



MEMORANDUM

Invitation to subscribe for shares in ODI Pharma AB prior to planned listing on Spotlight Stock Market

The legalization of medical cannabis has created a new industry and a large, attractive market. The European market for medical cannabis and cannabidiol products is becoming more deregulated and has the potential of becoming the largest medical cannabis market in the world. Germany, UK and Poland are large, influential countries where medical cannabis is deregulated and 203 million people across the continent now have access to legal treatment with medical cannabis. The market for medical cannabis in Europe is estimated to be worth 58 billion euros in 2028 (Prohibition Partners, 2019).

ODI Pharma has the objective of becoming the most important supplier of medical cannabis products in Poland (for start). The Company estimates it has a significant growth potential, due to the market potential and the competitive business model. ODI Pharma has no cultivation of its own or any direct contact with the plants, instead the Company is focusing solely on selling finished pharmaceuticals based on medical cannabis. ODI Pharma estimates it has established a cost-efficient infrastructure in relation to imports and its competitors. The focus is on bringing in the most efficient product to the market, educate the distributors on the latest trends, developing the brand and understanding the legal frameworks as they are developing in Europe.

ODI Pharma focuses its operations towards distribution, brand & product awareness, education, research and product awareness. The financial focus implies an outsourcing of hard assets, such as cultivation, logistics and storage. The Company estimates that this reduces the risk profile and enables better financial margin potentials, as well as increasing the flexibility to meet the demands of the market and the legal frameworks.

ODI Pharma's Polish Strategy is in its final stage, where the Company is working with producers who use a highly technological environment in order to create products suitable for treatment of several illnesses. The Company's own brand is estimated to be launched by mid-2020 on the medical cannabis market in Poland, a market that is estimated to be worth 2 billion euros in 2028 (Prohibition Partners, 2019).

www.odipharma.com

info@odipharma.com

Engelbrektsgatan 9-11, 114 32 Stockholm



About this memorandum

Definitions

In this memorandum, the following definitions apply, unless stated otherwise: The “Company” or “ODI Pharma” refers to ODI Pharma AB (publ) with org. number (Swedish corporate registration number) 559223-1392. “Spotlight” refers to Spotlight Stock Market, Swedish organization number 556736-8195. ODI Pharma AB has two subsidiaries, ODI Pharma Schweiz AG and ODI Pharma Polska Sp. z o.o. “Polish Strategy” refers to the upcoming business operations in Poland.

Financial adviser and issuing agency

In association with the new share issue as described in this memorandum, Sedermera Fondkommission is the financial advisor and issuing agency to ODI Pharma. Sedermera Fondkommission is a subsidiary of ATS Finans AB. Sedermera Fondkommission has assisted the Company in the preparation of this memorandum. The Board of Directors for ODI Pharma is responsible for the content, whereupon Sedermera Fondkommission and ATS Finans AB disclaim all liability in relation to the shareholders in the Company, as well as with respect to other direct or indirect consequences as a result of investment or other decisions completely or partially based on the information in the memorandum, except in case of gross negligence in matters and formalities in the memorandum not related to the Company itself or the description of the Company's operations, objectives, etc., but related to the capitalization process.

Furthermore, Nordnet Bank AB is acting as Selling Agent in connection with the issue.

Exemption from prospectus obligation

The Company's offer is not covered by the Financial Supervisory Authority's prospectus requirements in neither Denmark, Norway, Finland or Sweden and hence, the memorandum has not been reviewed or approved by the Swedish, Norwegian, Finnish or Danish Financial Supervisory Authority.

The memorandum has been reviewed by Spotlight in accordance with Spotlights listing agreement. The approval does not involve any guarantee from Spotlight that the facts in the memorandum are correct or complete.

The area of distribution for the Memorandum

The shares are not subject to trade or applied for in any country other than Sweden and Denmark. The invitation under this memorandum does not apply to people for whom participation requires additional prospectuses, registration measures or measures other than those that arise under Swedish law. The memorandum must not be distributed in the United States, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore, or any other country in which the distribution or this invitation requires further action in accordance with the previous statement or is contrary to the rules in such a country. Disputes arising from the contents of the memorandum or related legal relationships shall be settled in accordance with Swedish law and in Swedish Courts.

Accessibility of Memorandum

The memorandum is available at ODI Pharma's office, on the Company's website (www.odipharma.com) and on Spotlight Stock Market's website (www.spotlightstockmarket.com). The memorandum can also be accessed via Sedermera Fondkommission's website (www.sedermera.se).

Statements regarding the environment and the future

Statements in this document regarding the world at large and future expectations reflect current views of the Company with respect to future events and financial developments. Forward-looking statements express only the assessments and assumptions that have been made by the Company at the date of issue of the memorandum. These statements are thoroughly established, but the reader should be aware that, as for all future assessments, these are associated with uncertainty.

Auditor review

In addition to what is stated in the audit report and reports incorporated through reference, none of the information in the memorandum has been reviewed by the auditor for the Company.

References and source referencing

The Company will ensure that information from references and source references has been correctly reproduced and that, to the extent that the Company is aware and can ensure through comparison with other information published by the party concerned – no information has been omitted in a manner that would render the reproduced information incorrect or misleading.

Spotlight Stock Market

ODI Pharma has applied and is approved for listing on Spotlight, provided that the Company achieves the lowest limit for the new issue and the required proprietary spread. In addition, the Company is also required to comply with other applicable laws, regulations and recommendations that apply to companies listed on Spotlight.

Spotlight is a subsidiary of ATS Finans AB, a securities company under the supervision of the Swedish Financial Supervisory Authority. Spotlight runs an MTF platform. Companies that are listed on Spotlight have undertaken to adhere to Spotlight's listing agreement. Among other things, the agreement is intended to ensure that shareholders and other actors in the market receive correct, immediate and concurrent information on all circumstances that may affect the Company's share price.

Trading on Spotlight takes place in an electronic trading system that is accessible to the banks and stockbrokers that are affiliated with the Nordic Growth Market (“NGM”). This means that those who want to buy and sell shares that are listed on Spotlight can use most banks or stockbrokers.

Rules on listing agreement and share prices can be found on Spotlight's website (www.spotlightstockmarket.com).

Table of contents

Risk factors	5
Invitation to subscribe for shares	13
Description of ODI Pharma AB	21
Subscription commitments	33
Financial overview	35
Proforma Balance Sheet as of the 30 th of September 2019	54
Proforma Income Statement 23 rd of February 2018 – 30 th of September 2019	55
Board of Directors and Management	56
Ownership	63
Additional information and legal affairs	64
Terms and conditions	67
Articles of association of ODI Pharma AB	71

Company information

Company name	ODI Pharma AB (publ)
Trading ticker	ODI
Residence	Stockholm, Sweden
Organizational number	559223-1392
Date of company formation	2019-09-30
Date of when the company started its operations	2019-09-30
Country	Sweden
Legal form	Public limited company
Legislation	Swedish Law
Address	Engelbrektsgatan 9-11, 114 32 Stockholm
Website	www.odipharma.com
LEI code	8945001MNHCFIP27M14
CFI code	ESVUFR
FISN code	ODIPHARMA/SH

DATES FOR RELEASE OF FINANCIAL INFORMATION

Current financial year:	1st of October 2019 – 30th of June 2020
October – December 2019 (Q2):	27th of February 2020
January – March 2020 (Q3):	28th of May 2020
Year End report 2019/2020:	27th of August 2020
Annual Report 2019/2020:	17th of December 2020
July – September 2020 (Q1):	27th of November 2020

Offering in summary

Subscription period:	16 th of December – 30 th of December 2019.
Subscription price:	SEK 9.20 per share.
Subscription post:	The minimum subscription is 600 shares, corresponding to SEK 5,520.
Issue volume and minimum limit for implementation:	The offer comprises no more than 2,720,000 shares, equivalent to approx. SEK 25,024,000 before issue costs. The minimum limit for the new share issue's implementation is SEK 15,014,400 before issue costs, which represents 60% of the total issue volume.
Number of shares before new share issue:	12,500,000 shares.
Valuation (pre-money):	Approx. MSEK 115*.
Subscription commitments:	The Company has received subscription commitments of approx. MSEK 17.5, corresponding to approx. 70% of the total issue volume.
Listing on Spotlight Stock Market:	The share in ODI Pharma is planned to be listed on Spotlight. The trading is planned to commence on the 23 rd of January 2020.
The ISIN code for the share:	SE0013409760.

** The valuation is based on a number of factors, which among others include market potential and investments. For full terms and conditions please refer to "TERMS AND CONDITIONS" in this document.*

Risk factors

A number of risk factors can have a negative impact on ODI Pharma's operations. It is therefore of great importance to consider the relevant risks alongside the growth opportunities for the Company. Other risks are associated with the shares offered for sale through this memorandum and intended for trading on Spotlight. Risk factors are described below in no particular order and without claiming to be exhaustive. The risk factors are classified between low, medium and high risk of happening. For natural reasons, it is not possible to assess all risk factors without a combined evaluation of other information in the memorandum, along with a general assessment. All risk factors below will, if they occur, have at least a medium impact on ODI Pharma's operations. This is not to be confused with the likelihood of the risks happening, which is stated after each risk below.

RISKS RELATED TO THE COMPANY'S OPERATIONS

THE POLISH MEDICAL CANNABIS MARKET

The medical cannabis market in Poland is a new market, which has not previously been exploited at a large scale, and therefore lack sufficient research into its profitability. ODI Pharma has made estimations based on industry research and there is a risk that the Company's estimations are not estimated correctly, which may cause the Company's revenue to be wholly or partly absent. There is also a risk that the legislation on medical cannabis in Poland changes, which may cause ODI Pharma to be unable to sell its products on the market, which may cause the Company's future revenue in Poland to be wholly or partly absent.

Probability of risk happening: *medium*

A RECENTLY DEVELOPED COMPANY

ODI Pharma was established in 2019 and has since then conducted start-up of the operation. The Company is intended to import its first products from its Canadian partner, and has, therefore, not made any extensive sales or generated any extensive revenue. There is a risk that the Company will not be able to launch any new products or launch products to the extent that the Company intends. It is not possible to anticipate ODI Pharma's sales potential in advance, and there is a risk that revenue will be fully or partially lost.

ODI Pharma will also continue to develop and further develop product assortments within its business area. It is not possible to predict in advance exact time and cost aspects for product awareness and brand development. This entails a risk that a planned development will be more costly than planned. There is a risk that the above will have negative consequences for the Company's operations and earnings. If the development of a new product takes longer than expected, there is a risk that the same will lead to increased development costs and thereby a lower operating profit for the Company.

Probability of risk happening: *medium*

PERMISSION FROM FEDERAL AGENCIES

In order to be able to sell and market pharmaceutical products, the Company must receive an authorization to do so by the authorizing agency, such as the EMA in Europe. In the case that the Company, directly or indirectly through its partners, does not receive necessary permits or licenses from the authorities, there is a risk that the Company's ability to generate revenue is affected. There is also a risk that ODI Pharma's proposed plans are affected. The current regulations could be subject to changes, and there is risk that this affects the Company's ability to receive the authorization to sell pharmaceutical products. The current legislation and interpretations surrounding medical cannabis may change. There is a risk that this will affect the Company's ability to meet regulatory requirements. Therefore, there is a risk that ODI Pharma, directly or through partners, will not receive the necessary permits. In case the Company does not receive the necessary permits from the Polish government agency regarding medical cannabis products there is a risk that the Company's earnings and financial position will be adversely affected. Poland currently requires medical products to follow EU Good Manufacturing Practice (GMP) standard or equivalent which the Company and its partners would also need to adhere to.

Probability of risk happening: *low*

SUPPLIERS

ODI Pharma has entered into a supply agreement with Aphria Inc. The agreement ensures that the Company, among other things, receives assistance and help from Aphria as well as other matters related to production and determines the conditions under which ODI Pharma can import products from Aphria. ODI Pharma will in the future have the option to enter additional cooperative relationships with suppliers and manufacturers. In this respect, there is a risk that one or more of these parties decide to end the partnership, which can have a negative impact on the business operations. There is also a risk that the Company's suppliers and/or manufacturers do not fully meet the quality requirements imposed by the Company, which would be the highest standard of consistency, reliability and professionalism. There is a risk that the establishment of relationships with new suppliers or manufacturers will be costlier and/or take a longer time than the Company estimates, whereby there is a risk that the Company's sales are adversely affected or do not occur at all. In the event of a break-up in the partnership with suppliers or manufacturers, there is a risk that ODI Pharma will need resources to establish new collaborations. There is a risk that such a process becomes costly, which may result in a decrease in the Company's operating results. There is also a risk that the Company cannot replace a supplier who has terminated its agreement, which may result in reduced or missing cash flow for ODI Pharma.

Aphria Inc. is a company listed on the Toronto Stock Exchange. There is a risk that the development on the Toronto Stock Exchange is affecting Aphria Inc. to the point that they are no longer able to supply the Company with raw material.

Probability of risk happening: *medium*

DISTRIBUTORS AND CUSTOMERS

ODI Pharma has signed a distributor agreement with NEUCA S.A. The Company's contacts with distributors are newly established and it is not possible to evaluate these relationships in advance. There is a risk that this will affect the prospects of the Company. ODI Pharma is dependent on distributors making the Company's products available to pharmacies and hospitals. There is a risk that the Company's distributors will not be able to sell ODI Pharma's products to the extent that the Company wishes. Polish physicians are due to lack of education and information hesitant to write prescriptions as of today. There is a risk that physicians do not write prescriptions or that ODI Pharma is not competitive in pricing, which may result in a total or partial loss of revenue for the Company. In addition, there is a risk that a distributor will choose to terminate its cooperation with the Company, which may result in total or partial loss of revenue for ODI Pharma. There is also a risk that a small number of customers account for a large proportion of ODI Pharma's total operating income for limited periods of time. There is also a risk that long-term customers and partner relationships cannot be established. In case the Company fails to establish long-term customers and partner relationships, there is a risk that the Company's results will decline.

Probability of risk happening: *medium*

FINANCING AND CAPITAL NEED

ODI Pharma's future plans entail significant costs for the Company. A delay in market breakthroughs in new markets may result in weaker revenue for ODI Pharma. There is a risk that a delay in permits and brand and developments means that cash flow will be generated later than planned.

If ODI Pharma is not supplied at least approx. 15 MSEK in the new share issue and all alternative funding opportunities fail, there is a risk that the Company will have to revise the development plans significantly, which may delay the development of the Company's operations. In the long run, there is a risk that, if all financing opportunities fail, the Company is bankrupt.

ODI Pharma may need to acquire additional capital in the future. There is a risk that additional capital cannot be acquired. There is also a risk that development may force the Company to carry out operations at a lower rate than desired, which may lead to late or non-commercialization and revenue.

Probability of risk happening: *low*

NON-SECURED SUBSCRIPTION COMMITMENTS

The Company has agreed on subscription commitments with a number of different parties in the current new share issue. However, the subscription commitments have not been confirmed or secured through advance transaction, bank guarantee or similar. In the event that one or more of those who submitted a subscription commitment do not fulfil their

contractually agreed commitments, there is a risk that the new share issue will be adversely affected, which in turn may adversely affect the Company's operations through reduced financial resources to drive the business forward.

Probability of risk happening: *low*

KEY STAFF AND EMPLOYEES

ODI Pharma is dependent on key persons to conduct its business and maintain permits. At the date of issue of the memorandum, the Company's key employees consist of Board Members. There is a risk that a loss of one or more key employees would have adverse consequences for the Company's business operations and its financial results. There is a risk that ODI Pharma needs to recruit staff to replace key personnel, which can be a costly process, both in terms of time and money. There is a risk that the Company will incur increased expenses as a result. There is also a risk that the Company cannot replace staff. The risk of unauthorized disclosure of information is also present, which would generate a risk that competitors may receive information about and take advantage of the know-how developed by the Company. There is a risk that ODI Pharma competitors, using such dissemination of information, will further develop their products and that the Company thereby faces increased competition, which may adversely affect the Company's operations, financial position and results.

Probability of risk happening: *medium*

COMPETITORS

Some of the Company's competitors and potential future competitors are multinational companies with large financial resources. There is a risk that widespread investment and product development from one or more competitors will result in worsening sales or worsening revenue opportunities for ODI Pharma, as the competitor may develop products that are more competitive than the products that ODI Pharma will provide.

Furthermore, companies with global operations currently working in neighbouring areas may decide to establish businesses within ODI Pharma's business area. There is a risk that increased competition will lead to negative sales and profit effects for the Company in the event that competitors develop products with better functioning and/or better quality.

Probability of risk happening: *medium*

BUSINESS CYCLES AND ECONOMIC TRENDS

There is a risk that external factors such as supply and demand, economic booms and recessions, inflation and changes in interest rates will have an impact on operating costs and selling prices. There is a risk that the Company's costs and future revenues will be adversely affected by these factors.

Probability of risk happening: *medium*

FOREIGN EXCHANGE RISK

There is a risk that part of the sales revenue will flow into international currency, including the euro. Purchasing of products is made in foreign currency. There is a risk that currency exchange rates will be changed significantly and there is a risk that the Company's costs and future revenues are adversely affected by changes in exchange rates. For example, if the Swedish currency (SEK), which is the Company's accounting currency, increases in value, there is a risk that the Company's future exports will decrease. This in turn entails a risk of reduced revenue for ODI Pharma and a decline in operating profit for the Company.

Probability of risk happening: *medium*

POLITICAL RISK

ODI Pharma intends to operate in a global market with partners, suppliers and customers in a large number of countries. There is a risk that differences in legal systems and changes in legislation, as well as other relevant regulations related to taxation, duties and fees, as well as other terms that apply to the Company's operations on the international market, adversely affect the Company. Rules, regulations and legal principles may differ regarding substantive law as well as court proceedings and lawsuits. This also leads to the fact that the Company's ability to exercise or enforce its rights and obligations may differ between countries and there is a risk that any disputes or legal proceedings will become expensive,

time-consuming and uncertain. Due to the above-mentioned factors, there is a risk that the Company's operations, financial position and earnings in the future will be adversely affected. There is also a risk that changes in laws, taxes, duties, exchange rates and other conditions for foreign companies will adversely affect the Company. The Company is also affected by political and economic uncertainties in these countries. There is a risk that the Company will be adversely affected by possible domestic policy decisions. There is a risk that the above-mentioned factors can adversely affect the Company's operations, financial position and results in the future.

Since the Company has a subsidiary in Switzerland, there is a risk that the relationship between the European Union and Switzerland regarding trade will affect the Company negatively and affect its possibility to do business in Switzerland.

Probability of risk happening: *medium*

INSURANCE RISK

ODI Pharma has a corporate insurance which includes property and property damage, theft of products, legal protection and general responsibility. There is a risk that ODI Pharma will suffer damages or incur damages that are fully or partially not covered by the insurance, which may adversely affect the Company's operations, results and financial position. This poses the risk that ODI Pharma in such a scenario will have to pay damages or repairs from its own funds, which results in a deteriorating financial position for the Company.

Probability of risk happening: *medium*

PRODUCT LIABILITY

Given that ODI Pharma sells products, risks are raised with product liability. There is a risk that the Company will be held liable for any event in clinical trials, even in cases where clinical trials are conducted by an external party. In case of a possible incident in a clinical study and if the Company were to be held liable for this, there is a risk that the Company's insurance coverage would not be sufficient to cover any future legal requirements. There is a risk that this will affect ODI Pharma negatively, both in reputation and financially.

Probability of risk happening: *medium*

IT RISK

ODI Pharma's ability to effectively manage its operations and maintain good internal control is dependent on well-functioning IT systems. To the extent that ODI Pharma experiences a serious failure or disruption in any of its IT systems, the Company may be unable to effectively run and manage its operations. There is also a risk that serious errors and disruptions in ODI Pharma's IT system will also affect the Company's customer relations, ability to generate customer interest, reputation and risk management, which in turn can have a negative impact on the Company's results, operations and financial position.

Probability of risk happening: *medium*

TAX-RELATED RISKS

The Company's operations are conducted in accordance with the Company's perception and interpretation of relevant tax legislation, tax treaties and other applicable rules. There is a risk that the Company's interpretation of applicable laws, regulations or relevant authorities' interpretation of these or of administrative practice is incorrect or that such rules are changed to the Company's disadvantage. There is a risk that the Company will be subject to tax auditing, the Tax Agency's decision or amended legislation, which may cause the Company's tax situation to deteriorate. There is a risk that this will adversely affect the Company's financial position.

Probability of risk happening: *medium*

MARKET GROWTH, ACQUISITIONS, ETC.

ODI Pharma plans to expand over the coming years, firstly by targeting the Polish market for medical cannabis and secondly by establishing itself on new markets in Europe. There is a risk that establishments will be delayed, resulting in loss of income. Rapid growth may involve the Company making acquisitions of other companies. There is a risk that lack of synergies and less successful integration will affect the Company's operations and results in a negative way. There is also

a risk that rapid growth will cause problems at the organizational level. There are also risks in recruiting the right staff, and there may be difficulties in successfully integrating new staff into the organization.

Probability of risk happening: *medium*

DISPUTES

There is a risk that ODI Pharma becomes involved in disputes within the framework of normal business and may be subject to claims regarding contractual matters, product liability and alleged errors in deliveries of the Company's products. There is a risk that such disputes and claims will be time consuming, disruptive to normal operations and lead to significant costs. It is not possible to predict the outcome of complex disputes. Thus, disputes can have a negative impact on the Company's operations, profit and financial position.

Probability of risk happening: *medium*

ETHICAL RISK

ODI Pharma conducts its business in a new industry. There is a risk that the Company's business and/or the industry in which ODI Pharma operates may be perceived as being controversial. As a result, there is a risk of negative publicity or announcements, justified or not, which may adversely affect the Company's business, both reputationally and financially.

Probability of risk happening: *medium*

SHARED OFFICE SPACES

The Company leases a shared office space in central Stockholm and the Company's subsidiaries also leases shared office spaces in Poland and Switzerland. A shared office space implies a higher risk from an EU Market Abuse Regulations perspective and there is a risk that the Company's business activities is affected as a result of the shared office space. In January, the Company intends to move to a private office space in the same building for security purposes.

Probability of risk happening: *low*

NO AUDIT OF SUBSIDIARIES' FINANCES

The Company's subsidiaries (Polish and Swiss) financial statements are not audited financial statements. There is a risk that these financial statements, since they have not been audited, are incorrect which could have a negative impact on the Company's operations. There are no financial requirements or loans in the Company's subsidiaries in Poland or Switzerland which are not stated in the section on financial overview of the Company's subsidiaries.

Probability of risk happening: *medium*

SHARE-RELATED RISKS

NO PREVIOUS PUBLIC TRADING OF SHARES

There is a risk that an active trade in ODI Pharma's shares does not develop and thus, that shareholders will not be able to divest their shares or can only divest their shares at a loss. There is also a risk that the price of the shares will be subject to significant fluctuations. For example, above all, the share price may be affected by changes in supply and demand, fluctuations in profit, the ability to achieve profit changes, changes in the general economic situation, legislative and regulatory amendments and changes in other factors. In addition, the general volatility of the share market may lead to the price of the shares being devalued.

Probability of risk happening: *medium*

PRICE MOVEMENTS

There is a risk that ODI Pharma's share price will undergo major variations in connection with an introduction to Spotlight. Exchange rate fluctuations may arise from major changes in purchase and sales volumes and may not necessarily have a connection with the Company's underlying value. There is a risk that the price fluctuations will affect ODI Pharma's share price negatively.

Probability of risk happening: *medium*

PSYCHOLOGICAL FACTORS

There is a risk that the securities market is influenced by psychological factors such as trends, rumours and reactions to news that are not directly linked to the marketplace, etc. There is a risk that the Company's shares will be affected in the same way as all other securities that are traded on different lists. There is a risk that psychological factors and its subsequent effects on price developments will adversely affect the market price of the Company's shares.

Probability of risk happening: *medium*

SALE OF SHARES BY MAJOR SHAREHOLDERS, BOARD MEMBERS AND EXECUTIVE MANAGEMENT

Major shareholders, CEO and management at ODI Pharma have committed not to divest more than 10 percent of their ownership that they own at the time of establishment of ODI Pharma AB within 1,5 years (18 months) from listing on Spotlight through a commitment to lock up. Notwithstanding the provisions of the Lock Up Agreement, parties who have locked up may divest shares under the terms of a public takeover offer pursuant to The Swedish Corporate Governance Board takeover-rules for certain trading platforms and/or other relevant provisions on public takeover offers in the stock market. Also, the parties who have locked up may divest their shares to a strategic partner at any time. However, in the longer term, there is a risk that these parties will divest part or all of their holdings in the Company. There is a risk that this will have an adverse effect on ODI Pharma's share price.

Probability of risk happening: *medium*

MARKETPLACE – SPOTLIGHT

The intention is to trade the Company shares on Spotlight, a subsidiary company of ATS Finans AB, which is a securities company under the supervision of the Financial Supervisory Authority. Spotlight operates a trading platform (MTF or MHF). Shares listed on Spotlight are not subject to the same rules as shares admitted for trading on regulated markets. As a result of the differences in the scope of the different regulations, an investment in shares traded on Spotlight may be riskier than an investment in shares traded on a regulated market.

Probability of risk happening: *low*

DIVIDEND

To date, ODI Pharma has not paid any dividends to shareholders. The Company is in a development phase and any surplus is primarily planned for investment in the Company's development. There is a risk that future cash flows will not exceed the Company's capital requirements and/or that the Annual General Meeting will not make any decision regarding dividends in the future.

Probability of risk happening: *high*

A growing opportunity

The legalization of medical cannabis in several countries in Europe and North America has opened up a new and exciting market with a great potential. The growing demand for cannabis-based medicines over the past year has pushed national medical authorities into action. Several EU countries have initiated medical treatment programs using pharmaceutical cannabis products. It is expected that Europe will become a hotbed for research and market development, as pilot programs and research on medical cannabis are being performed in multiple European countries with the intention of building a formal medical cannabis policy. Medical cannabis has several reported health benefits^{1,2} and can be cultivated in a great variety of ways aimed at aiding patients against a number of health problems. The strains of the cannabis plant have different effects on the body and therefore different medical applications, which makes the market for medical cannabis products significant. The consumers also have a high demand on quality, and that makes flexibility an important asset that can differentiate a company on the complex markets that the legalization has created. Cancer, as a growing and more frequent illness in the world, is also expected to be a factor for driving the market for medical cannabis forward in the future.

According to World Health Organization (WHO), cancer was responsible for 9.6 million deaths in 2018, where Europe accounts for almost 25% of all global cancer cases³. This could be added to the increasing extent of chronic pain and the increase of pain management treatments which are expected to increase the demand of medical cannabis products around the world. Since Canada introduced the medical program in 2016, several forms of deregulation have occurred on the European market. In total, 203 million people in Europe now have access to legal treatment with medical cannabis. Several large and influential countries such as Germany and Great Britain have deregulated and opened up the market for medical cannabis, and several more countries are expected to follow. Poland legalized medical cannabis products in November 2017. The legislation allows for a range of derivatives from the cannabis plant, such as oils, dried flowers, etc., but regulations have been put in place first for dried flowers. Poland has roughly 38 million inhabitants and represents one of the largest European markets, especially considering the flexible framework of how medical cannabis is prescribed according to the local legislation. Flexible framework means the number of illnesses that can be treated with prescriptions medical cannabis products according to the legislation (for more information, see section Target Group). The Supreme Chamber of Pharmaceuticals in Poland expects that there are 300'000 patients in immediate need of the product. Europe has around 743 million residents in 2019, and the total amount of expenditure for health care amounts to around 2,3 trillion euros. In 2028, the market for medical cannabis is expected to be worth around 58 billion euros⁴.

In Poland, the legislation on medical cannabis makes it, as stated above, legal for sales of a range of derivatives from the medical cannabis plant, but the current regulations regulate the sale of medical cannabis in the form of dried flowers which represents one type of medical cannabis product. Unlike certain other countries with legalizations done, Poland does not have a pilot program. The law in Poland is in place and products can be sold indefinitely.

¹ <https://www.health.harvard.edu/blog/medical-marijuana-2018011513085>

² Professor Michael Barnes, MD FRCP, Honorary Professor of Neurological Rehabilitation in *The European Cannabis Report, 4th edition*.

³ <https://www.who.int/cancer/PRGlobocanFinal.pdf>

⁴ *The European Cannabis Report, 4th ed* by Prohibition Partners

Letter from the CEO Derek Simmross

It is my pleasure to introduce ODI Pharma to the Nordic market and offer an opportunity to invest in an exciting company in a new industry on the European continent. As more and more countries in Europe are seeing the benefits of medical cannabis products, we see an investment opportunity and an opportunity to target markets in previously closed sectors. ODI Pharma is led by people with an extensive background in the financial and industrial sectors, where we have followed the development on medical cannabis markets for many years.



The European market for medical cannabis is in an exciting shift, with more and more countries opening up legislation surrounding medical cannabis and offer the opportunity for patients to access treatment in order to have a better quality of life with medical cannabis. This gives the patients a broader selection of possible treatments and gives the patients a better standard of living. Today, 203 million people across the continent have legal access to medical cannabis and this opens a significant investment opportunity. The quality and the source of the product is essential for us, and we want to make sure that the European patients are receiving high-quality, relatively low-cost products. Our medical cannabis brand will be created for the European client, which we believe demands a quality source of product which complies with strictest regulations on production, safety and controls as well as a variety of different products.

We chose to team up with one of the most renowned and sophisticated cultivators of medical cannabis in the world, Aphria Inc. We will provide a low-cost, high quality product to support our patients in treating their illnesses. At the same time ODI Pharma secured a distribution contract, following our opinion, in one of the most attractive European markets for the sale of medical cannabis in Europe, namely Poland. Our distribution partner in Poland is the leading company in the pharmaceutical industry in Poland representing nearly a 30% share of all pharmaceutical products sold. Poland accounts for almost 27% of all of the people eligible for the product in Europe and has most flexible legislation in terms of what types of illnesses can be treated with medical cannabis, making the Polish market for medical cannabis significant. The Polish market for medical cannabis is significant and while the German market is the largest on the European continent, that is also the one that most companies will aim for. However, we see Germany a less attractive starting point for our ventures. ODI Pharma's initial focus is therefore on the Polish market, through our subsidiary, ODI Pharma Polska Sp. z o.o. In Poland, domestic cultivation is not allowed, and the country is therefore relying on imports from other parts of the world, which we see as a great business opportunity for ODI Pharma.

It is not our desire to run our own cultivation on the European continent, as it requires heavy investments and is heavily regulated by the European governments. Our focus lies on bringing in the best quality source product, educating the local distributors on the latest trends, developing the brand and understanding the legal frameworks on the European markets as they are continuously evolving. Our strategic focus lies in capitalizing on margin opportunities in the European market rather than making speculative investments, by implementing our set of strategies in various other markets in Europe.

Global production is still in its infancy with Canadian corporations leading the global expansion. We have the strong belief that in the long run supply of the product will outpace demand. At the same time there will be a significant variation in quality of product as historical production proved to be difficult with respect to consistency, techniques, regulations and product selection. Additionally, market participants, including governments, are in a struggle to develop, approve and provide the best medical application form of medical cannabis to patients.

The majority of the capital that will be raised in the issue will be used for financing the orders, import, packaging and logistics to distribution in Poland, and therefore alleviate the necessity of capital for initial purchases. The funds will also be used for our expansion on the European market, which means hiring of relationship management, research initiatives, marketing and new distribution agreements. In order to maintain the momentum and to take advantage of our market opportunities, we are now implementing an issue of shares in exchange for an amount of approx. MSEK 25 prior to the planned listing on Spotlight Stock Market.

We believe this is a great investment opportunity, as well as a great opportunity to be able to bring patients a better quality of life. For us, this constitutes the best of two worlds. We want to welcome you to join our quest for a better quality of life for patients and success in a new industry with high growth potential in Europe.

Derek Simmross, CEO of ODI Pharma AB

Invitation to subscribe for shares

Issue resolution

The Board of Directors of ODI Pharma decided, at a board meeting on the 13th of December 2019, supported by an authorization from the Extraordinary General Meeting on the 28th of October 2019, on a new issue of shares prior to listing on Spotlight Stock Market.

Issue volume and issue costs

A fully subscribed new share issue will provide the Company with approx. MSEK 25 before issue costs of approx. MSEK 2.45. With a fully subscribed new share issue, the share capital will increase by SEK 108,800 from SEK 500,000 to SEK 608,800, and the number of shares will increase by 2,720,000 shares from 12,500,000 shares to 15,220,000 shares. The new share issue will be implemented without preferential rights for existing shareholders. For future capital need, please see section on page 15.

INVITATION

In accordance with the terms and conditions of this memorandum, you are hereby invited to subscribe for shares of ODI Pharma AB at a subscription price of SEK 9.20 per share.

Liability

The Board of Directors of ODI Pharma AB is responsible for the content in this memorandum. The people listed below as the Board of Directors hereby jointly assure you that they have taken all reasonable precautionary to ensure that the information contained in the memorandum, to the best of their knowledge, is in accordance with the actual circumstances and that nothing has been omitted that may materially affect the assessment of the Company.

Stockholm, the 13th of December 2019
The Board of Directors of ODI Pharma AB

Volker Wiederrich
Karina Kilinski
Gösta Lidén
Derek Simmross

Background and motive

ODI Pharma has, during the last year, achieved two significant agreements with Aphria and NEUCA, and the Company has also been conducting startup of the operations. In order to initiate the Polish strategy, the Company needs capital to finance the first order of raw material from Aphria. This first order is expected to be formulated in early 2020. The Company estimates that the first shipment will be received in mid-2020. The Company estimates that the first products will be ready for the market in mid-2020. In order to finance the first orders from Aphria, as well as finance the market exploitation in Poland, the Company will raise approx. MSEK 25.

New issue and capitalization

According to the Company's assessment, the existing working capital, which is intended to finance the development of the business and its strategic plans in Poland, is not sufficient for current needs. In order to add capital, ODI Pharma has decided to raise capital equivalent to approx. MSEK 25 before issue costs, prior to planned listing on Spotlight. The capital that ODI Pharma is provided through the new issue is primarily intended to finance the order of raw material from Aphria in order to initiate the market launch in Poland. In addition, the new share issue is also intended to finance operating expenses.

If the new share issue is not fully subscribed, ODI Pharma intends to explore alternative financing options such as raising additional capital, obtaining grants, or alternatively the Company will conduct its operations at a slower pace than projected, until additional capital can be acquired. In the event that ODI Pharma is not supplied at least approx. MSEK 15 in the new issue and all alternative financing opportunities fail, there is a risk that the Company will have to revise the development plans significantly, which may delay the development of the Company's operations. In the long run there is a risk that, in the event that all financing opportunities fail, the Company may go bankrupt.

Prerequisites for the implementation of the new share issue

The minimum limit for implementing the new issue of shares and thus the planned listing on Spotlight, amounts to approx. MSEK 15, which represents 60% of the target capital raise. The new share issue will be executed if the lowest limit for the issue is achieved, and if Spotlight gives final notice that ODI Pharma will be admitted to trading. The new share issue is also subject to Spotlight's ownership spread requirements.

Use of funds from the new issue

ODI Pharma plans to raise approx. MSEK 25 before issue costs in the new share issue prior to the planned listing on Spotlight in order to maintain the momentum and capitalize on the Polish medical cannabis market. The Company has set up the infrastructure to capitalize on the growing market opportunity in Poland and the Board estimates that the Company has a cost-efficient structure due to the business model of not investing in cultivation or heavy investments and instead retain a low-cost structure, collaborate with strong local partners and use flexibility to provide the best products on the market. The majority of the capital raised, approx. 75% of the capital, will be used for implementing the Polish strategy. The rest of the capital is intended to be reserved for operating expenses, expansion and research.

75% of the funds raised are to be in place for implementing the Polish strategy

- The financing of orders, import, packaging and logistics to distribution and therefore alleviate necessity of bridge loan for initial purchases. The financing of orders means the raw material that ODI Pharma intends to import from Aphria in order to initiate the Polish strategy. The Company estimates most of the 75% will be allocated to the financing of orders.

25% of the funds raised will be reserved approx. equally for Operating expense, expansion and research listed below

- The hiring of relationship management and marketing in order to implement the Polish Strategy. During the first half of 2020, ODI Pharma is expecting to hire two individuals to join the Polish team, one sales representative and one medical professional. These will work on the launch of the brand and on the marketing activities in Poland as set out in the Objectives section.
- Exploring the possibility of new distribution agreements as well as license procurement.
- Carrying out seminars for medical professionals and hosting educational conferences.
- Initiating research projects to support local governments regarding dosage of the product. The research initiatives are supposed to focus on the correct intake mechanisms of medical cannabis.

The Company estimates the importance of the above-mentioned parts to be equal.

Future capital need

The Company foresees that the capital raised in the IPO of approx. MSEK 25 will be sufficient for initiating the Polish strategy, which is Polish Strategy, and it will be able to grow intrinsically from this capital raise. The Company foresees that no further capital is likely needed for the Polish strategy. As the Company expands to further markets, further capital will need to be raised, and the Company will then evaluate the options for bringing in this capital.

The Company estimates the minimum amount for the share issue's approval of approx. 60 % would be sufficient for the Polish strategy, and there should be no need for further capital raise for the Polish strategy. If the Company's sales numbers exceed the expectations and the orders require further capitalization, the Company will either re-negotiate payment solutions with Aphria, raise debt or different solution. However, it will not be a requirement for ODI Pharma to increase orders out of the financial means. Meaning, the MSEK 15 is sufficient for 12 months or further.

ODI Pharma's operational and financial objectives

ODI Pharma intends to formulate its first order of raw cannabis material from Aphria in early 2020, meaning that the Company intends to start operations on the Polish strategy in early 2020 as well. ODI Pharma intends to initiate educational programs for medical practitioners in Poland, which is part of a branding strategy since companies are not allowed to market pharmaceutical cannabis directly to patients in Poland, instead education has to be provided towards the medical practitioners.

2019 H2

- Continue the implementation and preparations for the Polish strategy (process from import to delivery to pharmacy and educate the pharmaceutical industry on the product)
- Support educational programs for medical practitioners*
- Development of research initiatives based in Switzerland

2020 H1

- Formulate first order of raw material from Aphria
- Receive first shipment of medical cannabis from Aphria
- Develop product awareness initiatives
- Launch of brand on the Polish market.
- Continue developing sales channels in further markets and explore further business opportunities, through the hiring of sales representatives as mentioned earlier in this document.

2020 H2

- Sign and implement further primary distribution networks in other European countries
- Continue expansion in Europe with approaching new markets and providing new products

* The educational programs will support the knowledge on medical cannabis for the medical practitioners in Poland

Financial objectives

The information contained in this section has not been subject to audit or other assurance procedures by any auditors, it is unaudited.

ODI Pharma's primary financial target is to grow on the Polish market with its Polish Strategy and achieve a market share of min. 10% (meaning approx. 11 550 patients), by the end of 2020. The Company expects a revenue of approx. 3 million euro in the first year of operational sales, with an operating expense of approx. 0.75 million euro and an additional cost (including salaries) of 0.3 million euro, resulting in a target objective Net Operating Income (NOI) of approx. 2 million euro.

It is the Company's opinion that it has the infrastructure set up to retain profitability during 2020, and the financial objective is to continue the growth quickly. The financial target is based on the underlying, conservative estimates of the market with respect to number of patients who will be prescribed the medical cannabis products estimated by The Pharmaceutical Chamber of Poland (Naczelna Izba Aptekarska), the competition regarding medical cannabis products and the price (market share) and that the legislation from the authorities does not change during the period (the access to the market).

Summary of financial objectives

- Achieve a **market share in Poland of min. 10%** (meaning approx. 11 500 patients), by the **end of 2020**
- **Revenue of 3 million euro** in the first year of operational sales (meaning mid 2020 – mid 2021)
- **Operating expense of approx. 0.75 million euro** in the first year of operational sales
- **Additional costs** (including salaries) **0.3 million euro** in the first year of operational sales
- **Target NOI** of approx. **2 million euro** in the first year of operational sales

A conservative outlook

ODI Pharma has the aim of achieving significant objectives in the next few years on the European market. However, the Company does not want to create an unfounded hype regarding a new market which has not previously been exploited at

a large scale. Therefore, due to the uncertainties and the lack of sufficient research into the market, the Company has taken a conservative approach to its business objectives and financial targets in the next years. It is imperative for the Company that the operations of ODI Pharma, and its strategic business partners, are carried out in the outmost professional way possible. Therefore, ODI Pharma has thoroughly investigated the possible strategic partners that the Company wishes to cooperate with. The conservative estimation is reflected in the number of patients prescribed medical cannabis products in Poland, the assumption on the patient daily dosage of medical cannabis as well as the underwriting of the market share. This conservative approach is also reflective in the financial objectives of ODI Pharma. ODI Pharma has chosen this conservative approach based on the fact that the medical cannabis market is a new and previously unexploited market, and the estimations on the market potential and growth therefore needs precaution. ODI Pharma wants to keep this conservative approach to the market and act as a responsible company, while it still retains its ambitious objectives on the European market for medical cannabis.

Listing on Spotlight Stock Market

ODI Pharma is approved for listing on Spotlight, provided that the minimum of approx. MSEK 15 of the new issue is completed, and that Spotlight's ownership spread requirements are met. The listing on Spotlight creates increased opportunities for a good promotion of both the Company and its products. Furthermore, possible future capital procurement is facilitated, which promotes a high rate of development and expansion. A listing on Spotlight also helps to make possible business acquisitions significantly easier. The first day of trading is expected to be the 23rd of January 2020.

Pricing of the shares

There are no validated valuation models for companies such as ODI Pharma. The Board has established a price for the shares in the forthcoming new issue based on a balanced assessment of the current operations and the potential market that ODI Pharma addresses in combination with investments made in ODI Pharma so far. The valuation of the current new issue has been determined based on the following:

The Business:

- The valuation of ODI Pharma is related to the significant market potential that the Company estimates in Poland and the rest of Europe; however, the Polish strategy is the main component of the valuation. In order for the market potential to be targeted and for ODI Pharma to be able to achieve the ambitious objectives the Company has on the European market; the supply and distribution agreements of the Company and its strategic partners are key factors. The valuation of the Company is closely related to the business agreements that ODI Pharma and its subsidiaries have with NEUCA and Aphria. ODI Pharma AB is a pharmaceutical company, operating within the frameworks of the medical cannabis market. In order for the Company to operate successfully within this framework, ODI Pharma needs to have agreements with suppliers and distributors which enables the Company to receive high-quality raw material and enables the Company to distribute the finished medical cannabis products to pharmacies, clinics and hospitals on the Polish market. These two types of agreements are fundamental to the Company's operations and the type of supplier and distributor will also affect how successful the Company's operations will turn out.
- ODI Pharma's supply partner Aphria Inc. is one of the largest producers of medical cannabis in the world. Aphria has licensing and distributing agreements across five continents and was among the first Canadian medical cannabis companies to turn a quarterly profit. By achieving a supply agreement with such a global and recognized company as Aphria, ODI Pharma estimate that the Company is well prepared in terms of supply of raw material. ODI Pharma and Aphria will work closely together and ODI Pharma estimate that the cooperation between the two companies will enable ODI Pharma to target the Polish market for medical cannabis efficiently. ODI Pharma has achieved a distribution agreement with NEUCA S.A. which will enable the Company to target approx. 14 000 pharmacies, clinics and hospitals on the Polish market with its medical cannabis brand. The agreement is closely related to the valuation of the Company since NEUCA is one of the most important pharmaceutical distribution companies on the Polish market.
- ODI Pharma has therefore achieved a significant agreement with both a recognized global medical cannabis supplier for the import of raw material and one of the most important pharmaceutical distributors on the Polish market. The agreements underline that ODI Pharma is able to operate and achieve the objectives on the European market and are therefore closely related to the valuation of the Company.

- If ODI Pharma does achieve its projected revenues in the first two years of operations, the valuation represents a c. 1,5x multiple on the NOI of the first two operational years only. And this assumption is based on the Polish strategy only.
- ODI Pharma estimates that it has established a cost-efficient infrastructure. The focus is on bringing in the most efficient product to the market, educate the distributors on the latest trends, developing the brand and understanding the legal frameworks as they are developing in Europe.
- The Company works in a Polish Strategy with a first-tier producer who operates at highest standards, which gives full control of the strains and therefore products are created suitable for treating a wide variety of illnesses.
- The financial focus implies an outsourcing of hard assets, such as cultivation, logistics and storage. The Company estimates that this reduces the risk profile and enables better financial margin potentials, as well as increasing the flexibility to meet the demands of the market and the legal frameworks.
- ODI Pharma's Polish Strategy is in its final stage, where the Company is working with producers who use a highly technological environment in order to create products suitable for treatment of several illnesses. The Company's own brand is estimated to be launched by mid-2020 on the medical cannabis market in Poland.
- ODI Pharma has secured an agreement with one of the largest cannabis producers in the world, Aphria Inc., and plans on executing a range of distribution agreements.
- An agreement with one of the most important pharmaceutical companies on the Polish market, NEUCA S.A., is in place.
- ODI Pharma estimates that the Company is well prepared with its import, packaging and logistics capabilities in Poland through local partnerships. The sale of the products will start in mid-2020 and ODI Pharma is aiming at a market share of min. 10% (meaning approx. 11 550 patients), with a projected revenue of approx. 3 million euros in the first year of operations.
- The founders and Board Members of the Company have an extensive background in the trading industry, and the medical cannabis industry as well, participating in one of the largest M&A transactions in the industry history.
- ODI Pharma does not intend to invest into cultivation which is very cost intensive. The Company believes this will give ODI Pharma the financial and operational flexibility to quickly respond to the needs and demands of the market. ODI Pharma continuously evaluates strategies in its target markets, including research projects, distribution opportunities and brand and product awareness.

Market potential:

- The European market for medical cannabis and cannabidiol products is becoming more deregulated and has the potential of becoming the largest market in the world for the segments. Germany, UK and Poland are large, influential countries where medical cannabis has been deregulated and 203 million people across the continent now have access to legal treatment with medical cannabis. The market for medical cannabis in Europe is estimated to be worth 58 billion euros in 2028 (Prohibition Partners, 2019).
- It is the Company's opinion that the European market has the possibility to grow into the largest market in the world for medical cannabis products. Europe has approx. 743 million residents, and the total amount of expenditure for health care amounts to around 2.3 trillion euros. In 2028, the market for medical cannabis is expected to be worth around 58 billion euros⁵.
- The last few years have seen a significant rise of the medical application of cannabis as more research has proved its positive effect on the treatment of different illnesses⁶. Insurance companies in several countries are now offering coverage for medical cannabis products, and the estimation is that fully approved medical cannabis recipes will be a basic demand for public health care policies.

⁵ The European Cannabis Report, 4th edition

⁶ <https://www.grandviewresearch.com/industry-analysis/legal-marijuana-market>

- The Board estimates that Poland offers an exciting market with great potential for growth. Medical cannabis is legal as a prescribed medication since 2017. Poland has a population of around 38 million residents, and the total healthcare expenditure is estimated to c. 72 billion euros⁷. Also, Poland shows one of the highest ratios of pharmaceutical spending from the total healthcare expenditures globally, c. 21%⁸.
- The Polish market estimate of medical cannabis clients is 300,000 by 2025⁹ which the Company estimate will be reached within five years, and the forecast estimate on the medical cannabis market 2028 is 2 billion euros. Pharmacists estimate that the initial cost per gram for patients will be 13 – 15 euros, adding up to c. 400 euros per patient per month¹⁰, which gives rise to a sizeable medical market in the short-term.

Investments:

- From the start of the Company's operations, a total of approx. MSEK 8.3 has been invested into ODI Pharma Schweiz AG (previously known as "OD Investments") and ODI Pharma Polska Sp. z o.o. The investments have primarily gone towards business development, legal, travel and external advice, as well as accounting and company set-up.

⁷ <https://data.oecd.org/healthres/health-spending.htm#indicator-chart>

⁸ <https://data.oecd.org/healthres/pharmaceutical-spending.htm>

⁹ The Pharmaceutical Chamber of Poland (Naczelna Izba Aptekarska)

¹⁰ <https://www.analyticalcannabis.com/articles/medical-cannabis-goes-on-sale-in-poland-311466>

Medical cannabis and its effect on patients

Throughout 2018 the European cannabis market's value increased significantly, and 300 million euros has now been invested in the market which mostly has been focused on distributing cannabis-based medicines and allocating cultivation licenses. This comes at a time when European countries are reconsidering the region-wide ban on medical cannabis. The debate on medical cannabis in Europe has matured as politicians, healthcare professionals and entrepreneurs have followed the growth of the industry in the US and Canada where investments increased significantly in 2018¹¹. Medical cannabis is produced solely for the purpose of addressing patients' needs. It follows strict production guidelines and is prescribed by doctors. The research, product controls and governmental supervision ensure that the patients in need receive a high-quality and tested product to secure the safe and consistent application of medical cannabis.

Medical cannabis use and effect

Today, medical cannabis is a catch-all term for anything from dried cannabis flowers, cannabis oils, capsules, tablets, oromucosal spray etc. Common to all these product types is that they contain either parts of the cannabis plant, active substances from the plant or synthetic cannabinoids and that they are used to alleviate illness. The main difference between medical cannabis and other products derived from the plant is that medical cannabis is produced in order to tackle the effects and/or side effects of a very broad range of ailments.

Cannabis is supplementing the body's natural cannabis system, called the endocannabinoid system. Humans have this natural system throughout their body. Current research suggests that in the brain, the system has an effect on memory, control of movement, modulation of pain, development of nerve growth and plasticity, and the adaptability of the nervous system¹². Research also suggests that the system has an influence on sleep, appetite, anxiety and social behaviour. It also showed in studies an effect on the bladder, the bowels, the reproductive system, the heart and has a role in the control of cancer. It is considered one of the most important systems in the body. Still, more research is ongoing in order to understand the system in full effect. One clear fact, resulting from studies carried out, is that the whole cannabis plant has medical value, rather than just the constituent parts. Over a hundred different cannabinoids exist, but as of today researchers only know a substantial amount about two (THC and CBD). THC (tetrahydrocannabinol) is psychoactive, giving individuals the cannabis high. CBD is not psychoactive and indeed, to an extent, counteracts the high of the THC. The balance between THC and CBD appears to be one of the most crucial factors in understanding which particular effects will be seen in a particular cannabis variety. It is clear to researchers that CBD and THC have medical properties. One of CBD's most important effects is as an anticonvulsant. To illustrate the complexity of the plant, whilst CBD is a very potent anticonvulsant, many children with epilepsy respond even better when there is a little THC added into the medicine. This shows how the whole plant has a better effect than individual components. This is known as the entourage effect^{13,14}. Patients have reported many benefits of CBD, from relieving insomnia, anxiety, spasticity and pain to treating potentially life-threatening conditions such as epilepsy. In the US, the most common use for medical cannabis is pain control.

¹¹ The European Cannabis Report, 4th ed.

¹² <http://www.cannabis-med.org/studies/study.php>

¹³ Professor Michael Barnes, MD FRCP, Honorary Professor of Neurological Rehabilitation in *The European Cannabis Report, 4th edition*.

¹⁴ <https://www.health.harvard.edu/blog/medical-marijuana->

Description of ODI Pharma AB

ODI Pharma, based on its European network, subsidiaries and affiliates, is a producer of pharmaceutical cannabis products with a focus on distribution to the medical cannabis market in Europe through its subsidiary ODI Pharma Polska Sp z. o. o. 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 is a medical cannabis finished product producer and therefore has no cultivation operations. The main focus of ODI Pharma is on the medical cannabis products that are sold to clients and patients through ODI Pharma's relationships with pharmacies via wholesale distributors. The Company has secured a relationship with one of the leading pharmaceutical wholesalers in Poland, NEUCA. Also, the Company has secured a valuable supply contract through its excellent relationship with one of the largest cannabis producers in Canada, Aphria. The Company intends to provide a range of medical cannabis products which, due to the regulation in Poland, will initially be dried flowers.

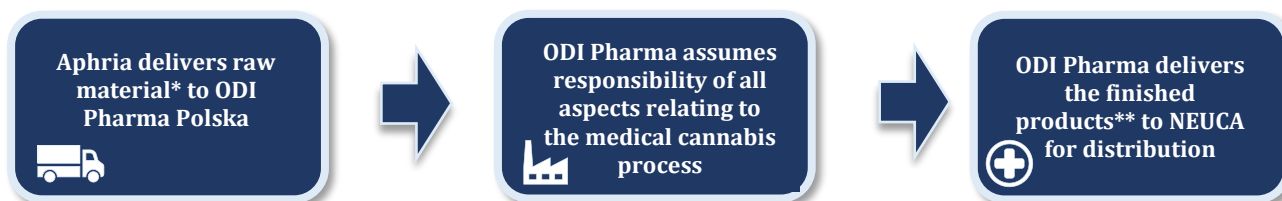
It is ODI Pharma's belief that European clients require a wide variety of medical cannabis products of high quality to treat specific illnesses. The Company's flexibility makes it able to provide a wide variety of different strains, oils and the latest formulations. ODI Pharma's upcoming business activities will focus on the Polish market and the Company has chosen to name this business strategy 'Polish Strategy'. The Company works in the Polish Strategy with a first-tier producer who operates at highest standards, which gives full control of the strains and therefore products are created suitable for treating a wide variety of illnesses. This makes ODI Pharma have a solid ground and clear targets with its Polish Strategy. The financial focus implies an 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 the medical cannabis products. 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.

Vision

The Vision of ODI Pharma is to become one of the leading suppliers of medical cannabis in Europe. The Company focuses on improving the quality of life for medical patients, by providing quality products at a reasonable cost. ODI Pharma pertains to providing the most innovative products, the most modern research and communication with the medical industry to assist in the application and education of medical cannabis.

Brand & Product Awareness

Polish Strategy



* "Raw material" refers to the raw material of fully approved cannabis for medical purposes imported from Canadian cultivators.

** "Products" refers to the finished medical cannabis products that ODI Pharma and its competitors are selling on the medical cannabis markets in Europe, which are based on raw material from Canadian cultivators. Medical cannabis products represent a range of different products based on cannabis, however, the products that ODI Pharma focuses on currently are dried flowers.

The Company estimates the Polish Strategy to be a significant opportunity to get immediate access to the medical cannabis market, a market that is characterized by high barriers of entry. The project targets the Polish market for medical cannabis, a market that does not allow domestic cultivation, and is therefore dependent on the import of products. The Polish Strategy was set up to crystallize on this opportunity. The Polish Strategy targets only medical cannabis, where the Company now is operating in the finishing steps. Once the product is sold in the country, ODI Pharma will assume control over all aspects of the product, including product awareness and brand development, packaging, distribution, education, supply management, doctors' feedbacks, product safety and pharmacovigilance if required. ODI Pharma intends to produce medical cannabis finished products where the Company's subsidiary ODI Pharma Polska Sp z.o.o. will work with a GMP processing facility together with a subsidiary of the Company's partner NEUCA, which after the import of the raw

material will package and test under GMP requirements to the Company's specifications in Poland. The raw material of bulk dried flowers will be packaged under the Company's various specifications after the testing and would then be able to be delivered to wholesale distributors and pharmacies who in turn will then provide the medical cannabis product to patients.

ODI Pharma is focused on product implementation, not cultivation. The Company has chosen to avoid the high investments in regard to cultivation processes which the Board believes has a questionable outcome and focus on the core of the business, which ODI Pharma considers implementation. ODI Pharma will use the raw materials delivered by Aphria to establish its own brand on the European market. ODI Pharma will assume responsibility of the product throughout its life cycle and beyond, where the Company also focus on education, medical practitioner awareness (marketing), distribution, sales and legal responsibilities. The medical cannabis market has to be targeted with great care to all these aspects which ODI Pharma intends to take care of.

In regard to education, ODI Pharma aims at being a market leader in developing analysis tools regarding dosage and identifying risk patients. Cultivation, albeit a difficult task, is only a part of bringing the correct care to patients according to the Company. ODI Pharma aim at being a means of bringing the product in a safe environment to the patients in need. Therefore, ODI Pharma will use the best-in-class packaging technology, strict product control and expert knowledge in order to deliver a safe and reliable product to patients in need. ODI Pharma estimate that it will be on the forefront of developing the medical cannabis market in Europe and the Company believes it has the opportunity to be a leading provider of product in Europe over the next years.

ODI Pharma has also secured a strong relationship with a top-level medical cannabis producer, Aphria Inc where Aphria's raw material is expected to be delivered to Poland in mid-2020. Based on Aphria's raw material, ODI Pharma will produce pharmaceutical products. The Company is looking to provide a range of products. Primarily, it will be dried flowers due to the current view on legislation in the market that the Company will target. As the Company is flexible in its business model, ODI Pharma will have the opportunity to add or adjust the product selection depending on the customers' needs. The Company is fully integrated with NEUCA in relation to import, storage and logistics. ODI Pharma is importing and manufacturing the finished products with a subsidiary of NEUCA, which the Company has signed an import agreement with. The product will be manufactured in Poland in an EU-GMP approved environment meeting the highest medical standards. The Company is cooperating with PwC in Poland to ensure that all licenses and permits for conducting business in Poland, as well as conducting business in relation to medical cannabis, is adhered to.

The Polish Strategy's return profile is based on an estimate of the Polish market size, with a conservative target number of patients by 2025 of min. 10% out of 300,000 patients, corresponding to 0,08% of the population.¹⁵

As stated above, ODI Pharma plans on starting sale of the products in **mid-2020** and ODI Pharma is aiming at a **market share of min. 10% (meaning approx. 11 550 patients)**, with a projected **revenue of approx. 3 million euros** in the first year of operations. The sales estimate is based on the following principles:

- **The number** of patients prescribed with medical cannabis products in Poland, with a conservative estimation that it will take five years to achieve the target number of patients. Canada achieved 0,5% of the population as registered patients after two years, and 1% after four years.
- **The assumption** that the patient daily dose is 0.6 grams a day, with a consumption frequency of 365 days a year. Based on Health Canada's research and statistics medical clients consume 1.6 grams a day with a consumption frequency of 365 days, which underlines ODI Pharma's conservative approach.¹⁶
- **For conservative nature**, ODI Pharma assumes in the underwriting a market share of 10%.

Products/Medical Cannabis

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 in relation to 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 raw material of fully approved cannabis imported from the

¹⁵ The estimation of the number of patients is based on The Supreme Pharmaceutical Chamber of Poland (Naczelna Izba Aptekarska), who estimates a market of 300,000 patients.

¹⁶ <https://www.canada.ca/en/services/health/publications/drugs-health-products/canadian-cannabis-survey-2018-summary.html>

Company's strategic partner Aphria. 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. Dried flowers can for instance be consumed through inhaling or as edibles, the important thing is the guideline from the medical professional. 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 14.00-15.25 per gram, ODI Pharma intends to match this price or undercut it, while still providing high-quality products based on raw material of medical cannabis. Whatever product type of medical cannabis ODI Pharma provides, the objective is to be cost-efficient in relation to what has previously been stated.

Business model

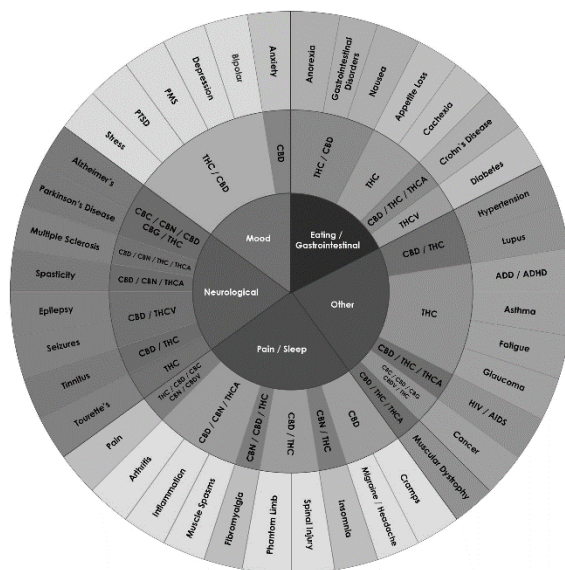
ODI Pharma intends to provide a high-quality product at a competitive price compared to competitors in Poland, thereby becoming the number one provider of medical cannabis in Poland. ODI Pharma also strives to be on the forefront of understanding the medical applications of the product as well as introducing new, innovative products to the European patients in need. ODI Pharma will continue to team up with the most knowledgeable and best renown partners in the industry to achieve its goals. ODI Pharma feels the responsibility to ensure that patients receive a proper, educated product to alleviate their health issues. The capital that will be raised in the IPO is also going to finance the establishment on the Polish market in relation to education of the medical professionals in Poland on medical cannabis. ODI Pharma's research team, led by Dr. Marcus Fritzsche is designing the educational program and will lead the efforts together with a Polish expert which the Company will hire in the near future. Also, ODI Pharma provides an independent team that manages the difficult regulatory hurdles. ODI Pharma takes responsibility and all the necessary steps to satisfy all the comprehensive regulatory requirements.

Target group

There is a total of about 40+ indications in which medical cannabis may potentially show results in terms of efficacy. The Supreme Pharmaceutical Chamber of Poland (Naczelna Izba Aptekarska) estimates an immediate market demand of 300,000 patients by 2025. Jędrzej Sadowski, author of the bill legalizing cannabis, estimates 300,000 patients as well. ODI Pharma assumes that it will take some years to actually reach the potential patients' number that actually use the product and the Company estimate that this will be reached in 2025. The Polish regulations do not limit the prescriptions for medical cannabis with respect to certain ailments – therefore all physicians have the authorization to prescribe medical cannabis to all their patients and to 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. The description of the application areas of medical cannabis is presented in the graph below¹⁷:

Multiple sclerosis

In Poland, approx. 20,000 people suffer from Multiple sclerosis ("MS")¹⁸. In Europe, the number is approx. 270,000 people. MS is a disease that affects the central nervous system, i.e. the brain and spinal cord. MS is an autoimmune disease which causes inflammation and scarring of nerve fibres, which means that impulses from the brain do not flow smoothly to the target nerve as they should. Those who suffer from MS are forced to live with the disease for the rest of their life, as presently there is no effective cure. Medical products can, however, slow down the long-term progression of the disease and alleviate the discomfort that arises from the disease, such as tremors and sensory disturbances, altered sensations, balance difficulties as well as stiffness and pain in the muscles. Medical cannabis has been shown to provide a positive impact on these symptoms.



¹⁷ Please note that research is ongoing and to some of the diseases below there is not sufficient proof that medical cannabis is providing any relief or help.
¹⁸ https://journals.viamedica.pl/palliative_medicine_in_practice/article/view/38614/33692

Chronic pain and spinal cord injury (paraplegia)

In Poland, approx. 7,000,000 people¹⁹ suffer from chronic pain constantly or recurring episodically and continuing for a long period of time. Examples of conditions are osteoarthritis and osteoporosis, but patients with MS and pain from chemo therapy can also count in this category. The pain may be attributable to an infection, disease or wear and tear on the body, and the symptoms may arise as headaches, joint pain, back pain and muscle aches. Chronic pain is resistant to treatment or lacks a (known) treatment. A spinal cord injury means that the neural connections between the brain and the body are completely or partially damaged, which may give rise to a situation where volitional motor control ceases to function and/or that feeling disappears. Medical cannabis has been shown to provide a positive impact on these symptoms.

Cytotoxic drugs/chemotherapy

In Poland, approx. 185,000 new people²⁰ are treated annually with chemotherapy. Cytotoxic drugs, also known as cytostatic or cytotoxic chemotherapy, are a group of medical products used primarily in the treatment of cancerous diseases but can also be used as a treatment for HIV/AIDS, chronic inflammatory diseases and autoimmune diseases. The medical product attacks the cells in the body for the purpose of eradicating or inhibiting their continued growth. The treatment often causes an extremely high stress on the body, and in many cases leads to side effects such as loss of appetite and nausea. The side effects are dependent upon the type of cytotoxic drugs given as well as how high the doses are and the number of courses of treatment that the patient needs to go through. Medical cannabis has been shown to provide a positive impact on these symptoms.

The number of dosages for potential medication by cannabis can, therefore, vary for each patient and is determined by a physician. Some patients may need to take medical cannabis during a pre-determined treatment period – while other patients may need to take the medical cannabis for the rest of their life.

ODI Pharma's target groups are patients with treatment indications recommended by the authorities, which include multiple sclerosis, chronic pain, spinal cord injury, and nausea and vomiting as a result of cytotoxic drugs/chemotherapy treatment for various cancerous diseases. Patients undergoing treatment with cytotoxic drugs is a major target groups, with over 185,000 new patients²¹ in Poland in 2018 and over 490,000 patients on a five-year prevalence basis. Among the 7,000,000 patients in Poland that suffer from chronic pain (e.g. osteoarthritis, osteoporosis)²², approx. 68,000 daily doses of opioids are prescribed to Polish patients daily²³. Medical cannabis can be used as a supplement – to reduce the use of morphine. This will give the patients a better quality of life, since morphine is highly addictive and has strong negative side-effects. Also, there are patient groups that consist of approx. 400,000 patients with epilepsy²⁴, 90,000 patients with Parkinson²⁵ and 500,000 patients with Alzheimer's Disease²⁶.

In the European population, the patient groups consist of approx. 1.5 million new patients annually with multiple sclerosis²⁷ and patients undergoing treatment for cancer²⁸, 95 million people with chronic pain²⁹, 6 million patients with epilepsy, 5 million patients suffering from Alzheimer's Disease and 120 million people with arthritis³⁰.

Before the Polish medical cannabis law came into effect end 2017 access to medical cannabis in Poland was limited. Hence, a large proportion of those who engaged in self-medication with medical cannabis in order to relieve pain and treat cramps, prior to the establishment of the law, did this illegally. The quality, strengths and uniformity of the illegal products were not controlled by the authorities and, therefore, exposed patients to undesirable dangers. ODI Pharma estimates that currently approx. 1,900,000 people in Poland have used medical cannabis illegally³¹. Now that a legal alternative has opened up, it is ODI Pharma's assessment that illegal use can be reduced. It is the Company's hope and expectation that the individuals who currently use medical cannabis illegally in the future will use ODI Pharma's legal alternative in the event their physician writes a prescription and, in this way, have access to a safer product with controlled quality under governmental supervision.

¹⁹ <https://journals.viamedica.pl/article/download/61/przewlekly> - Via Medica Journals

²⁰ <http://gco.iarc.fr/today/data/factsheets/populations/616-poland-fact-sheets.pdf>

²¹ <http://gco.iarc.fr/today/data/factsheets/populations/616-poland-fact-sheets.pdf>

²² <https://journals.viamedica.pl/article/download/61/przewlekly> - Via Medica Journals

²³ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5266781/>

²⁴ <https://www.mp.pl/pacjent/neurologia/choroby/146293,padaczka>

²⁵ <https://www.politykzdrowotna.com/43613,jak-wyglada-sytuacja-chorych-na-parkinsona-w-polsce>

²⁶ <https://www.nik.gov.pl/aktualnosci/nik-o-opiece-nad-chorymi-na-alzheimer.html>

²⁷ <http://www.emsp.org/wp-content/uploads/2015/08/MS-in-EU-access.pdf>

²⁸ http://globocan.iarc.fr/old/summary_table_site_prev.asp?selection=290&title=All+cancers+excl.+nonmelanoma+skin+cancer&sex=0&europe=4&build=6&window=1&sort=0&submit=%C2%A0Execute%C2%A0

²⁹ <http://www.pae-eu.eu/wp-content/uploads/2013/12/The-state-of-pain-management-in-Europe.pdf>

³⁰ https://www.eular.org/public_affairs_home.cfm

³¹ <https://taomc.org/fr/news/cannabis-in-poland>

ODI Pharma today and the way forward

As more and more countries in Europe are opening up the legislation on medical cannabis, significant business opportunities open up. ODI Pharma intends to produce medical cannabis finished products where the Company's subsidiary ODI Pharma Polska Sp z.o.o. will work with a GMP processing facility together with a subsidiary of the Company's partner NEUCA, which after the import of the raw material will package and test under GMP requirements to the Company's specifications in Poland. The raw material of bulk dried flowers will be packaged under the Company's various specifications after the testing and would then be able to be delivered to wholesale distributors and pharmacies who in turn will then provide the medical cannabis product to patients

ODI Pharma has, during the last year, achieved two significant agreements with Aphria and NEUCA, and the Company has also been conducting startup of the operations. In order to initiate the Polish strategy, the Company needs capital for trade finance the first order of raw material from Aphria. This first order is expected to be formulated in early 2020, and the development of the brand will then take place in Poland. The Company estimate that the first shipment will be received in mid-2020. Domestic cultivation is not allowed in Poland, consequently all supply of products stems from import.

During 2020, ODI Pharma will conclude all aspects of what it takes to launch the brand and receive the Marketing Authorization for starting the sales of the products on the Polish market. The marketing authorization application is detailed about the process of the creation and handling of medicine in order to make sure that all processes are controlled and valid. The Company estimates that the sales will begin in mid-2020, and the Company aims at a market share of minimum 10% (meaning approx. 11 550 patients), in the first year of its operational sales, which is based on a conservative estimation of the Polish market.

ODI Pharma aims at continuing the development of sales channels in further markets in Europe, as well as exploring the possibility of future business opportunities.

Assets

The Company has invested substantial financial and time resources to establish an efficient and functional infrastructure to supply medical cannabis to the European market, initially focused on Poland. The infrastructure is properly handling all aspects of the operations of the business.

Furthermore, parts of the infrastructure that was established are the intangible assets that ODI Pharma possesses, which means the essential agreements with Aphria and NEUCA, which constitute the Company's ability to operate on the Polish market for medical cannabis.

ODI Pharma envisages that in all countries of operation to own, manage and promote its proprietary brand of medical cannabis. The Company has a clear view on how to implement and expand the business strategy

The Company chose not to have any significant investments in relation to material assets or in cultivation. ODI Pharma has no investments in machinery.

Educational activities of ODI Pharma

The Company sees it as clear from the Polish governmental agencies that medical professionals in Poland will need education in order to fully understand the medical cannabis products and to be able to prescribe these to patients. ODI Pharma intends to educate the pharmaceutical companies on the medical cannabis products that the Company aims to sell on the Polish market. The Company has agreed with its strategic partner Aphria to receive access to educational information and support. ODI Pharma will hold seminars, on site medical training and research initiatives. ODI Pharma will have access to a broad team that will support the product in clinics, pharmaceutical press, conferences for doctors and pharmacists. The Company estimates that these activities will start early next year. The funding for these activities is outlined in the Use of Funds under the section on seminars and educational conferences previously in the memorandum.

Permission to sell medical cannabis in Poland

In order for companies to sell and market medical and pharmaceutical cannabis products in the EU and Poland, companies, as well as their suppliers and distributors are required to have a set of permits and certifications. ODI Pharma and its strategic partners are working closely with the government agencies in order to make sure that the relevant certifications and permits are adhered to, and that the patients are able to access safe products with high quality. ODI Pharma and its subsidiaries are at the time of this listing memorandum in the process of being granted the marketing authorization

certification, which the Company estimate will be in place in order for the sale of the products to start mid-2020 as it is a standard procedure. The marketing authorization application is detailed about the process of the creation and handling of medicine in order to make sure that all processes are controlled and valid.

ODI Pharma Polska Sp. z o.o. is submitting documentation to URPL (part of the Polish Health Ministry) in Poland for the Marketing Authorization. This agency is the Polish equivalent of *Läkemedelsverket* that gives permission to companies in Poland to operate in the Pharmaceutical industry.

The Marketing Authorization is a critical step for ODI Pharma Polska Sp. z o.o. The application is in the process and it is a document that details all steps to the process of supplying patients with the Company's product brand. The application is anticipated to soon be submitted. Due to the strong partnerships with market leaders with experience on cultivation, import and distribution it is expected that the process represents a formality. The process as defined by the Polish Health Ministry is that the Marketing Authorization is granted within 4-7 months after all information has been provided. The majority of required material is in hand and expected to be turned in during January 2020. Delays in submission will have a straight-line delay to ODI Pharma's operations and sales of product. The product which the Company aim to sell cannot be released to the market unless the Marketing Authorization is in place.

Unlike certain other countries with legalizations regarding medical cannabis, Poland does not have a pilot program. The law is in place and products can be sold indefinitely. There are no quotas restricting sales volumes. A MAH status would require continuous oversight on the product. ODI Pharma has hired a team (specialized contractor) to perform that task. The product does not fall under the pharmacovigilance regulations, which means procedures are less complicated compared to medicines. However, ODI Pharma's team's experience makes the Company prepared for a scenario where cannabis would fall under pharmacovigilance if regulations change in the future.

Non-exclusivity as a strategic business decision

The agreement with Aphria is non-exclusive which is a strategic business decision that follows ODI Pharma's overall business strategy. The Company estimates that this is a strength of the Company, because it will therefore not be locked to a single supply partner. Successively, if needed the Company could benefit from its excessive network in the industry. The Company will not be tied to a single party of supplier which might significantly impact the operations of its business. The medical cannabis market is new and has seen some turbulence in its infancy. There are documented cases where companies have been left without a supplier because the supplier has been unable to produce medical cannabis, which has severely damaged the operations. ODI Pharma estimate that the strategic choice of not being tied to a single supplier will be a good operative decision for the Companies current – and future – business operations. ODI Pharma will gain a flexibility on the market which will enable it to secure new suppliers if needed, rather than being tied and risk losing valuable sales as well as being able to offer patients a steady supply of medical cannabis products.

Essential agreements for ODI Pharma

ODI Pharma has secured two strategic partners, Aphria and NEUCA, in order to initiate the Polish Strategy. The Company has carefully evaluated these partners in relation to its strategic plans for initiating the Polish Strategy in Poland. The agreements which govern these partnerships are to be considered significant to the Company and its operations.

Aphria Inc. is a global cannabis company, based in Ontario, Canada and listed on the Toronto Stock Exchange. Aphria has a license for cultivation and research across five continents, and distribution licenses in North America, South America and Europe. Aphria is a worldwide leader in the production, distribution and supply of high-quality cannabis. It is the Company's opinion that Aphria is driving sustainable long-term shareholder value through a diversified approach to innovation, strategic partnerships (ODI Pharma amongst others) and global expansion, while effectively mitigating risk in the rapidly evolving cannabis industry. Aphria has a 509-step quality management program in place which represents the highly restricted and regulated pharmaceutical industry. Aphria is also technologically advanced and has among the lowest production costs in the industry which translates to attractive purchase price for the Company and the patient³². ODI Pharma's subsidiary ODI Pharma Polska has signed a supply agreement with Aphria in 2019. The supply agreement is important to ODI Pharma as it determines the conditions at which ODI Pharma can import products from Aphria. Also, the supply agreement guarantees supply of product to ODI Pharma's business ventures and describes the terms and conditions for importing Aphria's products to the Polish market. It outlines the pricing and payment terms. This agreement is updated every two years. ODI Pharma is using this agreement to start sales in Poland as of mid-2020. The relationship with Aphria was established over a long-term process and ensures that ODI Pharma always has access to products of good quality. No exclusivity has been granted to Aphria, however ODI Pharma regards Aphria as the most sophisticated and primary provider of ODI Pharma's raw material product. The agreement is for two years from first orders, and the agreement is renewed automatically thereafter on an annual basis. Standard cancellation clauses apply.

NEUCA is a Polish company with more than 25 years of tradition. As of today, NEUCA has a 28,9% market share in all pharmaceutical sales in Poland. NEUCA is active in numerous areas of the national healthcare market. The company is developing dynamically both in the pharmaceutical and medical field. NEUCA is a leader in wholesale distribution of pharmaceuticals – which is the core of NEUCA's business activity. NEUCA is recognised by 60,6% of independent pharmacies, which there are over 9.400 of in Poland, as being the most important supplier of pharmaceuticals³³. The Company estimates that the agreement with NEUCA provides long-term security of cooperation. NEUCA has built close and lasting relationships to respond to the emerging needs of nearly all independent pharmacies in Poland. ODI Pharma has a long-term distribution contract for the product range and the distribution agreement was signed early 2019. It is the Board's opinion that the agreement ensures that ODI Pharma is very well positioned to assume a leading position in the sales of medical cannabis in the Polish market. The Company estimates, based on the existing agreements, that profitability on initial transactions will support further growth incrementally. Large medical wholesalers are not allowed to grant exclusivity agreements to one provider of a product category, which means that ODI Pharma does not have an exclusivity agreement with NEUCA. Standard cancellation clauses apply.

The agreements with Aphria and NEUCA are, apart from being vital to the Company's operations, built on an expectation of how much medical cannabis products that ODI Pharma will sell on the Polish market for medical cannabis. These expectations are being outlined in the section on financial objectives of ODI Pharma during its first year of operations. The Company describes in the section "A conservative outlook" that the financial objectives are conservatively estimated based on the market share and the number of patients described medical cannabis in Poland as well as the Company not wanting to participate in an unfunded hype of the medical cannabis market which could severely damage the Company's operations. If ODI Pharma is not going to reach its internal targets and objectives, it will evaluate further means of market access to achieve the set goals. The Company estimate that the risk of the agreements being terminated is low, since the Company and its strategic partners are tied closely together through its cooperation. ODI Pharma does not intend to change or end the agreements with its supplier or distributor but in the event of such a case, as being presented in the memorandum, the non-exclusivity agreement would enable the Company to seek other suppliers and the Company estimate that this would not affect the operations of the Company in a significant way.

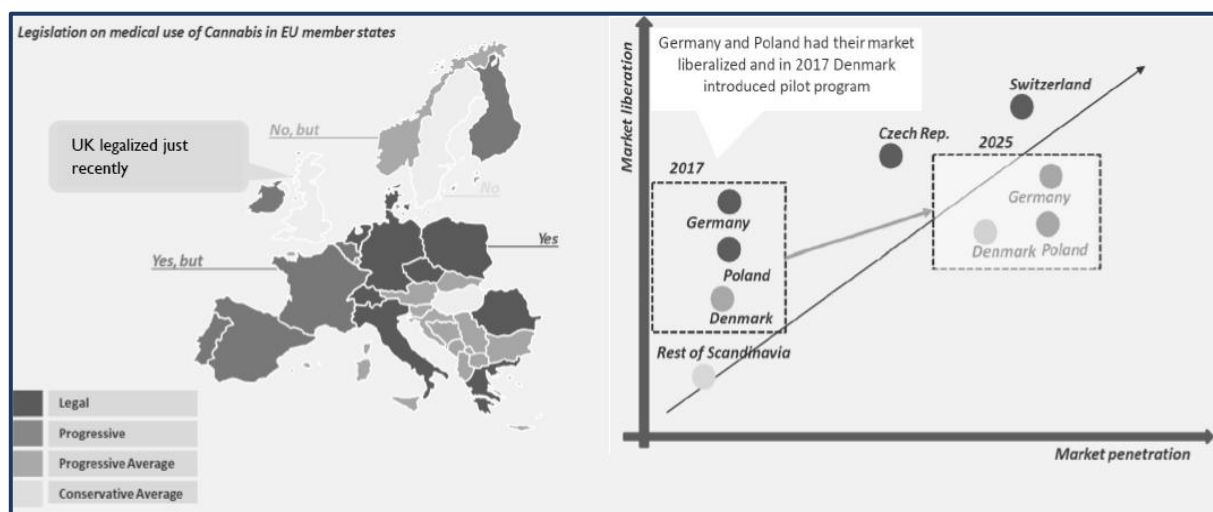
³² <https://www.nasdaq.com/articles/aphria-doubles-its-cannabis-production-capacity-2019-11-04>

³³ <https://neuca.pl/uploads/direct/ea8bedc45999599c4b2f54a1f2a99fd5.pdf>

ODI Pharma’s Market Overview

Canadian companies are leading the cultivation industry and expose the deepest knowledge and experience of the cultivation of the cannabis plants. Cannabis for medical applications is difficult to cultivate and currently cultivators are in a “race to produce”, and investment costs are therefore substantial. Canadian companies are operating at a totally different scale than their European counterparts and are clearly in a pole position to provide products to all European markets. However, the Canadian cultivators are producing only a small amount of their total cultivation for the European market. It can be difficult to find products suitable for the European market. The following graph demonstrates the political and regulatory evolution over the recent years, and the forecast estimation on the medical cannabis market³⁴. The individual EU member states are the ones who set up the rate of implementation and the level of deregulation³⁵.

The European product requirements are limiting the supply as of today. The demands of European authorities on medical cannabis companies are very strict. Long-term, it is the Company’s estimate that the market will see a considerable oversupply of product in the long run, which will have an impact on pricing.



The Canadian cultivation of medical cannabis

In 2001, Health Canada granted access to cannabis for medical purposes to Canadians under the Marihuana Medical Access Regulations, and consumption of cannabis for prescribed medical purposes has grown substantially in recent years. The Cannabis Act prohibits any company involved in the cultivation business from exporting cannabis for any purposes other than medical or scientific purposes³⁶.

Health Canada collects data regarding the cultivation of cannabis under the Cannabis Tracking System Ministerial Order. As of 2019-08-29 Health Canada reported the following highlights regarding the cultivation and inventory of legal cannabis³⁷:

- Total sales of dried cannabis increased from 21.616 kilograms in Q1 2019 to 28.374 kilograms in Q2 2019.
- Total inventory of finished dried cannabis held by cultivators, processors, distributors and retailers increased from 30,746 kilograms at the end of March 2019 to 48.918 kilograms at the end of June 2019.
- Active cultivation area increased from 698.224 square meter in March 2019 to 1,551,440 square meter in June 2019.

Europe













It is the Board’s opinion that the European market has the possibility to grow into the largest market in the world for medical cannabis products. Europe has approx. 743 million residents, and the total amount of expenditure for health care

³⁴ Prohibition Partners, European Parliamentary Research Service, ODI Pharma
³⁵ <https://www.europarl.europa.eu/news/en/headlines/society/20190207STO25316/medical-cannabis-meps-call-for-research-and-eu-wide-rules>
³⁶ <https://www.canada.ca/en/services/health/campaigns/cannabis/industry.html#a9>
³⁷ <https://www.canada.ca/en/health-canada/services/drugs-medication/cannabis/research-data/market.html>

amounts to around 2.3 trillion euros. In 2028, the market for medical cannabis is expected to be worth around 58 billion euros³⁸. The last few years have seen a significant rise of the medical application of cannabis as more research has proved its positive effect on the treatment of different illnesses³⁹.

European medical cannabis market (selected countries)⁴⁰

European countries have not assumed a common approach towards the legislation and application of medical cannabis. Germany, Poland, Italy, Denmark and Greece are on the forefront of the European development. Political acceptance and further scientific research are both expected to shape the industry in the coming years.

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

*in bn EUR for Poland and Denmark. Data for Total Healthcare Expenditure for Poland from OECD. All other data from Prohibition Partners

Forecast of medical cannabis market value for selected European countries: 2018-2028⁴¹

The projected market value within selected European markets reveals the potential of the establishment of and treatment of illnesses with medical cannabis. Market analytics expects that the product will be established as an alternative treatment and supplementary to standard treatment to combat a broad range of illnesses and side effects of existing treatment methods. The industry is currently in its infancy and it is expected that growth will develop quickly over the coming years. The market value of selected European industries only is expected to reach EUR 40 billion by the end of 2028.



The initial main target market: Poland

The Board estimates that Poland offers an exciting market with great potential for growth. Medical cannabis is legal as a prescribed medication since 2017. Poland has a population of around 38 million residents, and the total healthcare expenditure is estimated to 72 billion euros. Also, Poland shows one of the highest ratios of pharmaceutical spending from the total healthcare expenditures globally, c. 21%⁴². The Polish market estimate of medical cannabis patients is 300,000 by 2025⁴³, and the forecast estimate on the medical cannabis market 2028 is 2 billion euros. Pharmacists estimate that the initial cost per gram for patients will be EUR 13-15, adding up to approx. EUR 400 per patient per month⁴⁴, which gives rise to a sizeable medical market in the short-term. ODI Pharma is taking a more conservative approach to the estimates in its forecasts and believes it will take up to five years to reach this level based on the experience of other markets globally.

The prescription of medical cannabis is not restricted to certain ailments. 1% of the population suffers epilepsy, and 20% of those suffers from drug-resistant epilepsy. 30% of the population suffers from some form of migraine, and there are approx. 10 million people in Poland which have some form of arthritis. 1.5 million people suffer from depression. Approx.

³⁸ The European Cannabis Report, 4th edition
³⁹ <https://www.grandviewresearch.com/industry-analysis/legal-marijuana-market>
⁴⁰ WHO, Prohibition Partners, World Bank, UNODC. As of January 2019.
⁴¹ Based on Prohibition Partners, calculations by ODI Pharma
⁴² <https://data.oecd.org/healthres/pharmaceutical-spending.htm>
⁴³ The Pharmaceutical Chamber of Poland (Naczelna Izba Aptekarska)
⁴⁴ <https://www.analyticalcannabis.com/articles/medical-cannabis-goes-on-sale-in-poland-311466>

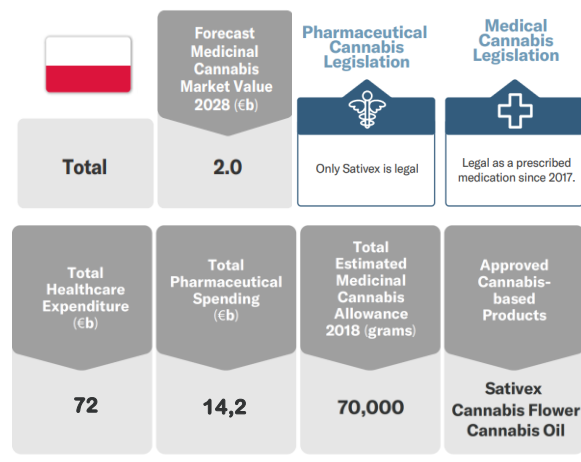
170,000 people suffer from cancer and 24,000 from HIV⁴⁵. The Polish market is therefore significant and constitutes, at this point in time, of 27% of all consumers able to acquire medical cannabis in Europe and provides an interesting investment opportunity.

Where as the German market is estimated to be the largest market for medical cannabis in Europe, that is also the market which most companies are going to try to target. The Polish market demands an import of cannabis – companies do not have to invest in cultivation of their own, which the German market demands. This makes the Polish market the ideal place to do business for ODI Pharma initially. ODI Pharma has import, packaging and logistics capabilities in Poland through local partnerships.

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

Access to medical cannabis products in Poland

In the Summer of 2017, Poland’s lower house parliament voted in favor of making medical cannabis legal “under certain circumstances”. The bill was backed by the country’s Health Care Committee, was enacted in the same year and the bill was far less restrictive than its predecessors, allowing doctors to offer prescriptions for any condition that can be treated or eased with medical cannabis if supported by research. Pharmacists and doctors were encouraged to educate themselves on all things cannabis related before the bill was enacted in October 2017. Since the legalizing of cannabis in 2017, the Polish medical cannabis market has suffered from a lack of supply due to the supporting legislation bans domestic cultivation in Poland⁴⁶. Companies therefore have to import the product.



Healthcare in Poland is delivered through a publicly funded system called the National Health Fund which is free for all the citizens of Poland provided they are insured, which usually means that they have their health insurance paid for by their employer or are the spouse or child of an insured person. Medical cannabis is currently not covered by the public health insurance, however that might change in the future. Medical cannabis education will also be a necessity for the medical community. Despite the vast legislative progress in several European countries, including Poland, there still exists a gap between the legislation and practical application of the law⁴⁷.

Competitors

The Company estimates that ODI Pharma is going to compete against a few large producers on the Polish market. These include, but are not limited to, Bedrocan International, Spectrum Therapeutics and Aurora Cannabis Inc. These companies have global operations and provide similar products to that of ODI Pharma. However, the Company will retain a low-cost structure, strong local partners and the flexibility to provide the best products on the market which, in the Company’s opinion, will secure the Company’s competitive position. It is the Board’s estimation that ODI Pharma is one of a few independent European companies that focuses solely on medical cannabis (not CBD food supplements) in Europe. The Company is one of the most experienced in Europe for this product as it performed extensive hands-on due diligence with one of the first ACMPR licensed producers that produced under Canadian government supervision. It is the Board’s opinion that the Company has distribution in place reaching a very large percentage of Polish pharmacies, clinics and hospitals.

⁴⁵ ODI Pharma research, aids.gov.pl, GUS, International Agency for Research on Cancer, Klinika Neurologii Uniwersytet Jagiellonski Collegium Medicum w Krakowie.
⁴⁶ <https://mjbizdaily.com/poland-approves-aurora-cannabis-as-medical-marijuana-supplier/>
⁴⁷ The European Cannabis Report, 4th edition

ODI Pharma AB company structure and history

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.

Group and shares



ODI Pharma Schweiz AG is the Swiss subsidiary of ODI Pharma AB. ODI Pharma AB holds 100% of the shares in the company. The subsidiary was established in 2018. The Swiss company will be the research hub carrying out the research and educational project mentioned above for the ODI Group's operations and will provide further distribution agreements in other countries.

Country of company formation	Switzerland
Country from where the subsidiary has its operations	Switzerland
Organization number (Swiss)	CHE-242.702.959
Ownership	ODI Pharma AB owns 100% of the shares

ODI Pharma Polska Sp. z o.o.

ODI Pharma Polska Sp. z o.o is the Polish subsidiary of ODI Pharma AB, which is responsible for the Polish operations, carrying out the import, brand and product awareness and sales in Poland. ODI Pharma AB holds 100% of the shares in its Swiss subsidiary ODI Pharma Schweiz AG, which in turn holds 100% of the shares in ODI Pharma Polska Sp. z o.o. The subsidiary was established in 2018.

Country of company formation	Poland
Country from where the subsidiary has its operations	Poland
Organization number (Polish)	0000729774
Ownership	ODI Pharma AB owns 100% of the shares

Key historical events

Year	Event
2018	ODI Pharma Schweiz AG (at the time known as OD Investments AG) is starting its business activities.
2018	ODI Pharma Polska Sp. z o.o. is starting its business activities.
2019 Q1	Agreement with Aphria regarding the import of raw material.
2019 Q1	Agreement with NEUCA regarding the distribution of medical cannabis products in Poland.
2019 Q4	Formation of Swedish holding ODI Pharma AB. ODI Pharma AB holds 100% of the shares in its Swiss and Polish subsidiaries.

Formation of holding company

ODI Pharma AB was established in October 2019. To create the company group, ODI Pharma AB on the one end, and Derek Simmross and Volker Wiederrich (“the Sellers”) on the other end, entered into a share purchase agreement in which the Sellers agreed to sell and transfer all of their shares in ODI Pharma Schweiz AG to ODI Pharma AB. The shares were transferred to ODI Pharma AB in exchange for a promissory note, amounting to CHF 100,000, corresponding to approx. MSEK 1⁴⁸, provided to the Sellers. As Derek Simmross owned 49 percent of ODI Pharma Schweiz AG and Volker Wiederrich owned 51 percent of ODI Pharma Schweiz AG, the promissory note constitutes that CHF 49,000 is credited Derek Simmross and CHF 51,000 is credited Volker Wiederrich. In the forthcoming new share issue, each of the Sellers have entered into an agreement regarding pre-subscription commitment. Each of the Sellers agreement regarding pre-subscription commitment will be partly settled by offsetting the promissory note for shares in the forthcoming new share issue.

Development of future research initiatives

ODI Pharma is fully committed to bringing patients the highest quality product available on the European market, and that the use of medical cannabis is at an appropriate level and only to those patients that need the medication. ODI Pharma intends to start research activities based in Switzerland. The research initiatives are intended to focus on understanding the correct intake mechanisms of medical cannabis, and to support the operations in Poland. The Company estimates these research initiatives will be profitable for the Company and support its future business activities in Poland. As outlined in the section Use of Funds in this memorandum, the Company will only allocate a relatively small amount of funds to the research activities as the main focus of the Company remains on the sale of products.

ODI Pharma Schweiz AG is the strategic, research and educational hub of the ODI Pharma group. In regard to research, it is the belief that ODI Pharma Schweiz AG has a process to understanding the effects on patient’s safety. Actually, to determine which patients have certain pre-defined risk factors to be medicated with Cannabis. The tests are to be carried out under the regulation of the Swiss Government Research program. The project is still in the early development phase and it is believed that it will be of great value to the entire medical cannabis industry as a tool for prescribing medication. Being in the early phases, there is still a requirement to finalize the application to the Swiss medicines’ agency.

Head of the research initiatives in Switzerland will be Dr. Markus Fritzsche, who has an extensive background in the research field of cannabinoids including THC and CBD, as well as the human endocannabinoid system for more than two decades. Dr. Fritzsche has numerous publications in reputed journals and newspapers and is a previous advisor to Swiss governmental bodies in multiple fields of research.

⁴⁸ It is to be noted that the amount in question is not related to the valuation of the Company, as this was an internal regulation and an amount corresponding to the nominal value of the shares in ODI Pharma Schweiz AG.

Subscription commitments

ODI Pharma is hereby implementing a new issue of shares in which the public will also be given the opportunity to subscribe for shares. A fully subscribed new share issue will provide the Company with approx. MSEK 25 before issue costs, which is expected to amount to a total of approx. MSEK 2.45. ODI Pharma has obtained subscription commitments corresponding to approx. MSEK 17.5, equivalent to approx. 70% of the issue volume. All parties that have concluded subscription commitments can be reached via the Company's address.

Subscription commitments

The table below presents all the subscription commitments which have been agreed in writing and signed. All subscription documents were confirmed and countersigned on the 16th of October 2019. The subscription commitments have not been secured through advance transaction, bank guarantee or similar. No premium compensation has been given for these commitments. Note that pre-subscribers will receive full allocation in relation to the concluded subscription commitment.

Pre-subscriber	Amount (SEK)
<i>ESK Invest AS</i>	1,324,993.20
Derek Simmross*	1,182,494.40***
Volker Wiederrich**	1,182,494.40***
Niclas Kappelin	1,059,996.40
Mikael Blihagen	659,998.80
<i>Polynom Investment AB</i>	659,998.80
Jens Olsson	659,998.80
Gerhard Dal	659,998.80
Alexander Schöneck	659,998.80
Andreas Johansson	659,998.80
Daniel Sandberg	659,998.80
Love Carlsson	659,998.80
Eastbridge Capital AB	659,998.80
Sebastian Clausin	659,998.80
Jimmie Landerman	659,998.80
Kent Eklund	499,992.40
<i>Modelio Equity AB</i>	460,000.00
Christian Månsson	449,999.60
John Bäck	399,997.60
<i>Råsunda Förvaltning AB</i>	299,993.60
Henrik Amilon	299,993.60
Johan Kjell	299,993.60
Oscar Eriksson	249,991.60
Oliver Molse	199,998.80
Kent Mårtensson	199,998.80
<i>Dzano Hasanagic</i>	199,998.80
Johan Larsholm	199,998.80
Peter Näslund	199,998.80
Martin Wittberg	199,998.80
Harry Matilainen	149,996.80
Peter Nilsson	149,996.80
John Moll	149,996.80
<i>Paginera Invest AB</i>	149,996.80

Mathias Nimlin	149,996.80
Erik Sedenberg	99,994.80
<i>Tomoko International Aktiefbolag</i>	74,998.40
Svante Larsson	74,998.40
<i>Stamgården Invest AB</i>	74,998.40
Thomas Gidlund	74,998.40
Philip Löchen	74,998.40
Niclas Löwgren	49,992.80
Martin Bengtsson	49,992.80
Total	17,494,876.40

* CEO and Board member

** Chairman of the Board

*** Mr. Simmross and Mr. Wiederrich have a promissory note amounting to approx. MSEK 0.49 for Mr. Simmross and approx. MSEK 0.51 for Mr. Wiederrich. The promissory note, which was issued in connection with the formation of the Swedish holding company and subsequent purchase of shares of ODI Pharma Schweiz AG, will be offset for shares in the forthcoming new share issue, meaning that part of Mr. Simmross' and Mr. Wiederrich's pre-subscription commitments will not be paid for in cash but as a settling of a debt.

Financial overview

ODI Pharma AB was formed in October 2019. ODI Pharma is a holding company and has subsidiaries. The financial overview presents interim accounts on the Company's subsidiaries for the years 2018 – 2019. The financial overview presents financial accounts obtained from the Company's reviewed interim accounts, incorporated via reference. The cash flow statement has been prepared for the purpose of being included in this memorandum. The Company's first fiscal year is 10/2019 – 06/2020. Due to the formation of the Company in October 2019, no comparative accounts are available.

The previous historical revenue for the Company comes from advisory work that ODI Pharma's subsidiary has done in the medical cannabis market. The Company expects that this form of revenue is not in line with future corporate strategy. Currently, the company does not have a consistent form of income as focus is on implementation of the Polish strategy. The capital raise is preparing the company for orders to start Q1-Q2 2020.

The Company's subsidiaries primarily hold current assets (cash in bank accounts) and very limited fixed assets. The main fixed asset of the Swiss subsidiary company is the participation in the Polish subsidiary, which is as of the date of this memorandum valued at cost. The Company commits to quarterly publish a valuation statement that explains how the assets and liabilities of the company are valued. There are no financial demands or loans in the Company's subsidiaries in Poland or Switzerland which are not stated in the financial overview. The Company's subsidiaries' financial statements have not been audited.

Accounting principles

The financial statements of ODI Pharma AB as well as the ODI Pharma Group and proforma are prepared in accordance with the Swedish Annual Accounts Act and the standards of the Swedish Accounting Standards Board (BFNAR) 2012:1 (K3).

The financial statements of ODI Pharma Schweiz AG are prepared in accordance with provisions of Swiss law, in particular the articles on commercial bookkeeping and accounting of the Swiss Code of Obligations (Art. 957 to 962). The financial statements of ODI Pharma Polska Sp. z o.o. are prepared in accordance with the Polish Accounting Act.

Documents incorporated with respect to historical information

Historical financial information is incorporated via reference. The financials of ODI Pharma AB have been audited. The reviewed ODI Pharma Polska Sp. z.o.o. financial statements for the period from the 4th of April 2018 until the 31st of December 2018 as well as the 1st of January 2019 until the 30th of September 2019 and in addition the reviewed ODI Pharma Schweiz AG interim financial statements for the periods from the 23rd of February 2018 until the 30th of June 2019 as well as from the 1st of July 2019 until the 30th of September 2019 are incorporated by reference. Documents incorporated via reference are available at the Company's website (www.odipharma.com) and Company's office (Engelbrektsgatan 9-11, 114 32 Stockholm, Sweden).

Incorporated via reference

Audited ODI Pharma AB Report as of 23.10.2019

Unaudited Proforma Statement for the ODI Pharma Group as of 30.09.2019

Unaudited ODI Pharma Schweiz AG Financial Statement 23.02.2018 – 30.06.2019

Unaudited ODI Pharma Schweiz AG Interim Financial Statement 01.07.2019 – 30.09.2019

Unaudited ODI Pharma Polska Sp. z o.o. Financial Statement 04.04.2018 – 31.12.2018

Unaudited ODI Pharma Polska Sp. z o.o. Interim Financial Statement 01.01.2019 – 30.09.2019

Dates for release of financial information

Current financial year:	1st of October 2019 – 30th of June 2020
October – December 2019 (Q2)	27 th of February 2020
January – March 2020 (Q3)	28 th of May 2020
Year End report 2019/2020	27 th of August 2020
Annual Report 2019/2020	17 th of December 2020
July – September 2020 (Q1)	27 th of November 2020

Since ODI Pharma AB was formed in October 2019, no comparative figures are available.

Comments on financial development

Please note that the financial statements of ODI Pharma Schweiz AG are prepared in accordance with provisions of Swiss law, in particular the articles on commercial bookkeeping and accounting of the Swiss Code of Obligations (Art. 957 to 962). The financial statements of ODI Pharma Polska Sp. z o.o. are prepared in accordance with the Polish Accounting Act.

The previous historical revenue of CHF 740,100 comes from advisory work that ODI Pharma's subsidiary has done in the medical cannabis market. The Company expects that this form of revenue is not in line with future corporate strategy. Currently, the Company does not have a consistent form of income as focus is on implementation of the Polish strategy. The capital raise is preparing the Company for orders to start Q1-Q2 2020. Part of this revenue was used to build the current infrastructure that exists today to prepare ODI for implementation initiatives.

Turnover and operating results

ODI Pharma Schweiz AG's revenue from foundation of the Swiss subsidiary until the 30th of September 2019 amounted to CHF 740,100 with a profit after tax of CHF 247,282.59.

ODI Pharma Polska Sp. z o.o.'s revenue from foundation of the Polish subsidiary company until the 30th of September 2019 amounted to PLN 115,657.03 and had a net profit after tax of PLN 38,092.96.

Balance sheet and equity ratio

ODI Pharma AB was registered with the Swedish Companies Registration Office on the 21st of October 2019 with a Shareholder Equity of SEK 500,000. The company has no long-term liabilities.

ODI Pharma Schweiz AG, as of the 30th of September 2019, has total assets of CHF 454,951.39, equivalent to SEK 4,494,919.73, which primarily consist of cash holdings (444,171.94 CHF). The shareholder equity amounts to CHF 347,282.59. The company has no long-term liabilities.

ODI Pharma Polska Sp. z o.o., as of the 30th of September 2019, has total assets in the amount of PLN 103,815.78, equivalent to SEK 254,348.66. The shareholder's equity is PLN 43,092.96. The company has no long-term liabilities.

Cash Flow and Net Result

ODI Pharma Schweiz AG's cash flow from operating activities in its first financial year (from February 2018 until the 30th of June 2019) resulted in a CHF 326,088.16 (equivalent to SEK 2,960,880.49) profit after taxes. Cash flow from operations (from February 2018 until the 30th of June 2019) amounts to CHF 362,605.29, from investment activity CHF -5,110.29, and after considering the payment of share capital of CHF 100,000.00 resulting in a total cash flow in the financial period of CHF 457,495.00. In the period from July to the end of September 2019, operating activities caused a loss of CHF -78,805.57 with no further revenue. Total cash flow from operations from July to the end of September 2019 was CHF -13,323.06 which resulted in a total cash flow in the financial period of CHF -13,323.06.

ODI Pharma Polska Sp. z o.o., during June 2018 and December 2018, incurred a loss of PLN 22,500 or SEK 54,450.97, in Q1-Q3 2019 had a PLN 60,593.36 or SEK 148,453.73 profit. ODI Pharma Polska Sp. z o.o., during June 2018 and December 2018, incurred a loss of PLN 22,500 or SEK 54,450.97, in Q1-Q3 2019 had a PLN 60,593.36 or SEK 148,453.73 profit. Net Cash from operations during April 2018 and December 2018 amounts to net cash from operating activities of PLN -2,260.20. Total net cash flow was 2,739.80 after cash inflows of PLN 5,000.00 for the share capital. Net Cash from operating activities in the period of January 2019 to September 2019 was PLN 17,689.76. Also, the total net cash flow amounted to PLN 17,689.76.

Financial resources and financial structure

As of the 30th of September 2019, ODI Pharma is sufficiently capitalized for operations until placing orders. As of the 30th of September 2019, ODI Pharma Schweiz AG's equity ratio was 76%. With the currently proposed capital raise of MSEK 25 before fees, the company will receive sufficient funds to trade finance and the company deems this will be sufficiently capital for implementing the Polish expansion. As stated in the document, 75% of this capital raise is seen as trade finance and 25% intended for operational expansion.

Working capital

According to the Company's assessment, the existing working capital intended to finance the first orders is not sufficient for the current needs for 12 months as of the date of issue of the memorandum. The deficit amounts to approx. MSEK 16 for trade finance and the balance for growth on the MSEK 25 before fees capital raise. Working capital needs are expected to arise Q1 early Q2 2020. In order to contribute to the Company's working capital, ODI Pharma AB now carries out a new share issue, amounting to approx. MSEK 25 before issue costs. In order for the Company to be provided with sufficient working capital to run the business at the desired rate for at least 12 months ahead, it is required that, after financing of issuance costs, the Company will receive subscription agreements of at least approx. MSEK 12 through the new share issue described in this memorandum. ODI Pharma AB has, through written agreements, received subscription agreements totalling approx. MSEK 17.5, corresponding to approx. 70 percent of the issue volume. However, these commitments have not been secured through advance transaction, bank guarantee or similar. If one or more subscribers fail to fulfil their obligations, the Company may not receive at least MSEK 12 after the issuance costs have been funded. Then, the Company will examine alternative financing opportunities such as additional capital acquisition, grants or funding together with one or more partners, alternatively, carry out operations at a lower rate than expected until additional capital can be acquired. In the event that ODI Pharma AB is not supplied at least approx. MSEK 12 in the new share issue and all alternative funding opportunities fail, there is a risk that the Company will have to revise its development plans significantly, which may delay the development of the Company's operations. In the long run there is a risk that, if all financing opportunities and sales of imported products fail, the Company is bankrupt.

Restrictions on the use of capital

There are no restrictions on use of capital.

Investments in fixed assets

The table below shows the fixed assets of the Company. The Intangible assets are the Company's Supply and distribution agreements. The absolute value cannot be documented as a number as it is not a static figure.

(SEK)	190930
Tangible assets	
ODI Pharma AB 10/23/2019	0
ODI Pharma Schweiz AG 09/30/2019	7,410.00
ODI Pharma Polska sp. Z o.o.	0
Financial assets	
ODI Pharma AB 10/23/2019	0
ODI Pharma Schweiz AG 09/30/2019	40,325.52
ODI Pharma Polska sp. Z o.o.	0
Intangible assets	0
Total fixed assets	47,735.52

On-going and future investments

ODI will continue the path of low fixed costs, Management will likely not be taking salaries in the near future. 75% of the capital raise are earmarked as direct investments to the purchase of product. These investments are expected to have a clear solid return on capital and have a direct benefit on the bottom line. As mentioned, 25% of the capital raise will be spent on hiring support staff in Poland and investments in Switzerland for research initiatives and procuring further distribution contracts outside of Poland.

Pledged collateral and contingent liabilities

ODI Pharma has rented offices in Sweden, Switzerland and Poland. Office rents in total are approx. SEK 10,000 a month.

Significant changes in financial position

No significant changes with respect to the Company's financial position or its position in the market have occurred since the 30th of September 2019.

Accounting standards

In general

Sweden will follow the Swedish Annual Accounts Act and the standards of the Swedish Accounting Standards Board (BFNAR) 2012:1 (K3), Switzerland *the Swiss Code of Obligations (Art. 957 to 962)*, Poland the Polish Accounting Act.

Income statement – ODI Pharma AB

Please find below the Income Statement for ODI Pharma AB (publ) from its foundation (30th of September 2019) to the 23rd of October 2019.

ODI Pharma AB	190930-191023
<i>Income statement</i>	<i>Audited</i> <i>(SEK)</i>
Operating income	
Net sales	0
Total operating income	0
Operating costs	
Other external expenses	-10,243.91
Total operating costs	-10,243.91
Operating profit	-10,243.91
Profit for the period	-10,243.91

Balance sheet – ODI Pharma AB

Please find below the Balance Sheet for ODI Pharma AB (publ) as of the 23rd October 2019. Please note that ODI Pharma AB purchased the shares of ODI Pharma Schweiz AG, including its subsidiary company ODI Pharma Polska Sp. z o.o., from Derek Simmross and Volker Wiederrich on 25th October 2019 on a promissory note issued by ODI Pharma AB.

ODI Pharma AB	191023
<i>Balance sheet</i>	<i>Audited</i>
<i>Assets</i>	<i>(SEK)</i>
Assets	
Current assets	
Cash and cash equivalents	500,00.00
Other prepaid expenses and accrued income	2,801.25
Total current assets	502,801.25
Total assets	502,801.25
ODI Pharma AB	
<i>Balance sheet</i>	<i>191023</i>
<i>Equity & liabilities</i>	<i>Audited</i>
	<i>(SEK)</i>
Equity	
Share capital	500,000.00
Profit for the period	-10,243.91
Total equity	489,756.09
Liabilities	
Current liabilities to ODI Pharma Schweiz AG	13,045.16
Total liabilities	13,045.16
Total liabilities and equity	502,801.25

The financial overview of ODI Pharma's subsidiaries are stated in the local currency (CHF for the Swiss subsidiary and PLN for the Polish subsidiary). The local currency has been recalculated to SEK in the financial overview, based on data from Sveriges Riksbank on the 8th of November 2019.

In the Swiss financials, items are summarized in the bold item line below each separate section. All costs are presented as positive numbers, i.e. without the subtraction sign ("-"). In the Polish financials, items are summarized in the bold item line above each separate section. All costs are presented as positive numbers, i.e. without the subtraction sign ("-").

Income statement – ODI Pharma Schweiz AG

Please find below the income statement for ODI Pharma Schweiz AG for its first financial year from the 23rd of February 2018 to the 30th of June 2019. In addition, please find the income statement for the recent quarter from the 1st of July 2019 to the 30th of September 2019.

Average price 190701-190930 CHF 1 = SEK 9.72

Average price 180223-190630 CHF 1 = SEK 9.08

ODI Pharma Schweiz AG Income statement	190701-190930 Unaudited (CHF)	190701-190930 Unaudited Recalculated to SEK	180223-190630 Unaudited (CHF)	180223-190630 Unaudited Recalculated to SEK
Operating revenues				
Revenues				
Service fee foreign	0	0	740,100.00	6,720,108.00
Total operating revenues	0	0	740,100.00	6,720,108.00
Project costs/consulting				
3 rd party costs CH	0	0	77,000.00	699,160.00
3 rd party costs foreign countries	5,882.15	57,174.50	261,403.60	2,373,544.69
Total Project costs/consulting	5,882.15	57,174.50	338,403.60	3,072,704.69
Staff costs				
Board Member	1,000.00	9,720.00	0	0
Swiss Social security	155.30	1,509.52	0	0
Total staff costs	1,155.30	11,229.52	0	0
Rental expenses	897.01	8,718.94	2,369.05	21,510.97
Total support IT & Support Equipment	586.54	5,701.17	696.51	6,324.31
Mail	180.11	1,750.67	0	0
Communications/Email	790.48	7,683.47	90.06	817.74
Consulting fees	35,914.75	349,091.37	10,991.93	99,806.72
Accounting / Audit	17,547.00	170,556.84	10,872.50	98,722.30
Other administration	1,617.99	15,726.86	4,242.42	38,521.17
Total office & administrative exp.	57,533.88	559,229.31	29,262.47	265,703.23
Depreciation and valuation adjustments to fixed assets	50.00	486.00	228.76	2,077.14
Travelling/representation/entertainment	14,823.05	144,080.05	27,079.27	245,879.77
Financial expenses	140.26	1,363.33	1,380.71	12,536.85
Financial income	876.27	8,517.34	13,102.97	118,974.97
Direct taxes	97.20	944.78	30,760.00	279,300.80
Loss/Profit for the period	-78,805.57	-765,990.14	326,088.16	2,960,880.49

Balance sheet – ODI Pharma Schweiz AG

Please find below the balance sheet for ODI Pharma Schweiz AG after its first financial year as of the 30th of June 2019. In addition, please find the balance sheet as of the 30th of September 2019.

Exchange rate on balance day 2019-09-30 CHF 1 = SEK 9.88

Exchange rate on balance day 2019-06-30 CHF 1 = SEK 9.51

ODI Pharma Schweiz AG	190930		190630	
<i>Balance sheet</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>
<i>Assets</i>	<i>(CHF)</i>	<i>Recalculated to SEK</i>	<i>(CHF)</i>	<i>Recalculated to SEK</i>
Assets				
Total Cash and cash equivalents	444,171.94	4,388,418.77	457,495.00	4,350,777.45
Total Current receivables & other assets	894.05	8,833.21	415.50	3,946.65
Total Receivables from affiliates	3,331.88	32,918.97	2,847.93	27,083.81
Total accrued income and prepaid expenses	1,721.99	17,013.26	189.00	1,797.39
Total current assets	450,119.86	4,447,184.22	460,947.43	4,383,610.06
Non-current assets				
Investments				
Participation Balansat investments (ODI Pharma Polska)	4,081.53	40,325.52	4,081.53	38,815.35
Total investments	4,081.53	40,325.52	4,081.53	38,815.35
Property, Plant and Equipment				
Office equipment	750.00	7,410.00	800.00	7,608.00
Total property, plant and equipment	750.00	7,410.00	800.00	7,608.00
Total non-current assets	4,831.53	47,735.52	4,881.53	46,423.35
Total assets	454,951.39	4,494,919.73	465,828.96	4,430,033.41
ODI Pharma Schweiz AG	190930		190630	
<i>Balance sheet</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>
<i>Equity and liabilities</i>	<i>(CHF)</i>	<i>Recalculated to SEK</i>	<i>(CHF)</i>	<i>Recalculated to SEK</i>
Short-term Liabilities				
Short-term liabilities				
Total other short-term liabilities	35,753.50	353,244.58	2,980.80	29,347.41
Accrued expenses	21,155.30	209,014.36	6,000.00	57,060.00
Accrued taxes	30,760.00	303,908.80	30,760.00	292,527.60
Short term liabilities to affiliates:				
ODI Pharma Polska Sp. z o.o.	20,000.00	197,600.00	0	0
Total short-term liabilities	107,668.80	1,063,767.74	39,740.80	377,935.01
Total liabilities	107,668.80	1,063,767.74	39,740.80	377,935.01
Shareholders' Equity				
Share capital	100,000.00	988,000.00	100,000.00	951,000.00
Profit brought forward	309,088.16	3,053,791.02	0	0
Legal reserves	17,000.00	167,960.00	0	0
Loss/Profit for the period	-78,805.57	-778,599.03	326,088.16	3,101,098.40
Total equity	347,282.59	3,431,151.99	426,088.16	4,052,098.40
Total liabilities and equity	454,951.39	4,494,919.73	465,828.96	4,430,033.41

Cash flow statement – ODI Pharma Schweiz AG

Average price 180223-190630, CHF 1 = SEK 9.08

Average price 190701-190930 CHF 1 = SEK 9.72

ODI Pharma Schweiz AG Cash flow statement	190701- 190930 <i>Unaudited</i> (CHF)	190701- 190930 <i>Unaudited</i> <i>Recalculated</i> <i>to SEK</i>	180223- 190630 <i>Unaudited</i> (CHF)	180223- 190630 <i>Unaudited</i> <i>Recalculated</i> <i>to SEK</i>
Profit for the period	-78,805.57	-765,990.14	326,088.16	2,960,880.49
Depreciations	50.00	486.00	228.76	2,077.14
Impairments	0	0	0	0
Additions (-) / Deduction (+) inventory	0	0	0	0
Additions (-) / Deduction (+) Receivables from goods and services	-478.55	-4,651.51	-415.50	-3,77268.74
Additions (-) / Deduction (+) other receivables	-483.95	-4,703.99	-2,847.93	-25,859.20
Additions (-) / Deduction (+) accrued income	-1,532.99	-14,900.66	-189.00	-1,716.12
Additions (-) / Deduction (+) trade payables	26,033.90	253,049.51	0	0
Additions (-) / Deduction (+) other payables	6,738.80	65,501.14	2,980.80	27,065.66
Additions (-) / Deduction (+) loans affiliates	20,000.00	194,400.00	0	0
Additions (-) / Deduction (+) accrued expense	15,155.30	147,309.52	36,760.00	333,780.80
Total changes in net current assets	65,432.51	636,004.00	36,288.37	329,498.40
Changes in accrued liabilities	0	0	0	0
Changes in long-term liabilities	0	0	0	0
Write-offs from shareholders	0	0	0	0
Cash flow from operations	-13,323.06	-129,500.14	362,605.29	3,292,456.03
Investments in fixed assets	0	0	-5,110.29	-46,401.43
Cash flow from investment activity	0	0	-5,110.29	-46,401.43
Proceeds from/Repayment of current liabilities to banks	0	0	0	0
Proceeds from/Repayment of loans from third parties	0	0	0	0
Proceeds from/Repayment of loans from shareholders	0	0	0	0
Increase in capital reserves	0	0	0	0
Payment of share capital	0	0	100,000.00	908,000.00
Dividend payments	0	0	0	0
Total cash flow in the financial period	-13,323.06	-129,500.14	457,495.00	4,154,054.60
Cash and cash equivalents (opening balance)	457,495.00	4,446,851.40	0	0
Cash and cash equivalents	444,171.94	4,317,351.26	457,495.00	4,154,054.60
Change in Cash and cash equivalents	-13,323.06	-129,500.14	457,495.00	4,154,054.60

Share capital and Equity – ODI Pharma Schweiz AG

As of the 23rd of February 2018, the share capital consisted of 1,000 equal and indivisible shares with a nominal value of CHF 100.00 per share. On the 25th of October 2019, 100% of the shares were sold to ODI Pharma AB, with its registered seat in Stockholm, Engelbrektsgatan 9-11, Sweden.

ODI Pharma Schweiz AG	180223	Increases	Transfers	Decreases	190930
Share capital (CHF)	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>
Share capital	100,000.00	0	0	0	100,000.00
Share capital not paid up	0	0	0	0	0
Supplementary capital	0	0	0	0	0
Other reserves	0	0	0	0	0
Legal reserve	0	17,000.00	0	0	17,000.00
Unappropriated profits/accumulated	0	0	0	0	0
Net profit/(loss) for the period	0	230,282.59	0	0	230,282.59
Total Equity	100,000.00	247,282.59	0	0	347,282.59

Income statement – ODI Pharma Polska Sp. z o.o.

Average price 190101-190930, PLN 1 = SEK 2.45

Average price 180404-181231, PLN 1 = SEK 2.42

ODI Pharma Polska Sp. Z o.o.	190101-190930	190101-190930	180404-181231	180404-181231
<i>Income statement</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>
	<i>(PLN)</i>	<i>Recalculated to SEK</i>	<i>(PLN)</i>	<i>Recalculated to SEK</i>
Net sales revenue and equivalents, of which	115,657.03	283,359.72	0	0
Net sales of finished goods	115,657.03	283,359.72	0	0
Operating expenses	52,053.05	127,529.97	22,500.40	54,450.97
External services	52,053.05	127,529.97	21,262.40	51,455.01
Taxes and charges, of which	0	0	1,238.00	2,995.96
Gross profit (loss) on net sales and operating expenses	63,603.98	155,829.75	-22,500.40	-54,450.97
Other operating income	0	0	0	0
Other operating expenses	0	0	0	0
Operating profit (loss)	63,603.98	155,829.75	-22,500.40	-54,450.97
Financial income	0	0	0	0
Financial expenses	529.62	1,297.57	0	0
Interest	59.00	144.55	0	0
Loss of financial assets	0	0	0	0
Impairment of financial assets	0	0	0	0
Other	470.62	1,153.02	0	0
Gross profit	63,074.36	154,532.18	-22,500.40	-54,450.97
Corporate profits tax	2,481.00	6,078.45	0	0
Other tax charges	0	0	0	0
Net profit (loss)	60,593.36	148,453.73	-22,500.40	-54,450.97

Balance sheet – ODI Pharma Polska Sp. z o.o.

Please find below the balance sheet for ODI Pharma Polska Sp. z o.o. after its first financial year ending on the 31st of December 2018. In addition, please find the balance sheet as of the 3^{0th} of September 2019.

Exchange rate 190930, PLN 1 = SEK 2.45

Exchange rate 181231, PLN 1 = SEK 2.39

ODI Pharma Polska Sp. Z o.o. Balance sheet Assets	190930 Unaudited (PLN)	Unaudited Recalculated to SEK	181231 Unaudited (PLN)	Unaudited Recalculated to SEK
Assets	0	0	0	0
Intangible assets				
Property, plant and equipment	0	0	0	0
Long-term receivables	0	0	0	0
Long-term investments	0	0	0	0
Long-term prepayments and deferred costs	0	0	0	0
Current assets	103,815.78	254,348.66	4,823.42	11,527.97
Inventories	0	0	0	0
Short-term receivables	4,310.22	10,560.04	2,083.62	4,979.85
Short-term investments	20,429.56	50,052.42	2,739.80	6,548.12
Short-term prepayments and deferred costs	79,076.00	193,736.20	0	0
Total assets	103,815.78	254,348.66	4,823.42	11,527.97

ODI Pharma Polska Sp. Z o.o. Balance sheet Equity and liabilities	190930 Unaudited (PLN)	Unaudited Recalculated to SEK	181231 Unaudited (PLN)	Unaudited Recalculated to SEK
Equity and liabilities				
Shareholders' equity	43,092.96	105,577.75	-17,500.40	-41,825.96
Share capital	5,000.00	12,250.00	5,000.00	11,950.00
Accumulated profits (losses) from previous year	-22,500.40	-55,125.98	0	0
Net profit (loss) for the period	60,593.36	148,453.73	-22,500.40	-53,775.96
Liabilities and provisions for liabilities	60,722.82	148,770.91	22,323.82	53,353.93
Short-term liabilities	4,324.07	10,593.97	9,433.12	22,545.16
Accruals and deferred income	56,398.75	138,176.94	12,890.70	30,808.77
Total liabilities and equity	103,815.78	254,348.66	4,823.42	11,527.97

Cash flow statement – ODI Pharma Polska Sp. z o.o.

Average price 190101-190930, 1 PLN = SEK 2.45

Average price 180404-181231, 1 PLN = SEK 2.42

ODI Pharma Polska Sp. Z o.o. Cash flow statement	180404-181231 Unaudited (PLN)	Unaudited Recalculated to SEK	190101-190930 Unaudited (PLN)	Unaudited Recalculated to SEK
Net profit	-22,500.40	-54,450.97	60,593.36	148,453.73
Amortisation	0	0	0	0
Gains (-)/losses (+) foreign exchange	0	0	0	0
Interest and participation in profit	0	0	0	0
Additions (-) / Deduction (+) Provisions	0	0	0	0
Additions (-) / Deduction (+) Receivables	-2,083.62	-5,042.36	-2,226.60	-5,455.17
Additions (-) / Deduction (+) Inventory	0	0	0	0
Additions (-) / Deduction (+) Investment activities	0	0	0	0
Additions (-) / Deduction (+) Short-Term liabilities, excluding loans and borrowings	9,433.12	22,828.15	-5,109.05	-12,517.17
Additions (-) / Deduction (+) accrued expense	0	0	0	0
Change in accruals, prepayments and deferred income	12,890.70	31,195.50	-35,567.95	-87,141.48
Net Cash from operating activities	-2,260.20	-5,469.69	17,689.76	43,339.91
Cash flow from investment activity				
Cash inflows	0	0	0	0
Cash outflows	0	0	0	0
Cash flow from financing activities				
Cash inflows: net cash inflows from the issue of shares and other equity instruments and repayable contributions from shareholders	5,000.00	12,100.00	0	0
Cash outflows	0	0	0	0
Total net cash flow	2,739.80	6,630.32	17,689.76	43,339.91
Cash and cash equivalents (opening balance)	0	0	2,739.80	6,712.51
Cash and cash equivalents (closing balance)	2,739.80	6,630.32	20,429.56	50,052.42
Balance Sheet Change in Cash and Cash Equivalents	2,739.80	6,630.32	17,689.76	43,339.91

Share capital and Equity— ODI Pharma Polska Sp. z o.o.

As of the 31st of December 2018, the share capital consisted of 100 equal and indivisible shares with a nominal value of PLN 50.00 per share. On the 28th of June 2018, 100% of shares were sold to OD Investments AG (now: ODI Pharma Schweiz AG), with its registered seat in Zug, Grafenauweg 10, 6301 Zug, Switzerland.

ODI Pharma Polska Sp. z o.o.	180404	Increases	Transfers	Decreases	190930
Share capital (PLN)	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>
Share capital	5,000.00	0	0	0	5,000.00
Share capital not paid up	0	0	0	0	0
Supplementary capital	0	0	0	0	0
Other reserves	0	0	0	0	0
Unappropriated profits/accumulated	0	0	0	0	0
Net profit/(loss) for the year	0	38,092.96	0	0	38,092.96
Other reserves	0	0	0	0	0
Total Equity	5,000.00	38,092.96	0	0	43,092.96

General about recognition and measurement

Income is recognized in the income statement as they are earned, including value adjustments of financial assets and liabilities. The income statement also recognizes all costs, including depreciation and write-downs.

The balance sheet recognizes assets when it is probable that future economic benefits will flow to the company and the value of the assets can be measured reliably. Liabilities are recognized in the balance sheet when it is probable that future economic benefits will leave the company and the value of the liability can be measured reliably. At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each item.

Recognition and measurement take into account predictable losses and risks that arise prior to the presentation of the interim financial statements and which confirm or cancel conditions that existed at the balance sheet date.

Leases

Lease payments on operating leases are recognized on a straight-line basis in the income statement over the lease term.

Income statement

Net sales

Revenue from sale of goods is recognized in the income statement if delivery and risk transfer to the buyer has taken place before the end of the financial year and when the sales amount can be calculated reliable and expected to be paid. Net sales are measured at fair value and are calculated ex. VAT and taxes charged on behalf of third parties and less discounts.

Other external costs

Other external costs include costs for distribution, sales and advertising, administration, premises and losses on debtors insofar as they do not exceed normal write-downs.

Development costs

Development costs are expensed in the income statement.

Personnel costs

Personnel costs include salaries and other personnel-related costs.

Depreciation and amortization

Depreciation of tangible fixed assets is designed to create systematic depreciation over the expected useful life. Linear depreciation is made based on the following useful lives and residual values:

Other financial items

Other financial items include interest income and interest expenses, etc.

Income tax expense

Current and deferred taxes for the year are recognized in the income statement as tax on profit for the year, with the part attributable to profit for the year and directly to equity attributable to items recognized directly in equity.

Balance Sheet

Tangible fixed assets

Tangible assets include interior design of rented premises.

Tangible fixed assets are measured in the balance sheet at cost less accumulated depreciation and write-downs. The cost price includes the acquisition price and costs directly related to the acquisition until the asset is ready for use. Interest on loans to finance the production is not recognized in the cost price.

Tangible assets are depreciated based on the useful lives and residual values which is stated under "Depreciation and amortization".

Gains or losses on disposal of an asset is determined as the difference between the possible selling price less selling costs and the carrying amount at the time of sale less any costs of disposal.

Impairment of fixed assets

The carrying amount of fixed assets, not measured at fair value, is assessed annually for indications of impairment in excess of that expressed by depreciation.

If the Company's realized return on asset or group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, impairment tests of each asset or each group of assets are made.

Write-downs are made at the recoverable amount if this is lower than the carrying amount.

As the recoverable amount, the highest value of net selling price and capital value is used. The capital value is calculated as the present value of the expected net cash flows from the use of the asset or asset group and expected net cash flows on the sale of the asset or asset group after the end of life.

Write-downs are reversed when the reason for the impairment no longer exists.

Receivables

Receivables are measured at amortized cost, which usually corresponds to nominal value less impairment losses.

Impairment losses for losses are calculated on the basis of an individual assessment of the individual receivables when there is an objective indication on an individual level that an impairment loss is impaired.

Deposits recognized under assets include paid deposits to the landlord regarding the Company's lease agreements.

Prepayments

Prepayments recognized under assets include costs incurred for subsequent financial years.

Liquid assets

Cash and cash equivalents comprise deposits on bank accounts and cash holdings.

Current tax receivables and deferred taxes

Current tax receivables are recognized in the balance sheet as calculated tax on the taxable income, adjusted for prepaid tax.

Deferred tax liabilities and deferred tax assets are calculated by all temporary differences between the accounting and tax values of assets and liabilities. Deferred tax, however, is not reported on temporary differences relating to taxable non-amortized goodwill and other items where temporary differences, other than acquisitions, have arisen at the time of acquisition without affecting profit or taxable income. In cases where the tax value can be calculated according to different taxation rules, deferred tax is measured on the basis of the management's planned use of the asset or settlement of the liability.

Deferred tax assets are recognized at the value at which they are expected to be realized by offsetting in deferred tax liabilities or by settlement in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and tax rates that will apply at the balance sheet date when the deferred tax is expected to be triggered as current tax.

Liabilities

Short-term liabilities are measured at amortized cost, which normally corresponds to the nominal value of the debt.

Cash flow statement

The cash flow statement is prepared according to the indirect method and shows cash flows from operations, investments and financing and cash at the beginning and end of the year.

Cash flow from operations is calculated as profit for the year, adjusted for non-cash operating items, corporation taxes and changes in working capital.

Cash flows from investments include payments in connection with acquisitions and sales of companies and financial assets as well as acquisition, development, improvement and sale of intangible and tangible fixed assets.

Cash flows from financing include changes in the Company's share capital and associated costs and financing from paid dividends to the owners, as well as recognition and repayment of long-term liabilities.

Proforma

Purpose of the proforma information

The purpose of the proforma report is solely to inform and elucidate facts. A proforma report is by nature intended to describe a hypothetical situation. The Company presents the proforma report for illustrative purposes only and is not intended to show the results or financial position for the period if the above events occurred at the above stated times. Nor does the pro forma report show the results of operations or financial position at a future date. The proforma covers information from the period from the 23rd of February 2018 until the 30th of September 2019. Please note that the proforma balance sheet and proforma income statement use different exchange rates (date specific in the balance sheets versus period averages in the income statements), consequently the numbers stated in the income statement might differ from the numbers in the balance sheet.

Pro forma accounting

ODI Pharma AB was formed on the 30th of September 2019 as a holding company with the purpose of acquiring all shares in operating company ODI Pharma Schweiz AG. ODI Pharma Schweiz AG owns a subsidiary, ODI Pharma Polska Sp. z o.o. which is the holder of a distribution contract with Neuca and a supply contract with Aphria, Inc for raw pharmaceutical material. As part of the restructuring acquisition, Derek Simmross and Volker Wiederrich sold their shares of ODI Pharma Schweiz AG to ODI Pharma AB. The purchase was regulated through promissory notes on the 25th October 2019 from ODI Pharma AB to Derek Simmross and Volker Wiederrich at a nominal value of 100,000.00 CHF. 51,000 CHF owed to Volker Wiederrich and 49,000 CHF to Derek Simmross. This promissory note will be exchanged for a further share purchase in ODI Pharma AB on the IPO.

At the Board Meeting of ODI Pharma AB on the 13th of December 2019, it was decided, based on an authorization from the Extra General Meeting, to increase the number of shares in ODI Pharma AB from 12,500,000 by 2,720,000 shares, which will result in a new total of 15,220,000 shares. The shares in the new share issue are being issued at SEK 9.20 per share, thus, generating SEK 25,024,000 in capitalization to ODI Pharma AB before transaction costs.

In light of the fact that the Company owns shares in the Swiss subsidiary and indirectly in the Polish company and connected to the IPO it represents a significant change for the Company, therefore the pro forma report is presented below. The pro forma financial statements have been prepared in order to inform how the Acquisition would have affected:

ODI Pharma Group proforma income statement for the period from the 23rd of February 2018 until the 30th of September 2019 as if the acquisition occurred on the 23rd of February 2018 and the proforma balance sheet as of the 30th of September 2019 as if the acquisition occurred on the 30th of September 2019. As stated above the ODI Pharma AB share purchase of ODI Pharma Schweiz AG occurred on the 25th of October 2019.

Information on pro forma accounting has been reviewed by the Company's auditors, Öhrlings PricewaterhouseCoopers AB.

BACKGROUND FOR PROFORMA ACCOUNTING

The income statement for ODI Pharma Schweiz, on the 23rd of February 2018 through the 30th of June 2019 and Q1 report from the 1st of July 2019 until the 30th of September 2019 for ODI Pharma Schweiz AG is used as the foundation for the pro forma balance sheet as of the 30th of September 2019. The income statement for ODI Pharma Polska Sp. z o.o., produced on the 4th of April 2018 through the 31st of December 2018 and Q1-Q3 report from the 1st of January 2019 until the 30th of September 2019 for ODI Pharma Polska Sp. z o.o. is used as the foundation for the pro forma balance sheet as of the 30th of September 2019. The preparations of the financials are unaudited and translated at exchange rates as stated above.

Accounting

The Proforma reporting is presented in accordance with Swedish GAAP (The Swedish Annual Accounts Act and BFAR 2012:1 (K3). ODI Pharma Schweiz AG has prepared unaudited financial statements for the period from the 23rd of February 2018 until the 30th of June 2019 (prolonged first financial year) and unaudited interim financial statements for the period from the 1st of July 2019 until the 30th of September 2019 prepared in accordance with provisions of Swiss law, in particular the articles on commercial bookkeeping and accounting of the Swiss Code of Obligations (Art. 957 to 962). ODI Pharma Polska Sp. z o.o. has the 4th of April 2018 until the 31st of December 2018 and has the 1st of January 2019 until the 30th of September 2019 unaudited financials under the Polish Accounting Act. In preparing the pro forma financial statements, the Company has carried out an analysis of whether there are any significant differences between the "Accounting Act's"

for Poland and Switzerland and Sweden respectively, described above. The Company's assessment is that there are no significant differences as the primary asset is cash on hand, but this should be taken into account in pro forma reporting.

PROFORMA ADJUSTMENTS

Proforma adjustments that have to be made to reflect the invoices from ODI Pharma Polska Sp. z o.o. to ODI Pharma Schweiz AG of CHF 9,750 on the 11th of February 2019 and of CHF 20,000 on the 11th of October 2019, where services accrued in the reporting period, as well as the 100% holding of the ODI Pharma Polska Sp. z o.o. in ODI Pharma Schweiz AG, held at cost at the date of this memorandum. All pro forma adjustments are expected to have a lasting effect.

The Acquisition

ODI Pharma AB was formed on the 30th of September 2019 and the acquisition of the existing companies did take place on the 25th of October 2019. Prior to the formation of the Group, operations were conducted in two separate companies ODI Pharma Schweiz AG (formerly OD Investments AG) and ODI Pharma Polska Sp. z o.o.

Proforma Balance Sheet as of the 30th of September 2019

Below, please find a proforma Balance Sheet of the ODI Pharma Group. The proforma balance sheet is reviewed by Öhrlings PricewaterhouseCoopers AB. Prepared in accordance with K3 accounting standard, not consolidated.

Exchange rate 2019-09-30, PLN 1 = SEK 2.45

Exchange rate on balance day 2019-09-30 CHF 1 = SEK 9.88

Proforma Balance Sheet (SEK) Assets	ODI Pharma AB <i>Unaudited</i>	ODI Pharma Schweiz AG <i>Unaudited</i>	ODI Pharma Polska Sp. z o.o. <i>Unaudited</i>	Proforma Adjustments <i>Unaudited</i>	Proforma as of 190930 <i>Unaudited</i>
Fixed assets					
Plant & equipment	0	7,410.00	0		7,410.00
Financial fixed assets					
Shares in group companies	0	40,325.52	0	-40,325.52 ⁴⁹	0
Total fixed assets	0	47,735.52	0	-40,325.52	7,410.00
Current assets					
Current receivables					
Other current receivables		41,752.19	10,560.04		52,312.23
Prepaid expense and accrued income		13,149.45	193,736.20	-193,736.20 ⁵⁰	13,149.45
Cash and cash equivalents	500,000.00	4,388,418.77	50,052.42		4,938,471.19
Total current assets	500,000.00⁵¹	4,443,320.41	254,348.66	-193,736.20	5,003,932.87
Total assets	500,000.00	4,491,055.93	254,348.66	-234,061.72	5,011,342.87

Proforma Balance Sheet (SEK) Liabilities & Equity	ODI Pharma AB <i>Unaudited</i>	ODI Pharma Schweiz AG <i>Unaudited</i>	ODI Pharma Polska Sp. z o.o. <i>Unaudited</i>	Proforma Adjustments <i>Unaudited</i>	Proforma as of 190930 <i>Unaudited</i>
Equity and liabilities					
Restricted equity					
Share capital	500,000.00	988,000.00	12,250.00	-12,250.00	1,488,000.00
Other restricted equity	0	167,960.00	0		167,960.00
Non restricted equity					
Retained earnings	0	-167,960.00	0		-167,960.00
Profit for the period	0	2,443,151.99	93,327.75	-28,075.52	2,508,404.22
Total equity	500,000.00	3,431,151.99	105,577.75	-40,325.52	3,996,404.22
Current liabilities					
Accounts payable	0	353,244.58	0		353,244.58
Other current liabilities	0	193,736.20	10,593.97	-193,736.20	10,593.97
Accrued expenses and prepaid income	0	512,923.16	138,176.94		651,100.10
Total liabilities	0	1,059,903.94	148,770.91	-193,736.20	1,014,938.65
Total liabilities and equity	500,000.00	4,491,055.93	254,348.66	-234,061.72	5,011,342.87

⁴⁹ Proforma adjustment as ODI Pharma Schweiz AG holds 100% of ODI Pharma Polska Sp. z o.o. which is recognised in the balance sheet of the Swiss company at cost (in total SEK 40,325.52). The pro forma adjustment recognises thereof 12,250 SEK in the share capital and 28,075.52 SEK in the profit for the period.

⁵⁰ Services provided by ODI Pharma Polska Sp. z o.o. to ODI Pharma Schweiz AG for CHF 20'000, paid in October but services provided in Q3/2019

⁵¹ The Share Capital was paid in in early October 2019

Proforma Income Statement 23rd of February 2018 – 30th of September 2019

Below, please find a proforma Income Statement of the ODI Pharma Group. The proforma income statement is reviewed by Öhrlings PricewaterhouseCoopers AB. Prepared in accordance with K3 accounting standard, not consolidated. Exchange rates used are average rates for the period from the 23rd of February 2018 until the 30th of September 2019.

PLN 1 = SEK 2.43

CHF 1 = SEK 9.18.

ODI Pharma AB <i>Income statement (SEK)</i>	ODI Pharma AB <i>Unaudited</i>	ODI Pharma Schweiz AG <i>Unaudited</i>	ODI Pharma Polska Sp. z o.o. <i>Unaudited</i>	Proforma Adjustments <i>Unaudited</i>	Proforma for the period from 180223 until 190930 <i>Unaudited</i>
Operating income					
Net sales	0.00	6,794,118.00	281,046.58	-281,046.58 ⁵²	6,794,118.00
Total operating income	0.00	6,794,118.00	281,046.58	-281,046.58	6,794,118.00
Operating costs					
Other external expenses	0.00	-4,341,996.98	-181,164.88	281,046.58	-4,242,115.28
Personnel costs	0.00	-10,605.65	0		-10,605.65
Depreciation	0.00	-2,559.02	0		-2,559.02
Total operating costs	0.00	-4,355,161.65	-181,164.88	281,046.58	-4,255,279.95
Operating profit	0.00	2,438,956.35	99,881.70	0	2,538,838.05
Profit/Loss from financial items					
Interest income and similar items	0.00	128,329.42	0		128,329.42
Interest expenses and similar items	0.00	-13,962.50	-1,286.98		-15,249.48
Profit/loss after financial items	0.00	2,553,323.27	98,594.72	0	2,651,917.99
Taxes	0.00	-283,269.10	-6,028.83		-289,297.93
Profit for the period	0.00	2,270,054.18	92,565.89	0	2,362,620.06

⁵² Proforma adjustment as ODI Pharma Polska Sp. z o.o. charged ODI Pharma Schweiz AG twice a service fee for services provided of 9750 CHF and 20,000 CHF, totaling 29,750 CHF

Board of Directors and Management

Below you will find ODI Pharma's Board of Directors and management. All of them can be reached via the Company's address (Engelbrektsgatan 9-11, 11432 Stockholm; info@odipharma.com). Volker Wiederrich (Chairman of the Board) and Karina Kilinski (Board Member) are in a domestic relationship, apart from this there are no family ties between board members and/or senior executives.

Derek Simmross (CEO and Board Member of ODI Pharma AB)

Derek Simmross has a long background within trading and management of companies. He has 15 years of experience as a Treasury advisor in sectors such as mining, telecom and banking and more than 24 years of derivative trading experience. Mr. Simmross has founded a hedge fund with more than 100 million US dollar in commitments. Mr. Simmross has eleven years of experience from working in private equity and organizing capital raising, M&A and strategy design through Public Offerings. The private equity group he worked with was among the first in medical cannabis in the US and recently completed the largest IPO in the industry history. Mr Simmross owns 50% (6,250,000 shares) of ODI Pharma prior to the new share issue and has also signed a pre-subscription agreement to subscribe for SEK 1,182,500 in the new share issue.



Involvement with and commitments to other companies, over the last five years

Company	Position	Time
ODI Pharma AB	CEO and Board Member	Ongoing
ODI Pharma Schweiz AG	President of the Board	Ongoing
ODI Pharma Polska Sp. z o.o.	Board Member	Ongoing
Simmross Consulting AB	Chairman of the Board	Ongoing

Share ownership over 10 percent over the last five years

Simmross Consulting AB (50%)

Forced liquidation and bankruptcy in the last five years

Derek Simmross has not been active in companies affected by bankruptcy, forced into liquidation or bankruptcy in the last five years.

Volker Wiederrich (Chairman and Board Member of ODI Pharma AB)

Volker Wiederrich has an extensive background in investment and asset management across multiple asset classes. He has eleven years of experience advising one of the biggest financial institutions of Europe on fund investments in real estate, as well as ten years as Chief Investment Officer for an advisory firm for infrastructure and real estate within a global capacity. Mr. Wiederrich advised on more than 500 million USD in investments and was managing multiple fund of funds products during his career. Mr Wiederrich owns 50% (6,250,000 shares) of ODI Pharma prior to the new share issue and has signed a pre-subscription agreement to subscribe for SEK 1,182,500 in the new share issue.



Involvement with and commitments to other companies, over the last five years

Company	Position	Time
ODI Pharma AB	Chairman of the Board	Ongoing
ODI Pharma Polska Sp. z o.o.	Board Member	Ongoing
Karina SL	Board Member	Ongoing
Swisslake Capital AG	Director	07/2005 - 12/2018

Share ownership over 10 percent over the last five years

Swisslake Capital AG (10%)
Karina SL (50%)

Forced liquidation and bankruptcy in the last five years

Volker Wiederrich has not been active in companies affected by bankruptcy, forced into liquidation or bankruptcy in the last five years.

Karina Kilinski (Board Member of ODI Pharma AB)

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



Involvement with and commitments to other companies, over the last five years

Company	Position	Time
ODI Pharma AB	Board Member	Ongoing
ODI Pharma Schweiz AG	Board Member	Ongoing
Malpka Partners GmbH	Liquidator and Manager	Ongoing
Karina SL	Board Member	Ongoing

Share ownership over 10 percent over the last five years

Malpka Partners GmbH (in voluntary liquidation) (100%)
Karina SL (50%)

Forced liquidation and bankruptcy in the last five years

Karina Kilinski has not been active in companies affected by bankruptcy, forced into liquidation or bankruptcy in the last five years.

Gösta Lidén (Independent Board Member of ODI Pharma AB)

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



Involvement with and commitments to other companies, over the last five years

Company	Position	Time
ODI Pharma AB	Independent Board Member	Ongoing
AASET 2016-2 Sweden AB	Independent Board Member	Ongoing
AASET 2017-1 Sweden AB	Independent Board Member	Ongoing
Aergen Aircraft AB	Independent Board Member	Ongoing
AP-47 Sweden AB	Independent Board Member	Ongoing
AS Air Lease 42-1 (Sweden) AB	Board Member	Ongoing
Beaconsfield Holdings (Sweden) AB	Board Member	Ongoing
Castle 2003-2 Sweden AB	Independent Board Member	Ongoing
CHISHIMA SWE SPC Aktiebolag	Board Member	Ongoing
ECAF I 34406 Sweden AB	Board Member	Ongoing
Incline Aviation 1 AB	Board Member	Ongoing
IOC SWEDEN AB	Board Member	Ongoing
JM-03 Aviation AB	Independent Board Member	Ongoing
KDAC Aircraft Leasing (Sweden) Limited AB	Board Member	Ongoing
KORNERSTONE AIRLEASE NO. 1 GAMMA AB	Board Member	Ongoing
Lesue Finance AB	Board Member	Ongoing
LSREF4 SWEDEN OREL AB	Board Member	Ongoing
Luft Lease AB	Board Member	Ongoing
Lund Waterfront Packaging District AB	Board Member	Ongoing
MSN 41329 Svenska AB	Board Member	Ongoing
MSN 41356 Svenska AB	Board Member	Ongoing
NBL Oil AB	Board Member	Ongoing
OIL INDIA SWEDEN AB	Board Member	Ongoing
River Island (Sweden) AB	Board Member	Ongoing
Syntaxis Sweden Finance AB	Board Member	Ongoing
TCFBZ Aviation Sweden AB	Board Member	Ongoing
GRAF1 (Aviation) WSA Sverige AB	Deputy Board Member	Ongoing
Stellar Aircraft (Sweden) AB	Deputy Board Member	Ongoing
Valard Sweden AB	Deputy Board Member	Ongoing

Share ownership over 10 percent over the last five years

No share ownership over ten percent over the last five years.

Forced liquidation and bankruptcy in the last five years

Syntaxis Sweden Finance II AB, Board Member.

Key persons of ODI Pharma AB and its subsidiaries

Dr. Markus Fritzsche (Research)

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



Share capital

- Registered share capital is SEK 500,000.
- Nominal value is SEK 0.04 per share.
- At a minimum, the share capital shall be a total of SEK 500,000 and a maximum of SEK 2,000,000.
- At a minimum the number of shares shall be a total 12,500,000 and a maximum of 50,000,000.
- The shares have been issued in accordance with the Swedish Company Act (Aktiebolagslagen). All shares are issued and fully paid.
- There is one type of share. Each share has equal rights to part of the Company's assets and earnings and entitles the holder to one vote at the Annual General Meeting. One share is equal to one vote.
- The Company share register is kept by Euroclear Sweden AB. Shareholders in ODI Pharma AB will not receive a physical share certificate. All transactions with the Company's shares take place electronically through authorized banks and securities administrators. Shares that are newly issued will be registered to the person in electronic format.
- The issuing agency and account administration institution is Sedermera Fondkommission, postal address Norra Vallgatan 64, SE-211 22, Malmö, Sweden.
- The ISIN code for the shares is SE0013409760.
- The "ticker symbol" for the share is ODI.

Development regarding share capital

Year	Event	Price per share (SEK)	Increase in number of shares	Increase in share capital (SEK)	Total number of shares	Total share capital (SEK)
2019	Foundation	0.04	-	-	12,500,000	500,000
2019**	IPO	9.20	2,720,000	108,800	15,220,000	608,800

* The share issues were made with a subscription price of SEK 9.20 per share corresponding to a valuation of MSEK 115. At the time of the share issues ODI Pharma had not made any orders from Aphria and not made any revenue. The Company was formed as a holding company to its subsidiaries. The Company therefore valued ODI Pharma to MSEK 115 based on the status of development at the time.

** Based on a fully subscribed share issue.

ODI Pharma AB was formed in October 2019 as the holding company of a group consisting of ODI Pharma AB, ODI Pharma Schweiz AG and ODI Pharma Polska Sp. z o.o. The subsidiaries represent the research, education, strategic and distribution operations of the group. ODI Pharma AB was formed with the intention of acquiring all shares in the operating subsidiaries. As part of the restructuring acquisition, Derek Simmross and Volker Wiederrich sold their shares of ODI Pharma Schweiz AG to ODI Pharma AB. The purchase was regulated through promissory notes on the 25th of October 2019 from ODI Pharma AB to Derek Simmross and Volker Wiederrich at a nominal value of CHF 100,000 of which 51% of the amount owed to Volker Wiederrich and 49% to Derek Simmross. These promissory notes will be exchanged for further share purchase in ODI Pharma AB in the IPO.

Number of shares outstanding at the Company's formation in 2019: 12,500,000 shares.

Number of shares outstanding as per the 1st of November 2019: 12,500,000 shares.

Framework

The Company intends to comply with all laws, regulations and recommendations that apply to companies that are listed on Spotlight. In addition to Spotlight's listing agreement inter alia, the following regulatory rules applies in relevant parts:

- *Aktiebolagslagen*
- *Lagen om finansiella instrument*
- *Årsredovisningslagen*

Authorization

At the Extraordinary General Meeting on the 28th of October 2019, the Board was authorized to decide on a new share issue of no more than 2,720,000 shares to be carried out before the next annual meeting on one or more occasions and with or without preferential rights for the shareholders. Payment for the shares can be done by cash payment, conversion of debt or a combination hereby. At a Board meeting on the 13th of December 2019 the Board decided to exercise this authorization for the new share issue presented in this memorandum.

Other

- There are no new issues under registration at the date of this memorandum.
- There are no rights or obligations regarding a resolved but uncomplete increase in the share capital or commitment to increase the share capital.
- As far as the Board is aware, there are no shareholder agreements between the Company's owners.
- There are no outstanding share options, convertible loans or subscription rights at the date of issue of the memorandum.
- During the previous and current fiscal year, there have been no official purchase bids made by any third party.
- With a fully subscribed new issue, the number of shares will increase by 2,720,000, which is equivalent to a dilution of approx. 18% for existing shareholders.
- All shares that are offered in this new issue will be newly issued. Therefore, no natural persons or legal entity will offer to sell their securities in this new issue.
- The Company has not designated any Market Maker.

Ownership

Ownership structure as of the 29th of October 2019

Name	Number of shares	Proportion of votes and capital
Derek Simmross	6,250,000	50%
Volker Wiederrich	6,250,000	50%
Total	12,500,000	100.00

The main owners, Derek Simmross and Volker Wiederrich together own 100 percent of ODI Pharma. There are no agreements which regulate that shareholders cannot merge and jointly influence decisions in the Company. Therefore, there is no guarantee that any emerging control may not be misused.

Ownership list by fully subscribed new share issue

Name	Number of shares	Proportion of votes and capital
Derek Simmross	6,378,532	42%
Volker Wiederrich	6,378,532	42%
<i>Others</i>	<i>2,462,936</i>	<i>16%</i>
Total	15,220,000	100.00

Warrants

There are no warrants outstanding to any party.

Lock-up agreements

Derek Simmross (CEO) and Volker Wiederrich (Chairman) see their shareholdings as a long-term investment. Prior to the planned listing, they have signed lock up agreements, which means that they commit to retaining at least 90 percent of their current shareholdings (as of the date the Company was started) in the Company over at least the 18 months following the first day of trading on Spotlight Stock Market. However, notwithstanding the foregoing, shares may be sold under the terms of a public offer for the purchase of shares and divestment of allocated emission rights and redemption rights as well as to a strategic partner.

Additional information and legal affairs

Auditor

The Auditor of the Company is Öhrlings PricewaterhouseCoopers AB, Johan Engstam is elected auditor in charge.

Address:

Torsgatan 21, 113 97 STOCKHOLM

Employees

	2019-09-30 – 2019-11-30
Men	1
Women	0
Total	1

During the period the group has had following consultant profiles engaged in establishing the business:

- Legal Counsel
- Pharmacovigilance
- Tax and Accounting Counsels
- Import and Transportation Consultants
- Medical Qualified Person
- Sales support
- Public Affairs

Remuneration to the board of directors and management during the period from the 1st of November 2019 until the 31st of October 2020

ODI Pharma AB currently has Derek Simmross which are part of the Company's management. The Company has set up an employment agreement with Mr. Simmross. There are currently no bonuses for the management. The table below shows the salaries for the period from November 2019 until October 2020 for the four board members of ODI Pharma.

(SEK)	Board fees	Basic salary	Pension	Other remuneration	Social fees	Total amount
Volker Wiederrich	SEK 100,000	-	-	-	-	SEK 100,000
Derek Simmross	SEK 100,000	-	-	-	-	SEK 100,000
Karina Kilinski	SEK 100,000	-	-	-	-	SEK 100,000
Gösta Lidén	EUR 6,000					EUR 6,000

The Board's working methods

- All board members are elected until the next Annual General Meeting.
- The work of the Board of Directors follows the rules of procedure established by the Board. The work of the CEO is regulated through instructions for the CEO. Both the rules of procedure as well as the instructions are established by the Board on an annual basis in ODI Pharma.
- Issues concerning audits and matters of compensation will be decided directly by the Company's Board of Directors.
- The Company is not under an obligation to comply with the Swedish Code of Corporate Governance, nor has it voluntarily undertaken to comply with this.

Available documents

The Company holds the following documents, and makes them available during the period of validity of this document:

- Memorandum of Association (Instrument of Incorporation)
- Articles of Association (Corporate Bylaws)

The documents are available in paper form at the Company's headquarters at Engelbrektsgatan 9-11, 114 32 Stockholm, and on the Company's website www.odipharma.com.

Transactions with related parties

Related Parties	Through company	Refers to	February 2018-September 2019
Derek Simmross	Privately	Share transfer to Company	CHF 49,000
Volker Wiederrich	Privately	Share transfer to Company	CHF 51,000

Distribution of profit and voting rights, etc.

All shares in the Company are entitled to dividends. Profit distribution for shares that are newly issued in the new share issue as described in the memorandum will be paid on the record day for the dividend that occurs after the registration of the shares in the share register kept by Euroclear Sweden AB. The dividend is not accumulated dividend. The right to a dividend applies to investors who are registered as shareholders in ODI Pharma on the record day for the distribution of profit. There are no existing restrictions on dividends or special procedures for shareholders resident outside Sweden, and payment of any distribution of profit is intended to take place via Euroclear Sweden AB in the same manner as for shareholders resident in Sweden. The claim to distribution of profit is limited after ten years. Dividends goes to ODI Pharma after the limitation. The rights of the shareholders can only be changed in accordance with the procedures specified in the Swedish Companies Act (Aktiebolagslagen) and the Company's Articles of Association. All shares possess equal rights to profit distribution, as well as to any surplus in the event of liquidation or bankruptcy. At the Annual General Meeting, each share has one vote and each voter can vote for their full number of shares without limitation. All shares provide shareholders with equal preferential rights with the issue of warrants and convertibles to the number of shares they own. Under the Companies Act, a shareholder who directly or indirectly holds more than 90% of the share capital in a company has the right to redeem the remaining shares from other shareholders in ODI Pharma. In a corresponding manner, a shareholder whose shares can be redeemed is entitled to such redemption by the majority shareholder. The shares that are newly issued in the new share issue as described in this memorandum are not subject to an offer that is made as a result of bid obligation, redemption or resolution obligation.

The Swedish Corporate Governance Board has issued the "takeover rules" for certain trading platforms, which are essentially equivalent to the rules that apply to companies for which shares are admitted to trading on a regulated market. The takeover rules will be applied to public takeover offers for companies in which shares are traded on Spotlight Stock Market. This means that the rules will apply not only in cases in which the shares are traded exclusively on Spotlight Stock Market but also in cases in which the shares are traded on both Spotlight Stock Market and in a foreign marketplace. It follows from point II.21 (defensive measures) and section III (bid obligation) in the takeover rules that the provisions are not applicable to ODI Pharma, as they only apply to target companies that are Swedish limited liability companies.

Interests in ODI Pharma AB

In connection with the new share issue described in this memorandum, Sedermera Fondkommission ("Sedermera") is acting as financial advisor and issuing agency to the Company. Sedermera does not own any shares in the Company but has the right to subscribe for shares in the new share issue as described in this memorandum under the same terms and conditions as others. Sedermera and Spotlight are, since the 15th of December 2013 separate and independent secondary names to ATS Finans AB (previously, from March 2010, Sedermera and Spotlight were affiliated companies in the same Group). ATS Finans AB is a financial securities company and is supervised by the Swedish Financial Supervisory Authority. The close relationship between Spotlight and Sedermera poses a risk of a potential conflict of interest. Spotlight in particular has taken this into account in its market listing process and monitoring activity.

Chairman of the Board Volker Wiederrich and Board member Karina Kilinski are in a domestic relationship.

The Company's main owners, board members and senior executives have submitted subscription commitments in the current new issue. Submitted subscription commitments are described in more detail in the "Subscription Commitments" section in this memorandum. Furthermore, members of the Board of Directors and the CEO own shares in the Company. Shareholdings for respective people are presented in detail in the "Ownership" section of this memorandum.

Any conflicts of interest arising from the above are to be dealt with according to the "arm's length" principle. If necessary, the Company's CEO will be involved, and in the event the CEO is regarded to be an inappropriate decision-maker in the conflict of interest at issue, the matter shall be escalated to be dealt with directly by ODI Pharma's Board of Directors.

Over and above what has been stated above, there are no conflicts of interest and family ties within administrative management and supervisory bodies, nor with other individuals in senior positions of ODI Pharma, and in addition, there are no other natural persons or legal entities involved in the new share issue that have other relevant interests in ODI Pharma.

Other information

- There are no agreements between ODI Pharma and any member of the Board of Directors or individual in senior management providing them with rights to any benefits after the completion of the assignment other than what is stated under the heading "Remuneration of Members of the Board of Directors and Senior Management.
- None of the members of the Board of Directors or senior executives have been involved, during the past five years, in a bankruptcy, compulsory liquidation or been placed in receivership.
- None of the members of the board or executive management have been convicted in fraud-related cases in the past five years and nor have they been subject to business bans in the last five years. There are no charges or sanctions from authorities against these people, and none of these people have been banned from being involved in executive management or governing bodies or from holding executive positions or overall functions in business by a Court in the last five years.
- There are no special agreements with major shareholders, customers, suppliers, administration, management and governing bodies or other parties that include board members or other members of executive management.
- The Company has not been party to any legal proceedings or arbitration proceedings (including non-resolved cases or such that ODI Pharma is aware of) during the past twelve months and which have recently had or could have had significant effects on the financial position or profitability of ODI Pharma.
- There are no special systems for the acquisition of shares by staff or similar.
- Apart from lock-up agreements, there are no restrictions on the free transfer of the share.
- It is the opinion of the board that the current insurance protection held by ODI Pharma is satisfactory with respect to the nature and extent of the operations. The Company has purchased a significant company insurance.
- Note that holding of the Company securities may lead to tax consequences for the holder. Holders of securities in the Company are recommended to obtain advice from tax advisers with respect to taxation consequences that may arise in each individual case.
- ODI Pharma intends to communicate to the stock market in English.
- The Company intends to fully comply with the GDPR legislation.
- The Company has entered into an agreement with Sedermera Fondkommission as advisor in relation to MAR requirements and the disclosure of insider information.
- The Company is cooperating with PwC in Poland to ensure that all licenses and permits for conducting business in Poland is adhered to.

Terms and conditions

The offer

Existing shareholders, the public and professional investors are hereby invited to subscribe for shares in ODI Pharma AB ("ODI Pharma") during the period from the 16th of December 2019 until the 30th of December 2019. The Board of Directors of ODI Pharma have on the 13th of December 2019 decided, based on the authorization of the Extraordinary General Meeting on the 28th of October 2019, on implementing a new share issue and increase ODI Pharma's share capital by at least SEK 65,280.00 and a maximum of SEK 108,800.00 through a new issue of at least 1,632,000 shares and a maximum of 2,720,000 shares, each with a nominal value of SEK 0.04 at a subscription price of SEK 9.20 per share. The total issue amounts to a minimum of SEK 15,014,400.00 and a maximum of SEK 25,024,000.00.

Subscription price

The subscription price is SEK 9.20 per share. The minimum number of shares which can be subscribed is 600 shares, which corresponds to a payment of SEK 5,520.00. If more than 600 shares are subscribed, for subscription of and thereon after subscription may be made in any number of shares.

Valuation

ODI Pharma's pre-money valuation amounts to MSEK 115.

Application for subscription of shares

Subscription notes and memorandum are available on Sedermera Fondkommission's website www.sedermera.se, ODI Pharma's website www.odipharma.com and Spotlight Stock Market's website www.spotlightstockmarket.com.

Subscription of shares shall be done by filling out and signing the subscription form and shall be submitted to Sedermera Fondkommission during the subscription period at the following address or by email:

Errand: ODI Pharma
Sedermera Fondkommission
Norra Vallgatan 64
211 22 Malmö, Sweden
Phone: +46 (0)40-615 14 10
E-mail: issuingsservices@sedermera.se

For Nordic subscribers, subscription can be made directly with BankID, NemID and Norsk BankID at www.sedermera.se.

It is only allowed to submit one (1) subscription form per signatory. In case several subscription forms are submitted, only the last received will be considered. Incomplete or incorrectly completed subscription forms may be disregarded. No additions and changes may be made in the text printed on the subscription form.

If a working account number is not available on the last day of the subscription period, the 30th of December 2019, there is a risk that allotted shares won't be delivered in time for the listing date or that the shares are transferred to another party.

Please note that the application is binding.

Subscription – via Nordnet

Depot customers at Nordnet can subscribe for shares via Nordnet's Internet Service until 11.59 PM on the 30th of December 2019. In order not to risk losing the right to any allocation, Nordnet's depot customers must have sufficient funds available at the depot from the 29th of December 2019 at 11:59 PM until the settlement date, which is expected to be in the end of December 2019. More information about the application process via Nordnet is available at www.nordnet.se.

Subscription for more than EUR 15,000

In the event that the subscription amount exceeds EUR 15,000, a money laundering form must be completed and submitted to Sedermera Fondkommission pursuant to Act 2017:630 on measures against money laundering and terrorist financing. Please note that Sedermera Fondkommission cannot guarantee that the subscription form is taken into account if a correct money laundering form is not available to Sedermera Fondkommission during the subscription period.

Subscription period

Subscription of shares will take place within the period from the 16th of December 2019 until the 30th of December 2019.

The completed subscription form must be submitted to Sedermera Fondkommission no later than at 3:00 PM on the 30th of December 2019. Subscription forms sent by mail should be sent in due time before the last day of the subscription period.

Publication of the outcome of the new share issue

As soon as possible after the subscription period has ended, ODI Pharma will disclose the outcome of the new share issue. The publication is scheduled for the beginning of January 2020 and will be made through a press release, which will be available on ODI Pharma's website as well as on Spotlight Stock Market's website.

Allocation

Allocation of shares will be decided by ODI Pharma's Board of Directors, with the following principles;

- a) full allocation shall be made to the parties who have signed subscription commitments;
 - b) it is necessary to broaden the ODI Pharma's shares prior to the planned listing and, as far as possible, the Board of Directors will ensure that each subscriber receives at least 600 shares; and
 - c) creating investment space for certain parties, which, according to the Board's assessment, can specifically contribute strategic values to ODI Pharma or is part of the ODI Pharma's financial adviser's investment network.
- In the event of an oversubscription, no more than 10 % of the new share issue amount can be allocated to these investors.

If the number of subscribers in the new share issue is exceeding the possible number of shareholders, and thus making it impossible to allocate each subscriber the minimum number of shares, allotment of shares will be decided by drawing of lots, which means that allocation can partly or entirely be made through random selection. This is a computerised process which relies on algorithms that randomly execute the drawing of lots and will be executed by the issuing agent in the new share issue. This further means that allocation may happen with fewer shares than subscribed for on the subscription form or no shares at all.

Allocation is not dependent on when the subscription form is submitted during the subscription period.

Notification of allocation

Allocation of shares is scheduled to be conducted as soon as possible after the subscription period has ended and the notification to the subscriber will be received in the form of a settlement note which is scheduled to be sent out in the beginning of January 2020.

Allocation – via Nordnet

Those who have subscribed through the Nordnet Internet service will receive notification of allocation through a subscription of shares with immediate payment from given depot, which is scheduled to take place in the beginning of January 2020.

Payment

Payment must be made in accordance with the settlement note. Payment must be made to a Swedish account in no later than three (3) days after transmitted settlement note.

Payment is made in accordance with instructions on the settlement note which is sent out after the Board of Directors of ODI Pharma has decided on allocation of shares, which is expected to take place in the beginning of January 2020.

If payment or confirmation of payment is not made at the time stated on the settlement note, there may be a risk that allocated shares will not be delivered in time for the listing date or a risk that the shares are transferred to another party. Should the sale price of such transfer be below the subscription price of this offer, the original subscriber who acquired the shares may be responsible for all, or part of the difference.

Delivery of shares

Shares will be delivered after the new shares have been registered with the Swedish Business Authority (Bolagsverket), which is scheduled to happen in mid-January 2020. Please note that the shares can be partly registered in different tranches at the Swedish Business Authority.

Commencement of trading

At the time of the publication of the memorandum, ODI Pharma has been approved for listing by Spotlight Stock Market, with reservation for the spread requirement. ODI Pharma's shares will be traded on Spotlight Stock Market under the label ODI and with ISIN code SE0013409760. The shares have CFI code ESVUFR and FISN code ODI Pharma AB/SH. All shares in ODI Pharma are scheduled to be admitted to trading on the 23rd of January 2020. Trading takes place in SEK. Prerequisite for listing is (i) Spotlight Stock Market's spread requirements are met and (ii) the lowest level of SEK 15,014,400.00 for the implementation of the new issuance is achieved.

Trading in SEK on Spotlight Stock Market

Trading in ODI Pharma's share will be made in SEK on Spotlight Stock Market. It is required that your bank/trustee is a member of Spotlight Stock Market or has a custodian bank that is a member of Spotlight Stock Market, in order to conduct trading in ODI Pharma shares on Spotlight Stock Market.

Most Swedish banks are members on Spotlight Stock Market. Some Danish banks are members of Spotlight Stock Market either directly (Nordnet, Nordea and Danske Bank) or indirectly via a custodian bank, which means that they can trade securities on Spotlight Stock Market. Please check if your bank has the possibility to trade shares on Spotlight Stock Market. Sedermera can assist you in a dialogue with your bank if necessary.

Right to dividend

The new shares entitle the shareholder to a dividend the first time after the new share issue has been registered with the Swedish Business Authority. Any dividends are paid in SEK and is decided at the Annual General Meeting. The payment is provided by Euroclear Sweden AB or for nominee registered holdings in accordance with the respective trustee's routines. Dividend is paid to the person who on the record day of the shareholders' meeting was registered as a shareholder in the share register held by Euroclear Sweden AB.

Applicable law

The shares are subject to the Swedish Companies Act and governed by Swedish law. Under Swedish law, the Company is entitled, in relevant respects, directly attributable to Spotlight Stock Market's listing agreement and Swedish stock exchange regulations.

Shareholder's register

ODI Pharma is a Euroclear affiliated company since November 2019. ODI Pharma's share register with information about shareholders is handled and accounted by Euroclear Sweden AB, Klarabergsviadukten 63, 111 64 Stockholm, Sweden.

Shareholder's rights

Shareholders' rights regarding distribution of profits, voting rights, pre-emption rights for subscription of shares, etc. are governed by ODI Pharma's Articles of Association, which are available through ODI Pharma's website as well as by the Swedish Companies Act.

Restrictions regarding participation in the offer

Due to restrictions in applicable law in the United States, Canada, Australia, Hong Kong, Singapore, South Africa, Switzerland, New Zealand, Japan or other countries where participation requires further prospectuses, registrations or actions other than those under Swedish and Danish law, the offer to subscribe for shares is not directed at persons or others with registered address in any of these countries.

Additional information

The Board of Directors of ODI Pharma reserves the right to extend the subscription period and the time of payment. The offer is conditional on the fact that no circumstances occur which may result in the timing of the new issuance being deemed inappropriate and that spread requirement is met. Such circumstances may, for example, be of an economic, financial or political nature and may relate to circumstances in Sweden as well as abroad, as well as the interest in participating in the new share issue is deemed insufficient by the Board of Directors in ODI Pharma. In such cases, the Board will not complete the new share issue. If the offer is revoked, this will be published through a press release no later than before the settlement notes are sent, which is scheduled to take place in the beginning of January 2020.

All shares that are offered through this new share issue will be newly issued. There are no natural or legal persons offering to sell or loan shares in this new share issue.

Financial adviser and issuing agent

Sedermera Fondkommission is the financial adviser to ODI Pharma AB in the new share issue, as well as issuing agent.

Questions in regard to the new share issue can be asked to Sedermera

Phone: +46 (0)40-615 14 10, e-mail: issuingervices@sedermera.se

Articles of association of ODI Pharma AB

§ 1 Name of company

The name of the company is ODI Pharma AB. The company is public company (publ).

§ 2 Registered office of the company

The registered office of the company is situated in Stockholm.

§ 3 Objects of the company

The company shall directly or indirectly through its subsidiaries carry out operations within production of pharmaceuticals and medical products, and related activities. The company shall also carry out governance of its subsidiaries. The company shall also manage related properties.

§ 4 Share capital and number of shares

The share capital shall be not less than SEK 500,000 and not more than SEK 2,000,000. The number of shares shall be not less than 12,500,000 and not more than 50,000,000.

§ 5 Board of directors

The board of directors shall comprise 3-8 members and not more than 3 alternate members.

§ 6 Auditors

The company shall have 1-2 auditors and not more than 2 alternate auditors or a registered accounting firm.

§ 7 Notice to attend general meetings

Notice to a general meeting shall take place through an announcement in Post- and Inrikes Tidningar and by making the notice available on the company's website. Concurrently with issuance of notice to attend, the company shall announce in Svenska Dagbladet that the notice to attend has taken place. If Svenska Dagbladet ceases with its publication the notice shall take place in Dagens Industri.

§ 8 Notification to general meeting

A shareholder has the right to attend the general meeting if the shareholder has been included in the share register in such a way described in Chapter 7 paragraph 28 point 3 of the Companies Act (2005:551) and have notified the company not later than the date specified in the notice to attend the general meeting. Such a date may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and may not occur earlier than the fifth weekday prior to the general meeting.

§ 9 Opening of the meeting

The chairman of the board of directors or a person appointed by the board of directors for this purpose opens the general meeting and presides over the proceedings until a chairman of the meeting is elected.

§ 10 Annual General Meeting

The annual general meeting is held each year within six months of the end of the financial year.

The following matters shall be addressed at the annual general meeting

1. Election of chairman of the meeting;
2. Preparation and approval of the voting register;
3. Approval of the agenda;
4. Election of one or two persons to attest the minutes, where applicable;
5. Determination of whether the meeting was duly convened

6. Presentation of the annual report and auditor's report and where applicable, the consolidated financial statements and auditor's report for the group;
7. Resolutions regarding
 - a) Adaption of the income statement and balance sheet and where applicable, the consolidated income statement and consolidated balance sheet;
 - b) Allocation of the company's profit or loss according to the adopted balance sheet;
 - c) Discharge from liability for board members and the managing director;
8. Determination of the number of members in the board of directors, alternate members, and the number of auditors and alternate auditors;
9. Determination of fees for the board of directors and the auditors;
10. Election of the board of directors and accounting firm or auditors;
11. Any other business incumbent on the meeting according to the Companies Act or the articles of association;

§ 11 Financial year

The company's financial year shall comprise the period commencing July 1 up to and including June 30.

§ 12 CSD Clause

The company's shares shall be registered in a control register according to the law (1998:1479) on security centrals and accounting of financial instruments (record day provision).



www.odipharma.com
info@odipharma.com
Engelbrektsgatan 9-11, 11432 Stockholm, Sweden

