marathon and not a 100 meters race and we are determined to go the distance.

Researchers around the globe are making exciting progress in identifying and evaluating new uses for Medical Cannabis. If only even a fraction of the potential value of the plant is accurate, we are on the correct path forward. Also, we constantly study potential various business strategies based on the cannabis plant.

Like stated before, our focus going forward will continue to be on establishing ODI Pharma initially on the Polish market, building a strong revenue stream from customer sales, while also focusing on product awareness and brand development. We are targeting a market with enormous potential and we are convinced that ODI Pharma has the right prerequisites to realize our goals.

Derek Simmross

CEO, ODI Pharma AB

ABOUT ODI PHARMA

ODI Pharma, with its European network, subsidiaries, and affiliates, is a producer of pharmaceutical cannabis 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.

ODI Pharma's upcoming business activities will be focused on the Polish market and the Company has therefore chosen to name this business strategy the *Polish Strategy*. The financial focus implies the outsourcing of hard assets, including the cultivation, processing facilities, laboratories, storage, and logistics. ODI Pharma's operations are carried out through its subsidiary on the Polish market, which handles the imports and distribution of medical cannabis products. The Company has secured a relationship with one of the leading pharmaceutical wholesalers in Poland, NEUCA. Further, the Company has secured a valuable supply contract with one of the largest cannabis producers in Canada. The supplier is a first-tier producer who operates at the highest standards, which enables full control over the strains.

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 medical cannabis finished product producer and therefore has no cultivation operations, it has access to provide a wide variety of different strains, oils, and the latest formulations. The Company intends to provide a range of medical cannabis products which will initially, due to the regulation in Poland, be dried flowers.

The products

Medical cannabis comes in a range of different products with different levels of THC (Tetrahydrocannabinol) and CBD (Cannabidiol). The products that ODI Pharma is going to produce for the Polish market, per the *Polish Strategy*, are products that will be approved by the Polish governmental agencies. Initially, the products will be dried flowers, since this is the product that this far has been regulated in Poland (even though the law in Poland allows for a range of derivatives from the cannabis plant). These products will be based on the raw material of fully approved cannabis imported by the Company and strategic partners. The products will be manufactured with a subsidiary of ODI Pharma's strategic partner in Poland, NEUCA. 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. The Company expects these other products to hit the market during 2021.

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 production of the products is fully integrated with NEUCA. The current market price of dried flowers in Poland is approx. EUR 13.00-15.00 (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.

Target groups

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 estimate that this will be reached in 2025. 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.

ABOUT THE QUARTERLY REPORT

Group structure

ODI Pharma AB was formed on the 23rd of October 2019. ODI Pharma AB is the Swedish holding company of ODI Pharma Schweiz AG (100%). ODI Pharma Schweiz AG has an ownership of 100% in ODI Pharma Polska Sp. z o.o. The group was established on the 28th of June 2018 (the "Group") when ODI Pharma Schweiz AG acquired the shares in ODI Pharma Polska Sp. z o.o..

Auditor's review

The quarterly report has not been reviewed by the Company's auditor.

Revenue and operating results Q3

The Group's revenue amounted to SEK -6 076 (SEK 0) in the third quarter and resulted in an operating income of SEK -1 708 057 (SEK 585 361). Majority of the operating expenses related insurance expenses, legal services, listing fees, accounting services and audit. The holding company, ODI Pharma AB, has not generated any revenues during the quarter, operating expenses for external consultants, service provider and other costs amounted to SEK -883 497.

Revenue and operating results first nine months

The Group's revenue amounted to SEK 218 532 (SEK 0) for the first nine months and resulted in an operating income of SEK -3 707 211 (SEK -1 867 990). Majority of the operating expenses related IPO costs, insurance expenses, listing fees, legal services, accounting services and audit. The holding company, ODI Pharma AB, has not generated any revenues during the first nine months, operating expenses for external consultants, service provider and other costs amounted to SEK -1 409 728.

Balance sheet and solidity

ODI Pharma AB was registered with the Swedish Companies Registration Office on the 23rd of October 2019 with a shareholder equity of SEK 500,000. The company has no long-term liabilities. The group was established on the 28th of June 2018. Total assets of the Group amounted to SEK 22,888,898 (SEK 5,836,237) and consisted primarily of subscription agreements from investors (other current receivables) and cash at bank. The solidity of the Group was 94% (98%) at quarter end. The holding company, ODI Pharma AB, stated total assets of SEK

21 468 957 consisting primarily of receivables relating to new share issue in progress (other current receivables). The solidity of ODI Pharma AB was 95%.

Cash flow and investments

Cash flow from operations in the Group during the third quarter amounted to SEK -2 946 822 (SEK -253 061). Cash flow from financing and investment activities during the third quarter amounted to SEK 20 354 531 (SEK 263), primarily through the new share issue, resulting in a cash flow for the period from January to March of SEK 18 757 709. The holding company, ODI Pharma AB, showed a cash flow after financing and investment activity of SEK 19 893 922.

Cash flow from operations in the Group during the first nine months of 2019/2020 amounted to SEK-3 089 087 (SEK -1 866 684). Cash flow from financing and investment activities during the first nine months amounted to SEK 20 851 799 (SEK -9588), primarily through the new share issue at the foundation of ODI Pharma AB, resulting in a cash flow for the period from July 2019 to March 2020 of SEK 17 762 712. The holding company, ODI Pharma AB, showed a cash flow after financing and investment activity of SEK 19 893 922 during the third quarter 2019/2020.

The share

The shares of ODI Pharma were listed on Spotlight Stock Market on January 23rd, 2020. The short name/ticker is ODI and the ISIN code is SE0013409760. On March 31st, 2020 the number of shares in ODI Pharma AB amounted to 15,220,000 shares. Average number of shares during the third quarter amounted to 15,220,000. Every share equals the same rights to the Company's assets and results.

Warrants

No warrants are outstanding to any party.

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 proportion of votes and capital (%)
Volker Wiederrich	6,255,898	41,10
Derek Simmross	6,250,000	41,06
Other shareholders	2,714,102	17,84
Total	15,220,000	100.00

Financial calendar

Current Financial year	1 st of October 2019 – 30 th of June 2020
Year End Report 2019/2020	August 27 th 2020
July – September 2020 (Q1)	November 27 th 2020
Annual Report 2019/2020	December 17 th 2020

Accounting policy of the quarterly report

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 direct or indirectly owns shares that is more than 50% of the votes. Intangible and tangible assets is at the acquisition value reduced with accumulated depreciation according to plan and eventually write downs. Depreciation is done linear in relation to expected useful life. The financial overviews of ODI Pharma's subsidiaries were prepared in the local currency (CHF for the Swiss subsidiary and PLN for the Polish subsidiary). For this report the local currencies have been recalculated to SEK in the financial overview, based on data from Sveriges Riksbank on the 31st of March 2020, respectively the average exchange rate for the presented time frame.

Common Control Transaction

During the financial year, ODI Pharma AB acquired ODI Pharma Schweiz AG from the previous owners through a related party transaction. The acquisition was carried out through a promissory note of CHF 100,000, which, in accordance with an established agreement, was subject to set-off in connection with a new issue using K3 currency conversion principle. K3 does not comment on common control transactions and in the absence of guidance, the company has chosen to report the transaction based on the former group's book values, since the newly formed company is not considered an acquirer in the transaction. This means that ODI Pharma Sweden AB's consolidated accounts are a continuation of what was previously reported in the ODI Pharma Switzerland Group and the comparative figures presented are the ODI Pharma Switzerland Group's financial information for 2018, adjusted for differences in accounting principles.

Operational risks and uncertainties regarding covid-19

Like most other companies, ODI Pharma is affected by covid-19. As announced via press release the Board of Directors does not see any impact on the Company's mid- and long-term goals due to COVID-19. At the same time the current situation has caused ODI to experience a delay in the implementation of the import process of approx. one quarter. Today, it is not possible to fully review any potential further consequences for the business, and the Company is closely following the development.

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.

Submission of quarterly report

Stockholm, May 28th, 2020

ODI Pharma AB

The Board of Directors

For further information, please contact

Derek Simmross, CEO

E-mail: info@odipharma.com

Website: <https://www.odipharma.com/>

This release contains information that ODI Pharma is obligated to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication through the agency of the contact person set out above on May 28th, 2020.

ODI Pharma AB was formed on the 23rd of October 2019. ODI Pharma AB is the Swedish holding company of ODI Pharma Schweiz AG and ODI Pharma Polska Sp. z o.o. The group was established on the 25th of October 2019.

INCOME STATEMENT – THE GROUP

SEK	2020-01-01	2019-01-01	2019-07-01	2018-07-01
	2020-03-31	2019-03-31	2020-03-31	2019-03-31
	3 months	3 months	9 months	9 months
Revenue				
Net Sales	1 567	0	218 520	0
Other operating income	7	0	12	0
Unrealized exchange gain	-7 650	0	0	0
	-6 076	0	218 532	0
Operating expenses				
External expenses	-1 384 912	581 589	-3 589 682	-1 766 602
Personal expenses	-68 077	0	-68 077	0
Depreciation and amortization	-772	0	-2 018	0
Other operating expenses	-1 537	0	-12 434	0
Exchange loss	-246 683	3 772	-253 532	-101 388
Realized exchange loss	0	0	0	0
Operating cost	-1 701 981	585 361	-3 925 743	-1 867 990
Operating income	-1 708 057	585 361	-3 707 211	-1 867 990
Income from financial items				
Financial income	18	0	18	0
Financial expenses	5 901	-1 592	-146	-4932
Exchange gain/ losses	39 805	0	-4 999	0
Income after financial items	-1 662 333	583 769	-3 712 338	-1 872 922
Income before taxes	-1 662 333	583 769	-3 712 338	-1 872 922
Taxes	-6 763	0	-17 588	0
Net income	-1 669 096	583 769	-3 729 926	-1 872 922
<i>Number of shares in the beginning of the period</i>	15 220 000	0	0	0
<i>Number of shares in the end of the period</i>	15 220 000	0	15 220 000	0
<i>Average number of shares</i>	15 220 000	0	8 258 175,18	0
<i>Earnings per share, sek</i>	-0,11	0,00	-0,45	0,00

BALANCE SHEET – THE GROUP

SEK	2020-03-31	2019-03-31	2019-06-30
Assets			
Fixed assets			
Tangible assets			
Equipment, machines, tools	9 156	9 588	7 608
	9 156	9 588	7 608
Total Fixed assets	9 156	9 588	7 608
Current Assets			
Receivables			
Trade receivables	0	0	0
Other current receivables	151 105	71 959	39 601
Prepaid expenses and accrued income	345 457	0	1 796
	496 562	71 959	41 397
Cash and cash equivalents	22 383 180	5 754 670	4 420 463
Total current assets	22 879 742	5 826 629	4 461 860
Total assets	22 888 898	5 836 217	4 469 468

SEK	2020-03-31	2019-03-31	2019-06-30
Equity and liabilities			
Equity			
Share capital	608 800	0	0
Other contributed capital	24 306 665	5 147 713	5 182 373
Retained earnings	-3 511 076	583 769	-1 138 891
Total Equity	21 404 389	5 731 482	4 043 482
Current liabilities			
Account payables	1 052 109	73 461	44 378
Tax Liabilities	327 345	0	292 534
Other current liabilities	0	0	0
Accrued expenses and prepaid income	105 055	31 274	89 074
	1 484 509	104 735	425 986
Total Equity and Liabilities	22 888 898	5 836 217	4 469 468

CASH FLOW STATEMENT – THE GROUP

SEK	2020-01-01	2019-01-01	2019-07-01	2018-07-01
	2020-03-31	2019-03-31	2020-03-31	2019-03-31
	3 months	3 months	9 months	9 months
Operations				
Operating income	-1 708 058	480 200	-3 707 211	-1 867 990
Adjustment for non cash flow items				
Depreciations, amortizations and gains and losses of fixed assets	3 264	0	2 018	0
Currency exchange rates differences	30 482	2 363	30 482	24 618
Other non cash flow items	2 720	-52 201	0	0
	-1 677 032	430 362	-3 674 711	-1 843 372
Received interest			0	0
Paid interest	5 901	-1 592	-146	-4932
Received interest	0	0	0	0
Paid tax	-6 762	55 541	-17 588	0
Cash flow from operation before change in working capital	-1 677 893	484 311	-3 692 445	-1 848 304
Cash flow form change in working capital				
Increase(-) Decrease(+) of operating receivables	-367 840	-4 129	-455 165	-71 744
Increase(+) Decrease(-) of operating liabilities	448 911	-733 243	1 058 523	53 364
Cash flow from operations	-2 946 822	-253 061	-3 089 087	-1 866 684
Investment activities				
Investments in tangible fixed assets	-834	263	-3 566	-9 588
Cash flow from investment activities	-834	263	-3 566	-9 588
Financing activities				
New shares issue	24 056 800	0	24 556 800	0
Issue expenses	-3 701 435	0	-3 701 435	0
Cash from finance activities	20 355 365	0	20 855 365	0
Cash flow for the period	18 757 709	-252 798	17 762 712	-1 876 272
Liquid funds at the beginning of the period	3 433 052	5 717 371	4 420 463	7 438 461
Effects of exchange rate changes on cash	192 419	290 097	200 005	192 481
Liquid fund at the end of the period	22 383 180	5 754 670	22 383 180	5 754 670

INCOME STATEMENT – ODI PHARMA AB

SEK	2020-01-01 2020-03-31 <i>3 months</i>	2019-07-01* 2020-03-31 <i>9 months</i>
Revenue		
Net Sales	0	0
Other operating income	7	7
	7	7
Operating expenses		
External expenses	-872 195	-1 391 480
Other operating expenses	-1 520	-8 466
Unrealized exchange loss	-9 730	-9 730
Realized exchange loss	-52	-52
Operating cost	-883 497	-1 409 728
Operating income	-883 490	-1 409 721
Income from financial items		
Financial income	0	0
Financial expenses	0	0
Exchange gain/ losses	0	0
Income after financial items	-883 490	-1 409 721
Income before taxes	-883 490	-1 409 721
Taxes	0	0
Net income	-883 490	-1 409 721

* The company was formed on 2019-10-23

BALANCE SHEET – ODI PHARMA AB

SEK	2020-03-31
Assets	
Fixed assets	
Financial fixed assets	
Shares in group companies	967 200
	<hr/>
	967 200
Total fixed assets	<hr/>
	967 200
Current Assets	
Receivables	
Prepaid expenses and accrued income	326 852
	<hr/>
	326 852
Cash and cash equivalents	20 174 905
	<hr/>
Total current assets	<hr/>
	20 174 905
Total assets	<hr/>
	21 468 957

Equity and liabilities**Equity**

Share capital	608 800
Share premium reserve	21 213 765
Profit or loss for the period	-1 409 721
Total Equity	20 412 844

Current liabilities

Account payables	858 803
Liabilities to group companies	118 624
Tax Liabilities	0
Other current liabilities	0
Accrued expenses and prepaid income	78 686
	1 056 113

Total Equity and Liabilities	21 468 957
-------------------------------------	-------------------

CASH FLOW STATEMENT – ODI PHARMA AB

SEK	2020-01-01 2020-03-31	2019-10-21 2020-03-31
Operations		
Operating income	-883 490	-1 409 721
Adjusted for non cash flow items		
	-883 490	-1 409 721
Cash flow from operation before change in working capital	-883 490	-1 409 721
Cash flow from change in working capital		
Increase(-) Decrease(+) of operating receivables	-321 249	-326 852
Increase(+) Decrease(-) of operating liabilities	-3 925 339	1 056 113
Cash flow from operations	-5 130 078	-680 460
Investment activities		
Investments in tangible fixed assets	0	0
Cash flow from investment activities	0	0
Financing activities		
New shares issue	25 024 000	24 556 800
Issue expenses		-3 701 435
Cash from financial activities	25 024 000	20 855 365
Cash flow for the period	19 893 922	20 174 905
Liquid funds at the beginning of the period	280 983	0
Effects of exchange rate changes on cash		0
Liquid fund at the end of the period	20 174 905	20 174 905



ODI Pharma