



ODI Pharma

Invitation to subscription of shares in ODI Pharma AB

Subscription period:
16-30 December 2019



ODI Pharma AB strives to provide the European pharmaceutical markets with medical cannabis of **highest** quality, based on its network of strategic partners, with excellent standard of production

www.odipharma.com

 **Nordnet**


SEDERMERA
FONDKOMMISSION

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.

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 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 benefits¹ 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 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. 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 will initially be dried flowers due to the regulation in Poland.

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.



Summary of offering

Subscription period: 16-30 December 2019.

Subscription price: SEK 9.20 per share.

Subscription post: The minimum subscription is 600 shares, corresponding to SEK 5,520.00.

Issue volume and minimum limit for implementation: The offer comprises no more than 2,720,000 shares, equivalent to SEK 25,024,000.00 before issue costs. The minimum limit for the new share issue's implementation is 60 percent of the issue costs.

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 approximately MSEK 17.5, a total of approximately 70 percent of the 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 23rd of January 2020.

The ISIN code for the share: SE0013409760

1. <https://www.health.harvard.edu/blog/medical-marijuana-2018011513085>.
Professor Michael Barnes, MD FRCP, Honorary Professor of Neurological Rehabilitation in The European Cannabis Report, 4th edition.



“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.”

Derek Simmross
CEO, ODI Pharma AB

Investment highlights

- ODI Pharma’s project ALPHA 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).
- ODI Pharma has the objective of becoming the most important supplier of medical cannabis products in Poland (for start). The Company estimate 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.
- 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 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).

Targets



Summary of financial objectives

- Achieve a market share in Poland of min. 10% 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

Letter from CEO

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 in what we estimate being 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 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. Poland does not allow cultivation of their own

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and the country is therefore relying on imports from other parts of the world.

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, ODI Pharma AB

Reference to the memorandum

All investments are associated with risks. In the memorandum for ODI Pharma there is an extensive description of the potential risks associated with the company's operations and its share. Before an investment decision can be made, these risks, together with other information in the memorandum, should be thoroughly investigated. The memorandum is available for downloading on the company's (www.odipharma.com), Spotlight Stock Market's (www.spotlightstockmarket.com) and Sedermera's (www.sedermera.se) web pages.

Subscription form – for subscription of shares in ODI Pharma AB

Subscription period: 16th of December - 30th of December 2019, at 3 p.m.

Subscription price: SEK 9.20

Allocation: Any allotment of share will be notified via a settlement note.

Payment: To be made in accordance with instructions on the settlement note.

In an assessment of ODI Pharma AB future development and operations, it is of great importance to consider all relevant risks. Each investor must make their own assessment of the impact of these risks by reading and understanding all available information published concerning this offer. The memorandum is available for download at www.sedermera.se, www.spotlightstockmarket.com or www.odipharma.com. Payment is not to be made in conjunction with the application for subscription. Any allotment is notified via a settlement note.

Subscription can also be made electronically with Bank-ID and Nem-ID on www.sedermera.se

Please note that the subscriber who has a custody account or account with specific rules, such as an ISK/KF account, the subscription must be made in agreement with the bank/trustee that holds the account.

1. The undersigned hereby applies for subscription of the following number of shares in ODI Pharma AB at a subscription price of SEK 9.20 per share. Minimum allowed subscription is of 600 shares (equal to SEK 5,520.00).

Number of shares

2. Fill in where the allotted and paid for shares are to be delivered, owner-registered securities account (Swedish: VP account) or custody account.

Custody account	Bank/Nominee

Do you have an account at Nordnet or Avanza? Please, contact your respective bank to make your subscription directly via Nordnet or Avanza.

3. Have you, through Sedermera, invested ten (10) times during the last twelve (12) months, or invested through Sedermera six (6) times each year for the last five (5) years? Yes No

4. Subscription over 15 000 EURO?

If the subscription is over 15 000 EURO, or if the answer on question 3 is Yes, the following shall be made:

1) A money laundering form must be fulfilled which can be found on the following link: www.sedermera.se.

2) A verified copy of your valid ID (Passport) must be sent to Sedermera Fondkommission by post to the below stated address, during the subscription period.

Note that, the documents shall be sent to Sedermera Fondkommission via post, at the address below.

Note that Sedermera Fondkommission can not guarantee that the subscription form will be processed before the money laundering form has been submitted to Sedermera Fondkommission.

You are always welcome to sign the form digitally and identify yourself through Bank-ID or Nem-ID at www.sedermera.se.

5. Fill in your name and address information (PLEASE WRITE CLEARLY)

Last name/company		First name	National ID number/Corp.ID.no.
Street address (or PO Box or equivalent)		Daytime telephone/mobile phone	NID-number/LEI*
Postal code	City	Country (if other than Sweden)	E-mail (mandatory)
Place and date		Signature (authorized company signature, or guardian, if applicable)	

*NID-number is a national ID for physical persons, required when subscribing for, trading, buying, selling and moving securities. NID is related to your citizenship. If you have only a Swedish or Danish citizenship, your NID is the same as your ID no/CPR together with the country code (SE/DK). Persons with more than one citizenship are advised to contact their local bank for support.

LEI is a global ID code for legal persons, required when subscribing for, trading, buying, selling and moving securities. Application for LEI code can be made with support from your bank but is also possible to conduct directly through institutions providing LEI codes. These are to be found at Global Legal Entity Identifier Foundation (GLEIF).

6. By signing this subscription form I confirm the following:

- That I have read the memorandum (Swedish use) and understand the risks associated with investing in this particular financial instrument;
- That I have read and understand the information stated in the section "Terms and Conditions" in the memorandum;
- That I have read and accepted the information stated on the subscription form;
- I have observed that the offer is not addressed to persons resident in the USA, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore or other countries where participation requires additional prospectus, registration or other measures other than those required by Swedish law;
- That I am aware that the application is not covered by the right of return that follows from the Swedish Distant and Doorstep Sales Act;
- That in signing this subscription form, I authorize Sedermera Fondkommission, at the undersigned's expense, to implement the subscription of shares pursuant to the Terms and Conditions stated in the memorandum issued by the board of ODI Pharma AB in December 2019;
- That the allocation of shares in accordance with the subscription cannot be guaranteed;
- That an incomplete or incorrect subscription form may be disregarded;
- That the subscription is binding;
- That no modifications or amendments may be made to the printed text in this application form;
- That I am aware that Sedermera Fondkommission will not make any assessment of whether the subscription to the instrument in question is suitable for me or the person on whose behalf I am subscribing;
- That I am aware that no customer relationship exists between Sedermera Fondkommission and the subscriber with respect to this subscription;
- That personal data supplied in connection with the assignment will be stored and processed by Sedermera Fondkommission for the purpose of administering this assignment;
- That personal data will be stored and processed in accordance with the General Data Protection Regulation (GDPR).

7. Send the application form by one of the following options:

Letter:
Object: ODI Pharma
Sedermera Fondkommission
Norra Vallgatan 64
211 22 Malmö

E-post:
issuingservices@sedermere.se

Fax:
0046 40-615 14 11

Questions, please call:
Phone: 0046 40-615 14 10

By checking this box, the subscriber agrees that information provided on the subscription form may also be used for communication regarding offers in the future.

MONEY LAUNDERING CHECK - NATURAL PERSON/ LEGAL ENTITY

In accordance with the Swedish act (2017:630) on measures against money laundering and terrorist financing



With reference to applicable regulations for the financial markets, including the rules on measures against money laundering and terrorist financing, the Swedish Financial Supervisory Authority (Finansinspektionen) has issued special regulations for supervised investment companies. The rules require investment companies to verify the identity of the parties with whom they transact business or for whom they perform transactions in accordance with a specifically prescribed arrangement.

Note! If you are a natural person and not a company, please proceed to the questions below.

Beneficial owner*			
Natural person (first name and surname)	Personal ID number	Ownership (%)	Share of votes (%)
Natural person (first name and surname)	Personal ID number	Ownership (%)	Share of votes (%)
Natural person (first name and surname)	Personal ID number	Ownership (%)	Share of votes (%)

*** Beneficial owners are:**

- Natural persons who, alone or with related persons, ultimately own more than 25% of the votes in the legal entity.
- Natural persons who, alone or with related persons, has the right to elect or dismiss more than 50% of the legal entity's board members or equal executives.
- Natural persons who, alone or with related persons, as a result of agreement with owners, members, the legal entity, regulations in the articles of association, company agreements and/or comparable agreements can control the company in accordance with the above..

There are no beneficial owners in accordance with the above. Sedermera Fondkommission will therefore consider the company's Chairman of the Board, CEO or other equivalent executive as the beneficial owner.

If the ownership structure is complex or comprises a number of ownership levels, or the legal entity is owned by a foundation, Please contact Sedermera Fondkommission

Control questions relating to measures against money laundering and terrorist financing

1. What is the purpose with the transaction?

- Savings/investment Securities trading Other – please specify: _____

2. Origin of the capital (multiple options are possible)

- Old savings/investments/capital income Salary/pension/bonus Inheritance/gift
 Sale of property/company Other – please specify: _____

3. What amount are you/ the company planning to invest through Sedermera during the coming year?

- 1-50 000 SEK 50 000-150 000 SEK 150 000-500 000 SEK 500 000 SEK or more

4. PEP – Politically exposed persons

Have you/ any of the beneficial owners or any of the company's representatives (such as the CEO, board members, chairman and/or authorized signatories), any of their employees or any of their immediate family members been a politically exposed person (PEP*) in the last 18 months?

- Yes No

If the answer is Yes, please specify:

Function: _____ Country: _____

The person's name and your relationship (if the person who held the function is someone other than yourself): _____

* A PEP is a person in a politically exposed position who holds, or has held, an important public function in a governmental or international organisation. This person's immediate family members and close colleagues should also be treated as PEPs. Examples are heads of state and of government, ministers, judges, ambassadors and members of parliament.

5. Operations in high-risk jurisdictions

Do you/ the company have operations in any of the following high-risk jurisdictions; Afghanistan, Bosnia and Herzegovina, Guyana, Laos, Vanuatu, Syria, Iran, Iraq, Yemen, Ethiopia, Uganda or North Korea?

- Yes No If the answer is yes, please specify Country: _____

SIGNATURES

The form must be signed and then sent, together with an authorization document to nyemission@sedermera.se. **A verified copy of an Identity document (such as drivers license or passport) shall be sent to Sedermera Fondkommission via mail to Norra Vallgatan 42, 211 22 Malmö, Sweden.**

Documents to attach Natural Person:

- A verified copy of an Identity document

Handlingar att bifoga för juridisk person:

- A verified copy of an Identity document of authorized representatives
- A copy of a valid power of attorney or a certificate of incorporation (No more than 1 month old)

Signatures	
Place and date	Place and date
Signature of the Party/ Authorized signatory	Sedermera Fondkommission
Print name	Print name

I confirm that all questions have been answered correctly and I will inform Sedermera in the event of any changes.