

Annual report 2019/2020



ODI Pharma

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TABLE OF CONTENTS

INTRODUCTION

THE STORY OF ODI	3
COMMENT FROM THE CEO	4
ABOUT ODI PHARMA	6
MARKET OVERVIEW	10
THE TEAM	15
OTHER	16

DIRECTORS' REPORT

OPERATIONS AND SIGNIFICANT EVENTS	17
KEY DATA	22
PROPOSAL FOR PROFIT ALLOCATION	23

FINANCIAL REPORTS

CONSOLIDATED GROUP STATEMENTS	25
PARENT COMPANY STATEMENTS	29
NOTES TO THE FINANCIAL STATEMENTS	34

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT	43
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*In this document, the following definitions shall apply, unless otherwise stated: the "Company" or "ODI Pharma" refer to ODI Pharma AB with Swedish corporate registration number 559223-1392.
All amounts in the annual report are given in Swedish kronor, SEK.

INTRODUCING: ODI PHARMA

THE STORY

ODI Pharma was founded in 2018 with the goal of improving patients access to medical cannabis. Based on its European network, subsidiaries, and partners, ODI Pharma is a producer and representative of finished pharmaceutical cannabis products under governmental supervision and regulation, focusing on distribution to medical markets, initially targeting Poland.

The products are to be sold to clients and patients through ODI Pharma's relationships to wholesale medical distributors representing nearly all of Poland's hospitals, clinics, and pharmacies. ODI Pharma does not strive to cultivate the raw product itself but decided to team up with the global leaders in the industry to source the highest quality product for ODI Pharma's brand, thereby ensuring reliability, consistency, and professionalism.



SUMMARY: HIGHLIGHTS OF 2019/2020

- December – Spotlight Stock Market announced that ODI Pharma was approved for listing.
- January – The interest in the new share issue was significant. The subscription rate amounted to approx. 383 % and ODI Pharma received approx. SEK 25 million before issue costs.
- January – ODI Pharma's first day of trading in the Company's share on Spotlight Stock Market commenced.
- January – ODI Pharma's supplier of medical cannabis received its European Union Good Manufacturing Practices ("EU-GMP") certification as an active substance manufacturer.
- April – ODI Pharma announced that the Board of Directors does not see any impact on the Company's mid- and long-term goals due to COVID-19. At the same time the current situation has caused ODI Pharma to experience a delay in the implementation of the import process

COMMENT FROM THE CEO:

“... quality and the source of the product is essential to us, and it is indispensable that European patients not only receive high-quality, but also relatively low-cost products”.

It is with great satisfaction we conclude our first financial year as a listed company.

We entered 2020 with the great news of our share issue, prior to listing at Spotlight Stock Market, being oversubscribed with a subscription rate of approximately 383 %. Ringing the bell at Spotlight Stock Market was a good feeling, and the issue proceeds of approximately SEK 25 million before costs has supported our growth and provide opportunities with great potential.

2020 is also the year of COVID-19, but so far, even though we had to make some changes in our schedule we have used the time productively. Our vision remains intact and we are spending time for not only efficiencies in implementation, but further opportunities despite these circumstances.

I am confident that delays will not hinder our goals to be a leader and profitable part of the development of the medical cannabis industry in Europe. We at ODI Pharma have used delays caused by COVID to broaden our access to possible product line as can be seen in our recent press release dated 2nd November 2020, improved import process and gained exclusivity of our product line in Poland. With this understanding, we have proudly integrated our brands by co-branding, which implies an effective approach, extended our contract life

and fixed our minimum supply targets. Meaning, that we have strengthened our already strong relationship with our cultivation partner.

We have also begun discussions of steps to further growth for our investors in line with our previous market overview from the last quarterly report. We firmly believe in our intentions to become a market leader in Europe within the cannabis industry, as we continue to work in conjunction with legislation and research to provide new business growth opportunities for ODI Pharma.

Concluding this first financial year, we will continue to take new initiatives, for instance in terms of how we communicate to investors about our development and on ideas culminating from our extensive market analysis of cannabis opportunities and research.

Lastly, I also want to seize the opportunity to thank our shareholders for the continued belief in our work and your trust in us continuing the acceleration of our business. I am convinced that we have an exciting future ahead of us and I speak for everyone involved in ODI Pharma when I say your support is much appreciated and does not go unrecognized - thank you!



Derek Simmross
CEO, ODI Pharma



ABOUT: ODI Pharma

As the European market for medical cannabis has the potential of becoming the largest medical cannabis market in the world - ODI Pharma has the objective of becoming the most prominent supplier.

With its European network, subsidiaries, and affiliates, ODI Pharma is a producer and a representative of finished pharmaceutical cannabis finished products. The founders and board members of the Company have an extensive background in both the trading and the medical cannabis industry.

The Company focuses on distribution to the medical cannabis market in Poland, through its subsidiary ODI Pharma Polska Sp. z o.o. ODI Pharma holds 100 % of the shares in 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 focus on developing additional distribution agreements in other countries. The main focus of ODI Pharma is on the medical cannabis products that are sold to clients and patients through ODI Pharma's relationships with pharmacies via wholesale distributors.

ODI Pharma's upcoming business activities will be focused on the Polish market, and the Company has therefore chosen to name this business strategy the "Polish Strategy". ODI Pharma will always have a financial focus of keeping costs low and preserving investor capital for investment. ODI

Pharma's operations are carried out through its subsidiary on the Polish market, which will handle the imports and distribution of medical cannabis products. The Company has secured a relationship with one of the leading pharmaceutical wholesalers in Poland, NEUCA. Further, the Company has amended our valuable supply contract. The amendment now integrates our work with German firm CC Pharma, 100% subsidiary of Aphria Inc., as a business partner. Thus, improving proximity to our partners and communication during European time zone. The supplier is a first-tier cultivator who operates at the highest standards, enabling full control over the strains.

ODI Pharma believes that European clients require a wide variety of medical cannabis products of high quality to treat specific illnesses. The Company is a medical cannabis finished product producer and representative. Therefore, ODI has no cultivation operations. The Company intends to offer a range of medical cannabis products, which will initially, due to Poland's regulation, be dried flowers albeit we now have access to broader product lines.



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 and now also represent co-branded finished products for the Polish market, per the Polish Strategy, are products that will be approved by the Polish governmental agencies. Initially, the products will be dried flowers and discussions according to recent press release under exclusive co-branding.

The products will be manufactured co-branded together with our cultivating partner. The patients can consume the dried flowers in various ways following the guidelines of the pharmacists. ODI Pharma is evaluating other product types besides dried flowers to be sold on the Polish market. The Company expects these other products to hit the market during 2021.

ODI Pharma intends to be up to date on trends and regulatory requirements, and future products may differ from the current developments. 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 approximately EUR 13.00-16.00 (based on current exchange rate) per gram, ODI Pharma intends to match this price at least, while still providing high-quality products. Whatever product type of medical cannabis ODI Pharma provides, the objective is to be cost-efficient concerning what has previously been stated.

TARGET GROUP

There is a total of about 40+ indications in which medical cannabis may potentially show results in terms of efficacy. The Supreme Pharmaceutical Chamber of Poland (Naczelna Izba Aptekarska) estimates an immediate market demand of 300,000 patients by 2025. Jędrzej Sadowski, the author of the bill legalizing cannabis, estimates 300,000 patients as well. ODI Pharma assumes that it will take some years to reach the potential patients' number that uses the product, and the Company estimates that this will be reached in 2025. The Polish regulations do not limit the prescriptions for medical cannabis concerning certain ailments – therefore, all physicians have the authorization to prescribe medical cannabis to all their patients and all types of illnesses. The Supreme Pharmaceutical Chamber of Poland suggested the application with treatable conditions, including nausea caused by chemotherapy, epilepsy, symptoms of multiple sclerosis, and chronic pain.

BUSINESS MODEL

ODI Pharma intends to build a sought after brand. This brand is to be built with the strongest partners in the medical industry. Thus, providing a high-quality product at a competitive price compared to competitors in Poland. Thereby; with the target of becoming the number one provider of medical cannabis in Poland. The initial business strategy will be replicated and infrastructure expanded to (1) other markets and (2) other products within the cannabis industry.

ODI Pharma also strives to be at the forefront of understanding the medical

applications of the product and new, innovative products to the Europeans in need. As stated on multiple occasions ODI Pharma concentrates efforts in a cost efficient as possible manner for a listed company, thus utilizing capital for business opportunities. To date, there are no salaries coming out of the company besides small director fees.

ODI Pharma provides an independent team that manages the regulatory hurdles. ODI Pharma takes responsibility and all the necessary steps to satisfy all the comprehensive regulatory requirements together with its partners.





MARKET OVERVIEW

As stated in our last quarterly, full year report, ODI Pharma would like to share observations of trends in the cannabis industry. We look to continue this trend and keep our visions clear moving forward. In the companies' belief medical cannabis is evolving across the world. On a daily basis, more and more patients are getting access to treatments for symptoms, and revenue in the industry is proliferating. As always in high-cost infrastructure, there will be a few that thrive, and many that perish as the product produced has a shelf life.

The US presidential election 2020 will have come and gone by the time of this report release and possibly open the door for the next stage in the evolution of the cannabis industry. Regardless, legal barriers are being dropped but slowly.

In repetition from our last report, what cannot be overlooked in the cannabis industry, especially in North America, are the multitude of CPGs (Consumer Packaged Goods) based on Cannabis constituents, such as foodstuffs, drinks, soaps, and cosmetics, which should far surpass the revenue of the medical cannabis market over the next ten years. Europe is far behind in this development as CBD for consumption must gain wide acceptance across Europe and is currently under review. What is quite essential when studying the CPGs is not to batch them together but study each CPG as a separate asset class because each of them are an industry within themselves. Also, each of them falls within a different legal framework.

There are also clear signs that, just as in the production of many other goods, laboratories will have a vital role in the cannabis industry's future. The industry is

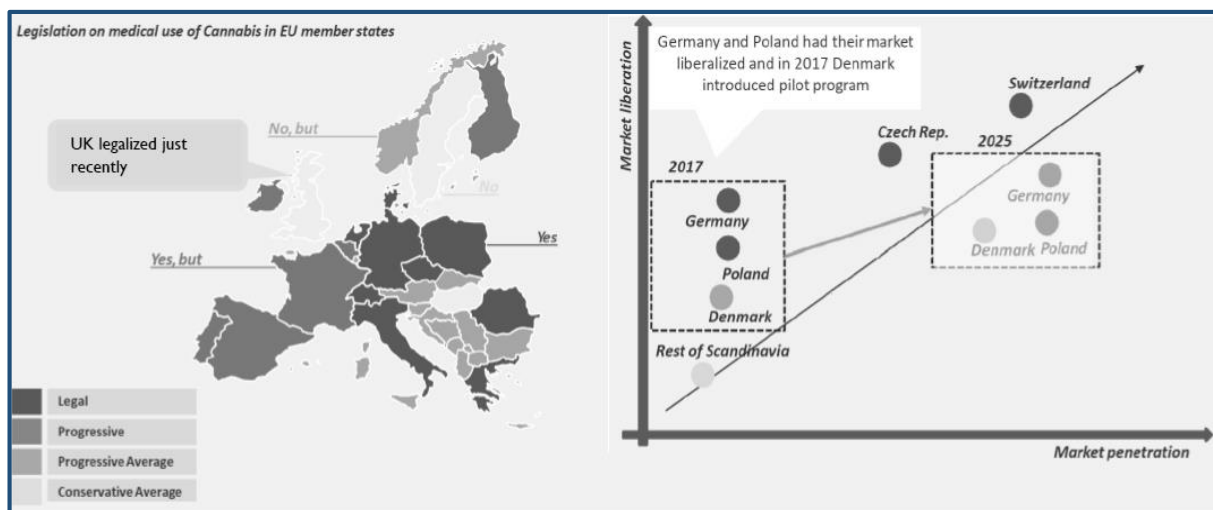
evolving not only via the processing of the plants produced but in the isolation of the active substances. This suggests that science is slowly taking a leadership role in the industry.

ODI discussions of the opportunities in these CPG's is beginning to take form.

THE CANADIAN CULTIVATION OF MEDICAL CANNABIS

Canadian companies are currently 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 cultivators are currently in a "race to produce", making investment costs 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.



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 August 2019 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 of Directors' opinion that the European market has the possibility to grow into the largest market in the world for medical cannabis products. Europe has approximately 743 million residents, and the total amount of expenditure for health care amounts to approximately EUR 2.3 trillion. In 2028, the market for medical cannabis is expected to be worth around EUR 58 billion³⁸. 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.

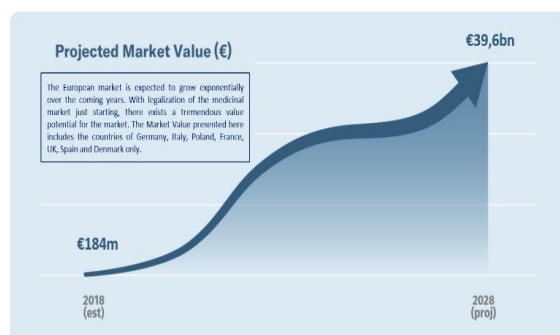
THE EUROPEAN MEDICAL CANNABIS MARKET (SELECTED COUNTRIES)⁴⁰

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

FORECAST OF MEDICAL CANNABIS MARKET VALUE FOR SELECTED EUROPEAN COUNTRIES 2018-2028⁴¹

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



THE INITIAL MAIN TARGET: POLAND

The Board estimates that Poland offers an exciting market with great potential for growth. Medical cannabis is legal as a prescribed medication since 2017. Poland has a population of around 38 million residents, and the total healthcare

expenditure is estimated to EUR 72 billion. Also, Poland shows one of the highest ratios of pharmaceutical spending from the total healthcare expenditures globally, c. 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 EUR 2 billion. Pharmacists estimate that the initial cost per gram for patients will be around EUR 13-15, adding up to approximately EUR 400 per patient per 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. Approximately 1 % of the population suffers from epilepsy, and 20 % of those suffers from drug-resistant epilepsy. 30 % of the population suffers from some form of migraine, and there are approximately 10 million people in Poland which have some form of arthritis. 1.5 million people suffer from depression. Approximately 170,000 people suffer from cancer and 24,000 from 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. Whereas the German market is estimated to be the largest market for medical

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

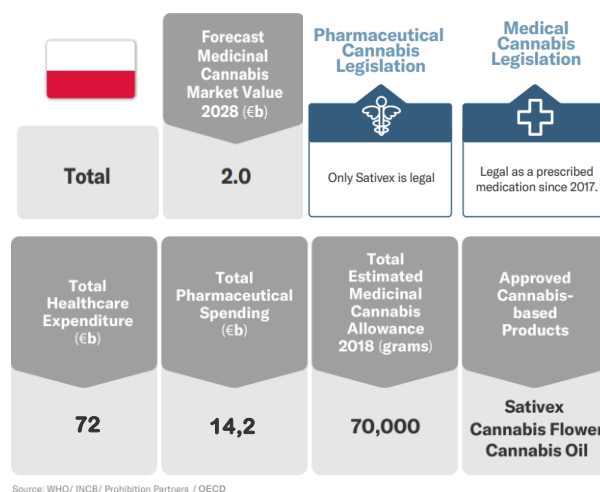
Under Polish legislation, physicians can prescribe medical cannabis products to patients who then access it through registered pharmacies. Cannabis education will also be a necessity for the medical community. Healthcare in Poland is delivered through a publicly funded system called National Health Fund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

ACCESS TO MEDICAL CANNABIS PRODUCTS IN POLAND

In the Summer of 2017, Poland's lower house parliament voted in favour of making medical cannabis legal "under certain circumstances". The bill was backed by the country's Health Care Committee, was enacted in the same year and the bill was far less restrictive than its predecessors, allowing doctors to offer prescriptions for any condition that can be treated or eased with medical cannabis if supported by research. Pharmacists and doctors were

encouraged to educate themselves on all thing's 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.



Notes

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>

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>

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



THE TEAM: MEMBERS OF THE BOARD & EXECUTIVE MANAGEMENT TEAM

Derek Simmross

CEO, Member of the Board



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 41.06% (6,250,000 shares) of ODI Pharma at the date of this report.



Volker Wiederrich

Chairman of the Board



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 41.10% (6,255,898 shares) of ODI Pharma at the date of this report.

Karina Kilinski

Sales Director, Member of the Board



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



Gösta Lidén

Independent Member of the Board



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



Dr. Markus Fritzsche

Research Director



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

OTHER

THE SHARE

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

WARRANTS

No warrants are outstanding to any party.

PROPOSED APPROPRIATION OF PROFIT OR LOSS

The Board of Directors and the CEO propose that no dividend shall be paid for the financial year 1st of July 2019 to 30th of June 2020.

FINANCIAL CALENDAR

July – September 2020 (Q1) 27th of November 2020
 October – December 2020 (Q2) 25th of February 2021

January – March 2021 (Q3) 27th of May 2021
 April – June 2021 (Q4) 26th of August 2021

SHAREHOLDERS

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

NAME	NUMBER OF SHARES	THE PORPORTION OF VOTES (%)
Volker Wiederrich	6,255,898	41,10
Derek Simmross	6,250,000	41,06
Other shareholders	2,714,102	17,84
TOTAL	15,220,000	100,00

DIRECTORS' REPORT

INFORMATION ABOUT THE OPERATIONS

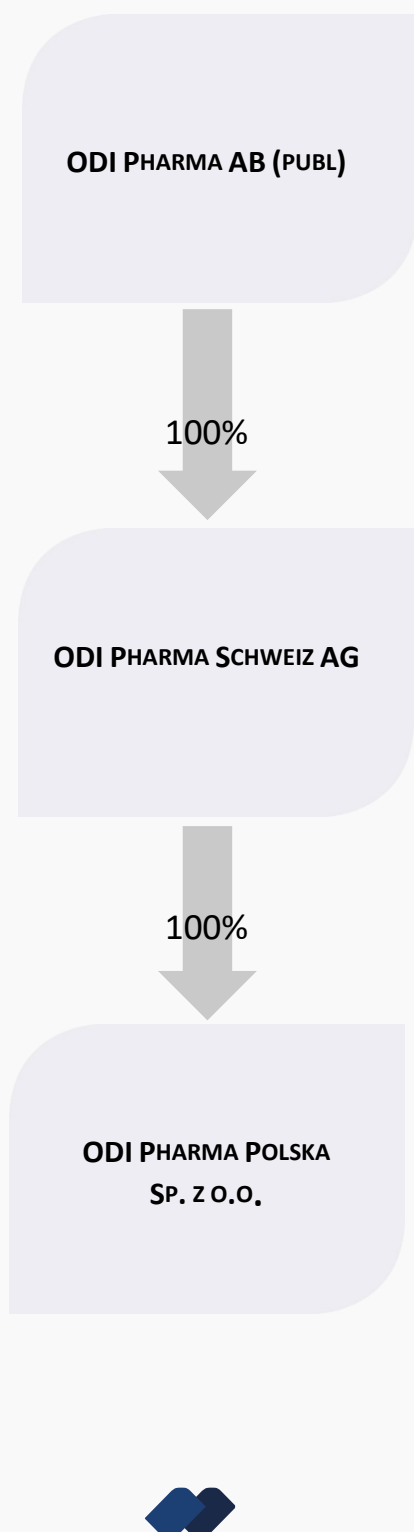
ODI Pharma AB (publ) ("Parent company"), organization number 559223-1392, with its European network, subsidiaries, and affiliates, is a producer of pharmaceutical cannabis finished products. The founders and board members of the Company have an extensive background in the trading industry, and the medical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

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- This is the first operating year for ODI Pharma AB (publ)
- ODI Pharma AB was formed on 30th 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
- During December 2019, ODI Pharma carried out a new share issue, which after registration in January 2020 increased the number of shares. The number of shares after registration amounts to 15 220 000 shares.

COMPANY STRUCTURE



EXPECTED FUTURE PROSPECTS AND SIGNIFICANT RISKS AND UNCERTAINTIES

OPERATIONAL RISKS AND UNCERTAINTIES REGARDING COVID-19

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

OTHER OPERATIONAL RISKS AND UNCERTAINTIES

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

The company monitors all of the described risks in this section on a regular basis.

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.

FINANCING AND CAPITAL NEED ODI Pharma's future plans entail significant costs for the Company. Further delays 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.

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.

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.

SUPPLIERS ODI Pharma has entered into a supply agreement with a cultivation

partner. The agreement ensures that the Company, among other things, receives assistance and help from the cultivation partner as well as other matters related to production and determines the conditions under which ODI Pharma can import products from the cultivation partner. 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.

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 Annual report, 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.

COMPETITORS Some of the Company's competitors and potential future competitors are multinational companies with large financial resources. Competing with them could substantially impact our forecasts and targeted market position and profit effects for the Company.

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.

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.

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.

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.

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.

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.

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.

SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR

ODI Pharma announced on 2nd November 2020 that, despite COVID 19 delays, it has streamlined its supply chain and executed a Supply Agreement with Aphria Inc.'s wholly-owned German subsidiary, CC Pharma GmbH ("CC Pharma"). The management team of ODI believes the Supply Agreement will contribute to efficiencies of ODI's operations going forward. ODI Pharma is pleased to continue its relationship with Aphria through a new partnership between CC Pharma and ODI Pharma. This new agreement further advances the terms of ODI's relationship to Aphria Inc. to include a broader product offering.

The highlights of the Supply Agreement are:

- The Supply Agreement grants ODI the exclusive right to sell a defined set of co-branded products in Poland. These products will be co-branded and sold under the ODI and Aphria brand names;
- The Supply Agreement has a term of five years and provides for an annual minimum of 1,200 kg of

medical cannabis product, for a total of 6,000 kg of medical cannabis during the term of the agreement; and

- CC Pharma will support ODI in securing regulatory approval for import and sale of the co-branded products in Poland.
- ODI Pharma is currently revising the documentation to seek regulatory approval.

KEY DATA

OWNERSHIP

NAME	NUMBER OF SHARES	THE PORPORTION OF VOTES (%)
Volker Wiederrich	6,255,898	41.10
Derek Simmross	6,250,000	41.06
Other shareholders	2,714,102	17.84
TOTAL	15,220,000	100,00

MULTI-YEAR OVERVIEW, THE GROUP

	2019/20	2018/19
Profit/Loss after financial items (TSEK)	-4,942	-3,350
Result per share (SEK)	-0.36	-0.29
Solidity (%)	96%	90%

MULTI-YEAR OVERVIEW, PARENT COMPANY

	2019/20
Profit/Loss after financial items (TSEK)	-1,975
Result per share (SEK)	-0.14
Solidity (%)	99.0%

PROPOSALS FOR PROFIT/LOSS ALLOCATION

The Board of Directors recommends that this year's loss and the share premium reserve are allocated as follows (SEK):

Share premium reserve	21 213 765
This year's loss	-1,974,870
Total non-restricted equity	19 238 895

BE DISTRIBUTED SO THAT THEY ARE:

Carried over	19 238 895
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FINANCIAL REPORTS

CONSOLIDATED INCOME STATEMENT FOR THE GROUP

(SEK)	NOTE	2019-07-01 -2020-06-30	2018-07-01 -2019-06-30
Other operating income		9 240	120 462
		9 240	120 462
<i>Operating expenses</i>			
Other external expenses	2	-4 704 203	-3 458 235
Depreciation and amortization		-12 264	-2 104
Other operating expenses		-227 192	-1 127
		-4 943 659	-3 461 466
Operating profit/loss		-4 934 419	-3 341 004
<i>Result from financial items</i>			
Interest income and similar profit/loss items	3	18	29
Interest expense and similar profit/loss items	4	-7 798	-8 920
Result after financial items		-7 780	-8 891
Result before taxes		-4 942 199	-3 349 895
Tax expenses	5	-20 045	-282 860
Profit/loss for the period		-4 962 244	-3 632 755

CONSOLIDATED BALANCE SHEET FOR THE GROUP

(SEK)	NOTE	2020-06-30	2019-06-30
Assets			
<i>Fixed assets</i>			
<i>Tangible fixed assets</i>			
Equipment, machines, tools	6	20 013	7 608
Total fixed assets		20 013	7 608
Current assets			
<i>Current receivables</i>			
Other receivables		176 157	39 601
Deferred expenses and accrued income		152 029	1 796
		328 186	41 397
<i>Cash on hand and bank</i>	7	20 513 417	4 420 463
Total current assets		20 841 603	4 461 860
Total assets		20 861 616	4 469 468
Equity and liabilities			
<i>Equity</i>			
Share capital		608 800	869 520
Other contributed capital		21 583 285	0
Other equity including result for the period		-2 116 139	3 173 962
Equity attributable to owners of the parent company		20 075 946	4 043 482
Current liabilities			
Accounts payable		299 180	44 378
Current tax liabilities		301 823	292 534
Deferred income and accrued expenses		184 667	89 074
Total current liabilities		785 670	425 986
Total equity and liabilities		20 861 616	4 469 468

CHANGES IN EQUITY, GROUP

(SEK)	Note	Share capital	Other contributed capital	Other equity including result for the year	Total capital
Opening equity 2018-07-01		869 520	0	6 514 205	7 383 725
Profit/loss for the year		0	0	-3 632 755	-3 632 755
Translation differences		0	0	292 512	292 512
Closing equity (2019-06-30)		869 520	0	3 173 962	4 043 482
Opening equity 2019-07-01		869 520	0	3 173 962	4 043 482
Profit/loss for the year		0	0	-4 962 244	-4 962 244
Translation differences		0	0	-327 857	-327 857
Transactions with shareholders					
Business acquisition (reverse acquisition):	12	-369 520	369 520	0	0
New share issue		108 800	24 915 200	0	25 024 000
New share issue expenses		0	-3 701 435	0	-3 701 435
Closing equity (2020-06-30)		608 800	21 583 285	-2 116 139	20 075 946

GROUP CASH FLOW ANALYSIS

(SEK)	NOTE	2019-07-01 -2020-06-30	2018-07-01 -2019-06-30
Operating activities			
Net operating profit/loss		-4 934 419	-3 341 004
Adjustment for items without cash flows			
Deprecations and write-downs		12 265	2 104
Currency exchange differences		131 062	-45 413
Cash flow from operating activities		-4 791 092	-3 384 313
Paid interest		-7 779	-8 892
Paid tax		-11 544	0
Cash flow before change in working capital		-4 810 415	-3 393 205
<i>Change in working capital</i>			
Change in current receivables		-286 789	-39 910
Change in current liabilities		350 395	77 401
Total change in working capital		-4 746 809	-3 355 714
<i>Investing activities</i>			
Investments in tangible fixed assets		-24 359	-9 712
Cash flow from investing activities		-24 359	-9 712
<i>Financing activities</i>			
New share issue		24 556 800	0
New share issue expenses		-3 701 435	0
Cash flow from financing activities		20 855 365	0
Cash flow for the year		16 084 197	-3 365 426
Cash and cash equivalents at beginning of year		4 420 463	7 438 461
Effect of exchange rate changes		8 757	347 428
Cash and cash equivalents at end of year	7	20 513 417	4 420 463

INCOME STATEMENT PARENT COMPANY

(SEK)	NOTE	2019-07-01
		-2020-06-30
Other operating income		61
		61
<i>Operating expenses</i>		
Other external expenses	2	-1 972 551
Other operating expenses		-2 380
		-1 974 931
Operating profit/loss		-1 974 870
<i>Result from financial items</i>		0
Result after financial items		-1 974 870
Result before tax		-1 974 870
Profit/loss for the period		-1 974 870

BALANCE SHEET, PARENT COMPANY

(SEK)	NOTE	2020-06-30
ASSETS		
<i>Fixed assets</i>		
Participation in group companies	8,9	967 200
		967 200
Total fixed assets		967 200
<i>Current assets</i>		
<i>Current receivables</i>		
Deferred expenses and accrued income		150 351
Total current receivables		150 351
<i>Cash on hand and in bank</i>	7	18 971 492
Total current assets		19 121 843
TOTAL ASSETS		20 089 043
EQUITY AND LIABILITIES		
<i>Equity</i>	10,11	
<i>Restricted reserves</i>		
Share capital		608 800
		608 800
<i>Non-restricted reserves</i>		
Share premium reserve		21 213 765
Profit/loss for the year		-1 974 870
		19 238 895
Total equity		19 847 695
<i>Current liabilities</i>		
Account payable		86 974
Liabilities to group companies		111 222
Accrued expenses and deferred income		43 152
		241 348
TOTAL EQUITY AND LIABILITIES		20 089 043

CHANGES IN EQUITY, PARENT COMPANY

(SEK)	Share capital	Share premium preserved	Retained profit/loss	Profit loss this year	Total
Opening equity 2019-10-21	500 000	0	0	0	500 000
Appropriation of earnings as per decision of the Annual General Meeting	0	0	0	0	0
Profit/loss of the year	-	-	0	-1 974 870	-1 974 870
New share issue	108 800	24 915 200	0	0	25 024 000
New share issue expenses	0	-3 701 435	0	0	-3 701 435
Closing equity (2020-06-30)	608 800	21 213 765	0	-1 974 870	19 847 695



CASH FLOW ANALYSIS, PARENT COMPANY

(SEK)	NOTE	2019-07-01 -2020-06-30
Operating activities		
Net operating profit/loss		-1 974 870
		-1 974 870
Cash from before change in working capital		-1 974 870
<i>Change in working capital</i>		
Change in current receivables		-150 351
Change in current liabilities		241 348
Total change in working capital		-1 883 873
<i>Financing activities</i>		
New share issue		24 556 800
New share issue expenses		-3 701 435
Cash flow from financing activities		20 855 365
Cash flow for the year		18 971 492
Cash and cash equivalents at beginning of year		0
Effect of exchange rate changes		0
Cash and cash equivalents at end of year	7	18 971 492



NOTES

NOTE 1 ACCOUNTING AND VALUATION OF PRINCIPLES

GENERAL INFORMATION

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

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

Switzerland Group's financial information for 2018, adjusted for differences in accounting principles.

CONSOLIDATED FINANCIAL STATEMENT

Subsidiary

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

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

revenues and expenses, identifiable assets and liabilities as well as any goodwill or negative goodwill that has risen.

Elimination of transactions within the Group

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

REEVALUATION OF ITEMS IN FOREIGN CURRENCIES

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

LEASING- LEASETAGARE

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

INCOME TAXES

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

CURRENT TAX

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

or announced at the balance sheet date.

DEFERRED TAX

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

The carrying amount of deferred tax assets is tested for impairment at the end of each financial year and an impairment loss is recognized to the extent that it is no longer probable that sufficient taxable profits will be available against which the deferred tax asset can be fully or partially offset. Utilization of tax loss carryforwards is dependent upon tax profits. Deferred tax is recognized at the nominal current tax rate with no discount. Deferred tax is recognized as a financial fixed asset and deferred tax liability.

FIXED ASSETS

Intangible and tangible fixed assets are posted at the acquisition value less accumulated depreciation and any write-downs.

Depreciation is done on a straight-line basis over the estimated useful life of the asset taking the significant residual value into account.

ACCOUNTS RECEIVABLE / CURRENT RECEIVABLES

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

LOAN AND ACCOUNTS PAYABLES

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

SHARES IN SUBSIDIARIES

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

contributions are added to the cost when they arise.

TRANSLATION OF FOREIGN OPERATIONS

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

THE CASH FLOW ANALYSIS

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



NOTES 2 FEES TO AUDITOR

	Group		Parent company
	2019/20	2018/19	2019/20
PricewaterhouseCoopers			
Audit	477 350	0	180 000
Other audit services	278 820	0	278 820
Tax consultancy	92 578	0	0
Other services	95 520	67 872	95 520
Total	1 305 938	67 872	554 340
PRO AUDIT Kancelaria Biegłych Rewidentów Sp.z.o.o.			
Audit	15 911	0	0
Total	15 911	0	0



NOTE 3 OTHER INTEREST INCOME AND SIMILAR PROFIT/LOSS ITEMS (SEK)

	Group		Parent company
	2019/20	2018/19	2019/20
Other interest income	18	29	0
	18	29	0

NOTE 4 OTHER EXPENSES AND SIMILAR PROFIT/LOSS ITEMS

(SEK)	Group		Parent company
	2019/20	2018/19	2019/20
Other interest expenses	7 798	8 920	0
	7 798	8 920	0

NOTE 5 TAX EXPENSES

(SEK)	Group		Parent company
	2019/20	2018/19	2019/20
Current tax	-15 634	0	0
Tax on previous years result	-4 411	-282 860	0
Tax expenses total	-20 045	-282 860	0

Reconciliation effective tax

Loss before tax	-4 942 199	-3 349 895	-1 974 870
Tax on reported profit for this year calculated with tax rate at closing:	1 057 631	736 977	422 622
Tax effect by			
Other non-deductable expenses	5 302	0	0
Non-taxable income	208	0	0
Tax deficits for which no deferred tax asset has been reported	-1 098 038	-736 977	-422 622
Effect of foreign tax rates	19 264	0	0
Tax on previous year	-4 411	-282 860	0
Total tax	-20 045	-282 860	0

NOTE 6 EQUIPMENT, MACHINES, TOOLS

(SEK)	Group		Parent company
	2020-06-30	2019-06-30	2020-06-30
Opening acquisition values	9 712	0	0
Reclassifications	310	0	0
This year's acquisitions	24 359	9 712	0
Outgoing accumulated acquisitions values	34 381	9 712	0
Opening depreciation	-2 104	0	0
This year's depreciations	-12 264	-2 104	0
Outgoing accumulated depreciation	-14 368	-2 104	0
Closing carrying amount	20 013	7 608	0

NOTE 7 CASH ON HAND AND IN BANK

(SEK)	Group		Parent company
	2020-06-30	2019-06-30	2020-06-30
Bank	20 513 417	4 420 463	18 971 492
	20 513 417	4 420 463	18 971 492

NOTE 8 PARTICIPATION IN GROUP COMPANIES

(SEK)	Parent company
	2020-06-30
Acquisition value start of year	0
This year's acquisitions	967 200
Acquisition value and of year	967 200
Book value at closing date	967 200

NOTE 9 SPECIFICATION OF PARTICIPATION IN GROUP COMPANIES

Name	Capital share	Share of voting power	Book value
ODI Pharma Schweiz AG	100%	100%	967 200

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

	Org.nr.	Location	Equity	Profit/loss
ODI Pharma Schweiz AG	CHE-242.702.959	Zug, Switzerland	1 023 235	-3 174 957
ODI Pharma Polska Sp.z o.o.	729 774	Warszawa, Poland	191 395	169 734

NOTE 10 NUMBER OF SHARES

(SEK)	2020-06-30	2020-06-30
A-shares	Quote value 0,04	Number 15 220 000

NOT 11 PROFIT OR LOSS ALLOCATION

Proposals for the company's profit or loss allocation

The Board of Directors propose that un-restricted equity, 19 238 895 SEK are allocated as follows:

Carried over	19 238 895
Total	19 238 895

NOTE 12 ACQUISITION OF ODI PHARMA SWITZERLAND GROUP

During the financial year, ODI Pharma Sweden AB acquired ODI Pharma Schweiz AG from the previous owners through a related party transaction. The acquisition was carried out through a promissory note of SEK 1 million, which, in accordance with an established agreement, was subject to set-off in connection with a new issue. K3 does not comment on common control transactions and in the absence of guidance, the company has chosen to report the transaction based on the former group's book values, since the newly formed company is not considered an acquirer in the transaction. This means that ODI Pharma Sweden AB's consolidated accounts are a continuation of what was previously reported in the ODI Pharma Schweiz AG and the comparative figures presented are the ODI Pharma Schweiz AG's financial information for 2018, adjusted for differences in accounting principles.

ODI Pharma Schweiz AG has a registered share capital of CHF 100 000 divided into 1000 shares

NOTE 13 SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR

ODI Pharma announced on 2nd November 2020 that, despite COVID 19 delays, it has streamlined its supply chain and executed a Supply Agreement with Aphria Inc.'s wholly-owned German subsidiary, CC Pharma GmbH ("CC Pharma"). The management team of ODI believes the Supply Agreement will contribute to efficiencies of ODI's operations going forward. ODI Pharma is pleased to continue its relationship with Aphria through a new partnership between CC Pharma and ODI Pharma. This new agreement further advances the terms of ODI's relationship to Aphria Inc. to include a broader product offering.

The highlights of the Supply Agreement are:

- The Supply Agreement grants ODI the exclusive right to sell a defined set of co-branded products in Poland. These products will be co-branded and sold under the ODI and Aphria brand names;
- The Supply Agreement has a term of five years and provides for an annual minimum of 1,200 kg of medical cannabis product, for a total of 6,000 kg of medical cannabis during the term of the agreement;

NOTE 14 DEFINITION OF KEY BUSINESS RATIOS

NET TURNOVER

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

PROFIT/LOSS AFTER FINANCIAL ITEMS

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

BALANCE SHEET TOTAL

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

SOLIDITY

Equity divided by total capital

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

The Board of Directors and the Executive management have today considered and approved the annual report of ODI Pharma for the financial year 01.07.2019 – 30.06.2020. In our opinion, the financial statements give a true and fair view of the Group's financial position at 30.06.2020 and the results of its operations for the financial year 01.07.2019 - 30.06.2020. We believe that the director's review contains a fair review of the affairs and conditions referred to therein. We recommend the annual report for adoption at the Annual General Meeting

STOCKHOLM, 2020-11-19


ODI Pharma

EXCECUTIVE BOARD

DEREK SIMMROSS

CEO

VOLKER WIEDERRICH

Chairman

KARINA KILINSKI

Member of the Board

GÖSTA LIDÉN

Member of the Board

Our audit report was submitted on 19.11.2020
Öhrlings PricewaterhouseCoopers AB

Johan Engstam
Authorized Public Accountant



Auditor's report

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

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of ODI Pharma AB (publ) for the financial year 1 July 2019 to 30 June 2020. The annual accounts and consolidated accounts of the company are included on pages 17-42 in this document.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 30 June 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Basis for Opinions

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

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

Other Information than the annual accounts and consolidated accounts

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

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

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

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

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

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

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

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

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

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of ODI Pharma AB (publ) for the financial year 1 July 2019 to 30 June 2020 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in

accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

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

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

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

Auditor's responsibility

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

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

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

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

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

Stokholm 19 November 2020

Öhrlings PricewaterhouseCoopers AB

Johan Engstam
Authorized Public Accountant



ODI Pharma