DanCann Pharma™

BETTER THAN YESTERDAY

Annual Report

1 January - 31 December 2021

The Annual General Meeting adopted the annual report on 27 April 2022

Michael Kristensen
Chairman of the General Meeting

DanCann Pharma A/S
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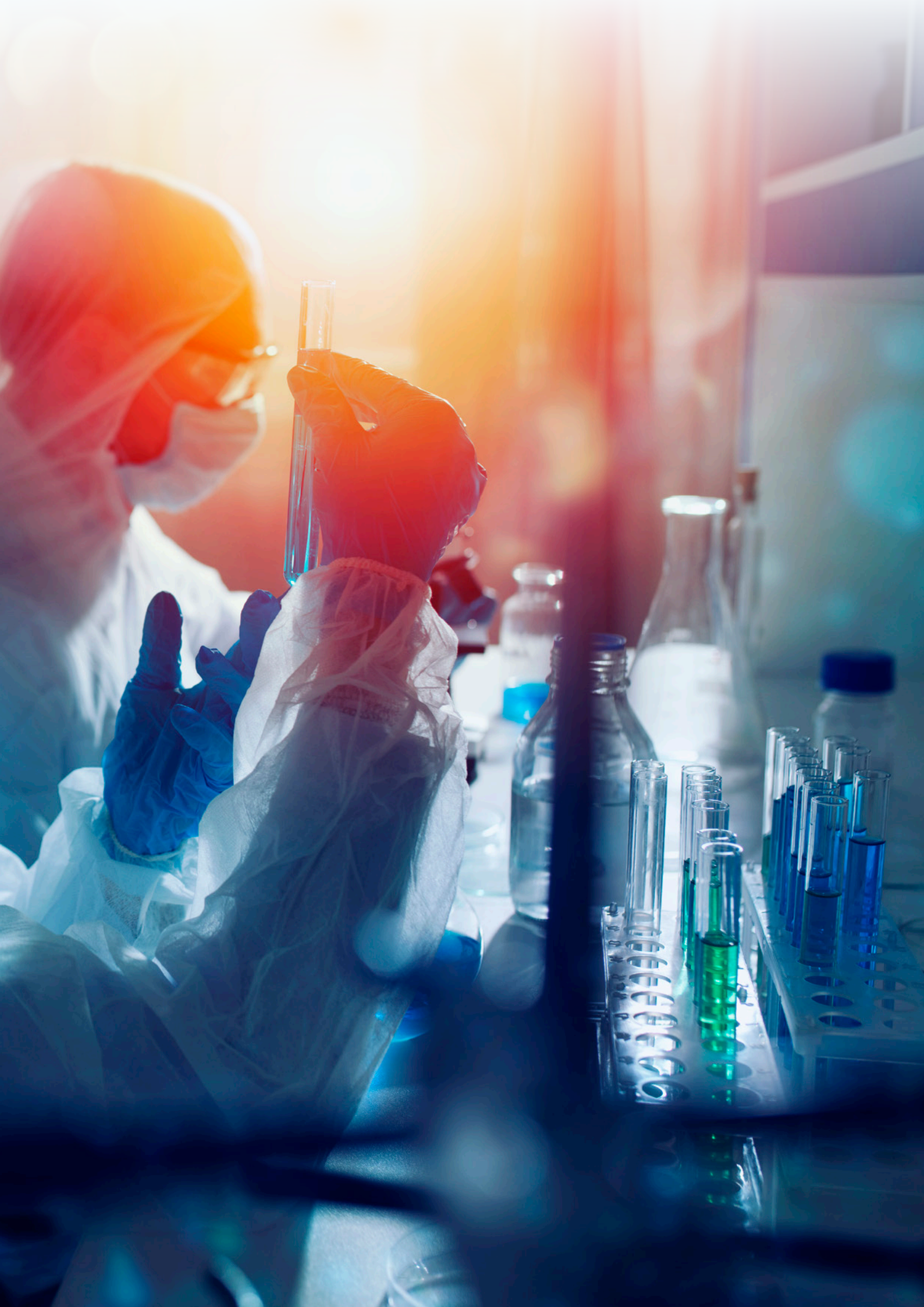

DanCann Pharma A/S, Annual Report 2021

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Disclaimer: forward looking statements

SOME STATEMENTS in this release may contain forward-looking information. All statements, other than of historical fact, that address activities, events, or developments that the Company believes, expects, or anticipates will or may occur in the future (including, without limitation, statements regarding potential acquisitions and financings) are forward-looking statements. Forward-looking statements are generally identifiable by use of the words "may", "will", "should", "continue", "expect", "anticipate", "estimate", "believe", "intend", "plan" or "project" or the negative of these words or other variations on these words or comparable terminology.

Forward-looking statements are subject to several risks and uncertainties, many of which are beyond the Company's ability to control or predict, that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things, without limitation, the inability of the Company, to obtain sufficient financing to execute the Company's business plan; competition; regulation and anticipated and unanticipated costs and delays, the success of the Company's research strategies, the applicability of the discoveries made therein, the successful and timely completion and uncertainties related to the regulatory process, the timing and outcomes of regulatory or intellectual property decisions and other risks disclosed in the Company's public disclosure record on file with the relevant securities regulatory authorities.

Although the Company has attempted to identify important factors that could cause actual results or events to differ materially from those described in forward-looking statements, there may be other factors that cause results or events not to be as anticipated, estimated or intended. Readers should not place undue reliance on forward-looking statements. The forward-looking statements included in this presentation are made as of the date of this presentation and the Company does not undertake an obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless required by applicable securities legislation.

Management Commentary

DanCann Pharma at a glance

DANCANN PHARMA A/S (SS: DANCAN) was founded in 2018 and is a Danish biopharmaceutical company powered by cannabinoids. DanCann Pharma is a vertically integrated, licensed production and distribution company based in Denmark. The company focuses on discovering, developing, manufacturing, and commercializing new therapeutic cannabinoids in a wide range of disease areas.

Primary activities

DanCann Pharma makes and distributes prescription (Rx-pharmaceuticals) cannabinoid-based pharmaceuticals (both approved and non-approved) primarily as of today focused on pain patients with alternative needs in relation to the treatment of their illness – with future targets for further and new patient groups and segments.

History

DanCann Pharma was established due to the poor and limited access to cannabinoid-based drugs and pharmaceuticals, where people instead searched for products on the uncontrolled illegal market. For that reason, DanCann Pharma today works with the mission of securing access to treatments with quality assured cannabinoid substances. DanCann Pharma creates and makes solutions for tomorrow's tough challenges using cannabis- and cannabinoids for pharmaceutical and therapeutic purposes.

DanCann Pharma is built from a foundation of care, and with a passion to improve health and the quality of life for patients with challenges. As a company, DanCann Pharma wants to offer an alternative to the many patients who have not achieved the required quality of life with conventional medicine, and focuses on, among other things but not limited to, the following patient groups: pain treatment/pain management in a wide range (alternative to treatment with opioids), appetite stimulant (in connection with anorexia and cancer treatment), appetite suppressant (treatment of obesity), skin diseases, sleep problems and mental disorders such as PTSD and anxiety.

By challenging status quo, based on knowledge and innovation, DanCann Pharma innovate life-changing technology. DanCann Pharma is not only limited to treatment with medical cannabis or cannabinoids – but everything that potentially helps the world to become a better place by improving the quality of life for patients. Research decides – but – patients inspire.

Vision, mission and values

Vision

We improve health and life quality for patients with challenges

We exist because we believe in a better future, where questions are asked, and challenges accepted.

Mission

We release the true potential of pharmaceutical cannabis and novel cannabinoids

We create and make solutions for tomorrow's tough challenges by the use of cannabinoids for pharmaceutical purposes - for the benefit of the individual and the environment.

Purpose

We ensure patients have access to various quality assured treatments with cannabinoid substances

Values

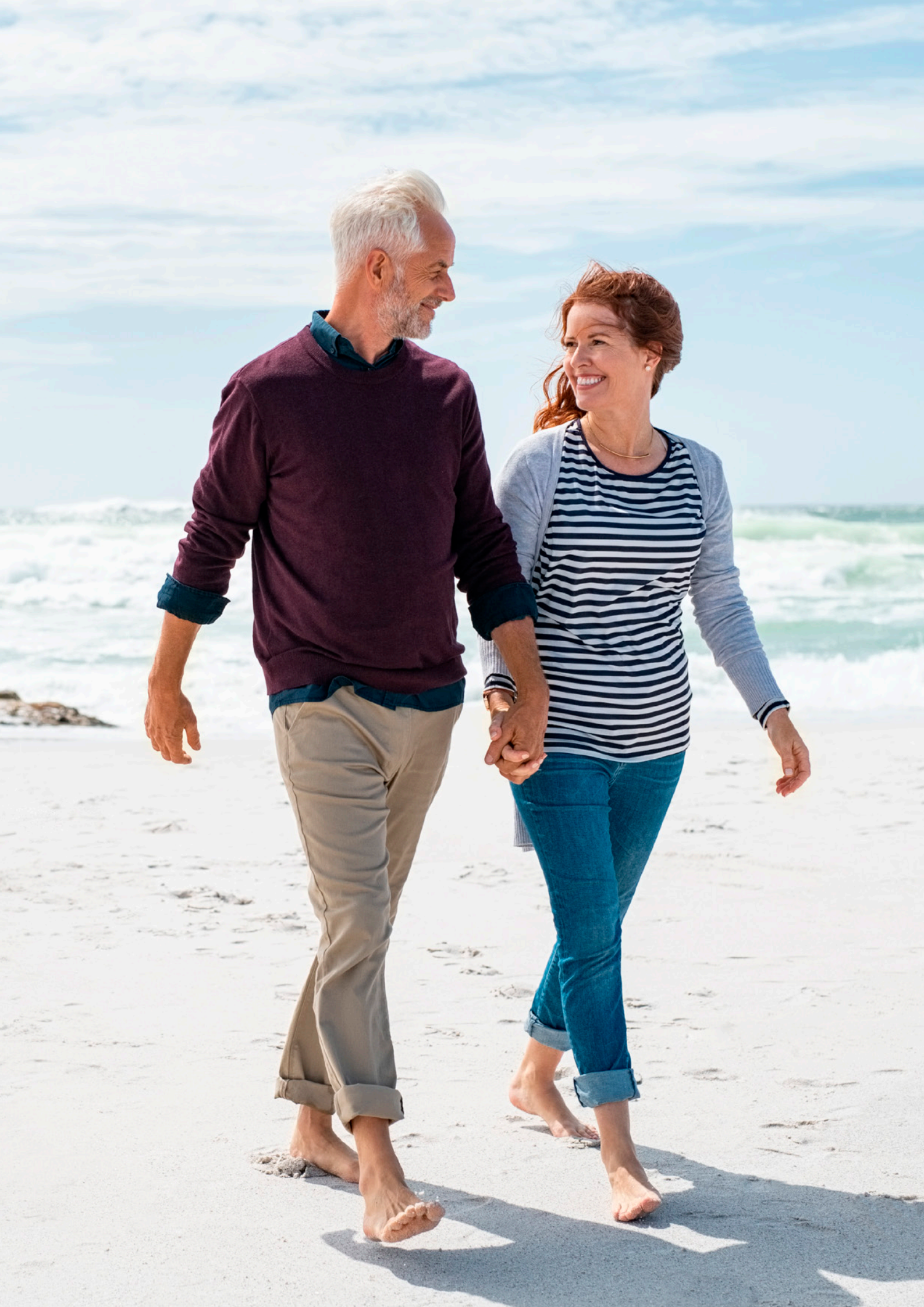
Our values are rooted in improving the world through our mission by unleashing the potential of cannabinoid substances to handle serious diseases. Our efforts are guided by several basic principles. At all times we strive to be:

- **Patient driven** - patients motivate everything we do
- **Passionate** - we are here to change lives
- **Innovative** - we challenge ourselves to find new and better approaches
- **Collaboration** - we achieve more through working together
- **Responsible** - we take responsibility and deliver on our obligations
- **Integrity** - we are fair, honest, and ethical
- **Expertise** - we strive to work to the highest standards

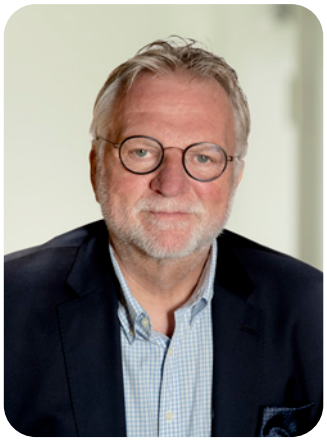
By following these values, we believe we can carry out our vision of making the world a better place through our mission with cannabinoid substances, including developing and delivering pharmaceutical products that improve the quality of life of many people and their loved ones.

Business highlights during 2021 DanCann Pharma Group

- DanCann Pharma Group had its first revenue and sales
- DanCann Pharma Group continue to be a first mover in the field of medical cannabis
- DanCann Pharma Group became the market leader within the Danish Pilot Programme
- DanCann Pharma Group now holds license for import and distribution in Denmark
- DanCann Pharma Group built a strong and exciting pipeline of products
- DanCann Pharma Group is now established in national permanent frame conditions
- DanCann Pharma Group raised an additional DKK 14.5 million based on market conditions
- DanCann Pharma Group applied for EU-GMP certification for Biotech Pharm1



Words from the Chairman of the Board



2021 HAS BEEN A BUSY and exiting year for DanCann Pharma and I am proud of the dedication and hard work everyone involved with the company has shown throughout the year. I am equally excited about what 2022 has in store for us.

Thank you for the support and trust from our local community, our employees, and our Board of Directors. We all believe in DanCann Pharma. Believe that we can make a difference for the many patients, who need a company just like us.

Thank you very much

Carsten Trads

Chairman of the Board at DanCann Pharma A/S

Thoughts from the CEO

ANOTHER YEAR HAS PASSED where important milestones have been reached. We pressed the start button in Biotech Pharm1, we signed an exclusive distribution agreement with Canadian Tetra Bio-Pharma, we performed two capital injections, we made our first acquisition when we bought CannGros and the Danish Pilot Programme for production companies was made permanent. Just a few of the significant headlines for us.

However, we would not be here without our investors. During 2021 a lot of new investors have shown interest in our company – and we are truly grateful for that. The interest and support we receive from you cannot be overestimated in our quest to provide better treatments to patients.

All the best,

Jeppe Krog Rasmussen

Founder, CEO and Board Member of DanCann Pharma A/S

Selected highlights during the period – regulatory press releases

Exclusive licensing agreement with Cannassure Therapeutics Ltd. based on Lipidor's AKVANO® technology

MON, JAN 18, 2021, DanCann Pharma A/S announced that its strategic partner, Cannassure Therapeutics Ltd. (TASE: CSURE), an Israeli company specializing in the development and manufacture of innovative medicinal cannabis products, has signed an exclusive licensing agreement with Lipidor AB (Nasdaq First North: LIPI).

New Chairman of the Board of Directors

FRI, MAR 19, 2021, DanCann Pharma A/S announced that Magnus Østergaard Dahlmann had chosen to transfer the position of Chairman of the Board of Directors of the biopharmaceutical company DanCann Pharma A/S to Carsten Trads due to health reasons. Magnus Østergaard Dahlmann continues as a member of the company's Board of Directors.

Letter of intent with Tetra Bio-Pharma

THU, FEB 25, 2021, DanCann Pharma A/S announced the signing of a Letter of Intent with Canadian Tetra Bio-Pharma Inc. concerning the exclusive distribution of the cannabinoid-based medicines Reduvo™ Adversa® and Qixleef™ in Denmark, Norway, Sweden, Finland, and Germany.

The first operations I Biotech Pharm1

THU, APR 22, 2021, DanCann Pharma A/S announced that following pre-selective operations around the company's genetics in Biotech Pharm1, the company began its first real operations and first cycles in its new Facility.

JAN · FEBR · MARS · APRIL

AUG · SEPT · OKT

First successful production of biomaterial

THU, AUG 12, 2021, DanCann Pharma A/S announced that the ambitious pharma company had just completed its first successful production run of biomaterial a few weeks after the company carried out a directed issue of shares and at the same time received loan capital of a double-digit DKK million amount.

The acquisition of CannGros

MON, OCT 04, 2021, DanCann Pharma A/S and CannGros ApS entered into an agreement to which DanCann Pharma acquired 100% of the shares of CannGros. Through the acquisition, DanCann Pharma obtained all necessary licenses for the import and distribution of medical cannabis, as well as three products (dried flower and granulars) admitted to the list of medical cannabis products under the Danish Pilot Program with medical cannabis. In addition to this, CannGros had a pending application (extracts of cannabis in an oil solution) at the Danish Medicines Agency.

Submission of bill to continue the Pilot Programme

FRI, OCT 08, 2021, DanCann Pharma A/S announced that the Danish Minister of Health, Magnus Heunicke, submitted a bill to continue the Pilot Programme for medicinal cannabis. In May, the majority of parliamentary parties agreed to extend the Pilot Programme for prescription for Danish patients by four years from 1 January 2022. At the same time, the bill aims to give companies a permanent opportunity to manufacture medicinal cannabis products.

Signed agreement with Tetra Bio-Pharma

WED, MAY 05, 2021, DanCann Pharma A/S announced the signing of the agreement with Canadian Tetra Bio-Pharma Inc. concerning the exclusive distribution of the cannabinoid-based medicines Reduvo™ Adversa® and Qixleef™ in Denmark, Norway, Sweden, Finland, and Germany.

Christian Carlsen as new Board Member

THU, APR 29, 2021, DanCann Pharma A/S announced the presentation of Christian Carlsen as a new Board Member at DanCann Pharma. Christian Carlsen has a background as a professional advisor in life-science and pharma and will help provide further pace and innovation to the ambitious biopharma Company's activities.

Political agreement concerning the Danish Pilot Programme

WED, MAY 26, 2021, DanCann Pharma A/S could happily announce that the Danish government with the support from other political parties have entered into an agreement to prolong the Pilot Programme with medical cannabis.

Development of cannabis genetics exceed expectations

TUE, JUN 15, 2021, DanCann Pharma A/S announced, that the development of the mother plant genetics in Biotech Pharm1, the production facilities inaugurated in April, exceeds the company's expectations.

New shares and a loan facility

MON, JUL 26, 2021, DanCann Pharma A/S announced that based on the resolutions to issue shares and warrants on the Extraordinary General Meeting on 23 July 2021, the company has issued a total of 1,702,339 new shares at price of DKK 3.745 per share. This added the company a total of DKK 6,375,259 and a total of 1,702,339 new warrants, this in combination with obtaining a loan facility of SEK 13,700,000, which secured DanCann Pharma financing a total of approx. DKK 16.326 million.

MAY JUNE JULY

NOV DEC

Closing of the CannGros transaction

WED, OCT 20, 2021, DanCann Pharma A/S and CannGros ApS closed the agreement according to which DanCann Pharma acquired 100% of the shares of CannGros cf. the press release of 04 October 2021.

The Pilot Programme for Medical Cannabis made permanent

THU, DEC 02, 2021, DanCann Pharma A/S could proudly announce that that there was broad political support for the proposal to make the current Pilot Programme to a permanent scheme. The scheme was adopted exclusively with yes votes (102-0).

Legalization of cannabis in Germany

THU, DEC 30, 2021, DanCann Pharma A/S communicated and commented on the intention from the new government of Germany to legalize controlled sales of cannabis for adults for recreational purposes. The German government estimates that the state can earn 4.7 billion euros (approximately DKK 35 billion) annually on a legalization.

CEO, Jeppe Krog Rasmussen (Xignotus Capital ApS), locks his position in DanCann Pharma for 3 years - more than 21% of the total share capital

FRI, DEC 17, 2021, DanCann Pharma A/S announced that the CEO of DanCann Pharma, Jeppe Krog Rasmussen (indirectly through his holding company: Xignotus Capital ApS) locked his position in the company for another 36 months. yes votes (102-0).

Selected highlights after the period – regulatory press releases

JAN

Exercise of Warrants of approx. DKK 9.3 million

MON, JAN 17, 2022, DanCann Pharma A/S announced that the company and 18 of its warrant-holders had exercised a total of 1,917,271 warrants equal approx. DKK 9.3 million. The company received great support from the Board of Directors in the transaction, where the Board of Directors bought shares for more than DKK +400,000 in DanCann Pharma, equal more than +80,000 shares.

Very positive results from In-house testing of genetics

WED, JAN 19, 2022, DanCann Pharma A/S announced that the ambitions to enter the European market with inhouse-produced biomaterial during 2022 had been further supported by the in-house analysis results that the company had obtained after testing the selected cannabis genetics.

FEB

Application for EU-GMP approval

WED, FEB 09, 2022, DanCann Pharma A/S announced that the company had submitted its application for EU-GMP-approval to the Danish Medicines Agency in January.

Financial Highlights Of The Group

KDKK	2021	2020	2019	2018
Income statement				
Net revenue	874	0	0	0
Gross profit/loss	-6,494	-2,835	527	-86
Operating profit/loss before depreciation and amortisation (EBITDA)	-13,618	-5,777	-619	-156
Operating profit/loss of main activities	-14,508	-5,871	-627	-156
Financial income and expenses, net	-677	-116	-11	-4
Profit/loss for the year before tax	-15,185	-5,987	-638	-160
Profit/loss for the year	-11,750	-4,255	-500	-125
Results for the year without minority interests	-11,750	-4,255	-500	-125
Balance sheet				
Total assets	68,994	49,551	1,475	58
Equity	53,370	44,325	-625	-125
Equity ex minority interests	53,370	44,325	-625	-125
Cash flow				
Cash flow from operating activities	-11,985	-7,662	-256	-6
Cash flow from investing activities	-32,248	-19,072	-1,010	-4
Cash flow from financing activities	30,637	47,887	-1,457	0
Total cash flow	-13,596	21,153	190	-10
Investment in property, plant and equipment	-6,370	-4,015	-62	-4
Key ratios				
Equity ratio	77.4	89.5	Neg.	Neg.
Return on equity	-24.0	-19.5	-133.3	-198.4

The group is established on 18 October 2021 at the time for DanCann Pharma A/S purchase of 100% shares in Canngros A/S.

The ratios stated in the list of key figures and ratios have been calculated as follows:

Equity ratio: $\frac{\textit{Equity (ex. minorities), at year-end x 100}}{\textit{Total assets, at year-end}}$

Return on equity : $\frac{\textit{Profit/loss after tax x 100}}{\textit{Average equity}}$

Business Summary – for the development in 2021

The Pilot Programme

In May, the Danish Government decided to prolong the Danish Pilot Programme for medical cannabis. There was broad political support for the proposal to make the current Pilot Programme a permanent scheme. In December, the scheme was adopted exclusively with yes votes (102-0).

It has been agreed that the Pilot Programme will be extended by a further four years regarding the possibility for doctors to prescribe medical cannabis to patients. In addition, it has been agreed that the Pilot Programme will be made permanent regarding the companies' ability to manufacture cannabis for medical use. The purpose of making the manufacturing part permanent is to create peace of mind and security for the investments made in the industry.

The management team attaches great importance to the extension being voted by 102 to 0, which shows that the company is working in an area that politicians, authorities and NGOs really want to be successful.

The new agreement is good news for the entire Danish medical cannabis industry and the ecosystem, as it will probably attract further investments and stimulate the positive wave that is currently going on in the industry and ensure Denmark's position as a leading nation in the medical cannabis field.

With the decision to make Danish manufacturing of medical cannabis permanent after the expiry of the current Pilot Programme, Denmark formally continues its ambition to become a leading player in medical cannabis with ambitions to serve both the domestic market and international markets.

Biotech Pharm1

In continuation of this, DanCann Pharma could in the beginning of April, announce that the first phase in the establishment of the company's high-tech production facility in Ansager, the Biotech Pharm1, had been completed – and that the facility had been put into operation. The facility is built based on "best practice" from the pharmaceutical industry in combination with advanced environmentally controlled agricultural technology and vertical agriculture. Biotech Pharm1 is designed to supply cannabis bulk to the European and global market in accordance with EU Good Manufacturing Practice (GMP) standards.

It was an important milestone for the company and an achievement that has required a huge commitment and lots of patience from both colleagues, forces in the local area, partners, contractors, and investors.

The first activities - and the training batches which followed – were important steps on DanCann Pharma's way to achieve its production goals, allowing the company to get actual data for validation of processes, equipment, and growth conditions. DanCann Pharma also got the opportunity to continuously optimize the process parameters in the advanced production facilities – and subsequently be able to evaluate the cannabis genetics that the analysis results showed. The whole purpose of the implementation of the many training batches was ultimately to ensure uniformity and consistency in the products, in order to maximize the output for raw biomaterials.

Significant milestones towards the final approval of the facilities for production of cannabis biomaterial.

CannGros ApS

In parallel with the work at Biotech Pharm1, DanCann Pharma has also worked to provide the many Danish patients with products, and as a result hereof the company could announce to the stock exchange and the general public that DanCann Pharma and CannGros had entered into an Agreement to which DanCann Pharma acquired 100% of the shares of CannGros. Through the acquisition, DanCann Pharma obtained all necessary licenses for the import and distribution of medical cannabis in Denmark, as well as three products (dried flower and granular) admitted to the list of medical cannabis products under the Danish Pilot Programme with medical cannabis. In addition to this, CannGros has a pending application (extracts of cannabis in an oil solution) at the Danish Medicines Agency.

DanCann Pharma and CannGros are both operating within the established Danish and European market for medical cannabis and cannabinoids – with different approaches and a different skillset. CannGros is primarily operating as a distributor of sourced products and concepts, whereas DanCann Pharma has its main activities in the production and manufacturing of biomaterials. The two companies bring different assets to the new cooperation.

Together, DanCann Pharma and CannGros will partner to create a market leader in the Danish market under the Pilot Programme with medical cannabis. The management team and the board believe that the consolidated company can deliver robust revenue and profitable growth going forward – a constellation that compliments rather than cannibalizes. DanCann Pharma has taken the necessary time to carefully assess the company's entry into the Danish market and firmly believe that the combination with CannGros will create significant value as CannGros provides options to grow in the Danish Market with an accelerated go-to-market penetration and deep knowhow in the field.

The acquisition also creates an ideal framework for DanCann Pharma's future product portfolio – both in terms of imports and own products – and thus has already established channels. The acquisition of CannGros will pave the way for increased focus on consolidation in the industry and growth thereby for DanCann Pharma.

Tetra Bio-Pharma Inc.

Furthermore, DanCann Pharma signed a definitive distribution agreement with Tetra Bio-Pharma Inc. for the exclusive distribution of Reduvo™ Adversa® and Qixleef™ in Denmark, Norway, Sweden, Finland, and Germany, and hereby expanded its portfolio and

pipeline of unique medical cannabis products and pharmaceuticals.

The agreement encompasses a sum of upfront and milestone payments to Tetra of up to DKK 6.25 million and expected royalties to Tetra reaching up to DKK 62.5 million on DanCann Pharma's peak sales for Reduvo™ Adversa®, Qixleef™ and Enjouca™ by 2028.

With this agreement DanCann Pharma is now entering into a completely new path around approved pharmaceuticals with cannabinoid-derived medicines, where restrictions are assumed to be minimal when approved. This provides DanCann Pharma with a portfolio of products, where the risk is widely spread and a much more transparent business plan and future tapping into the traditional way of introducing pharmaceutical products.

With the agreement with Tetra and DanCann Pharma's strategy around IP-based cannabinoid drugs, the company is looking into a market in Germany, which today is worth more than DKK +1.25 billion, where approx. 80% of this is prescribed to the area for pain treatment and pain patients. A market that is strongly characterized by medical cannabis, and incredibly latent around actual cannabinoid drugs – like the rest of Europe – where today the market only have one other player in the market with EMA-approved cannabinoid drugs, and thus, this is not in direct competition with the drugs covered by the distribution agreement with Tetra. Furthermore, DanCann Pharma also signed an exclusive agreement with Israelian Cannassure Therapeutics Ltd. for their medical cannabis product portfolio for the Scandinavian market.

Capital injections and loan facility

During 2021, DanCann Pharma has also strengthened its financial situation over two occasions.

In July in combination with obtaining a loan facility and in October due to the acquisition of CannGros. In July we issued a total of 1,702,339 new units (shares and warrants) at a price of DKK 3,745 per share (market terms) and combined it with a loan facility of SEK 13,700,000, which secured DanCann Pharma financing a total of approx. DKK 16.326 million. The capital injection was completed to stimulate growth and pace.

In October, DanCann Pharma acquired CannGros. Consequently, DanCann Pharma successfully completed a directed issue of units. Through the directed share issue, the company received proceeds amounting to approx. DKK 8 million, before deductions for costs. Subscribers in the directed share issue included new and existing well renowned Swedish and Danish investors. The directed share issue strengthened the company's financial position and enabled DanCann Pharma to accelerate market penetration through the acquisition of CannGros.

Further legalization in Europe

In the final days of 2021 important and exiting news from the southern neighbors reached news desks all over the world. Olaf Scholz, Germany's new chancellor, is leading a coalition of parties, who have proposed and agreed to legalize both the sale and use of cannabis. "We will allow controlled sales of cannabis for adults for recreational purposes in approved shops," he said according to a statement from Germany's new government, which consists of the Social Democrats (SPD), the Liberals (FDP) and the Greens.

Germany can play a crucial role in starting a domino-effect for the rest of Europe in this regard (legalization of cannabis for use of cannabis in general), and what might first have thought would become a reality later, now seems likely in the near future.

All kinds of legalization in the direction of facilitating "easier" regulatory conditions for the consumers is a strong incentive for companies in – and close to – the industry (including DanCann Pharma) as it shows a form of acceptance.

Uncertainty related to recognition and measurement

The company has capitalized development costs amounting to DKK 28.954 million. The capitalization is based on the management team's assessment that future earnings can be obtained, and that the facility is expected to significantly increase the EBITDA of the company by offering a consistent supply of medical cannabis products.

The company has capitalized the goodwill amounting to DKK12.497 million related to the acquisition of CannGros. The capitalization is based on the management's assessment that continuous development of the existing business through strategic diversification of the product portfolio from partnerships will increase the cash flow from the operations.

Development projects

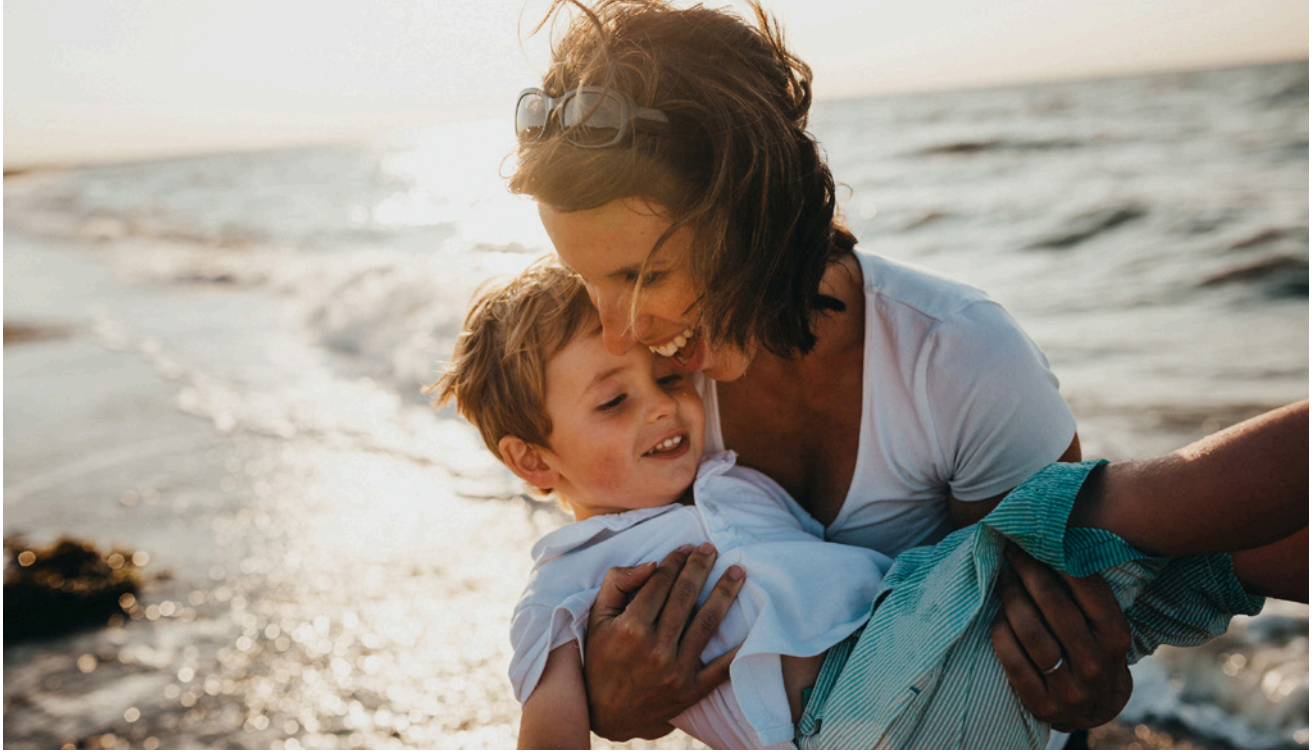
In 2021, the company has incurred development costs amounting to DKK 13.270 million. They relate to the development of a high tech production facility for production of medical cannabis. All development costs have been capitalized.

Financial risks

In carrying out its operational activities, investments and financing, the company is exposed to fluctuations in exchange rates and interest rates. It is the company's policy not to actively take financial risks.

Development in activities and finances

The income statement of the company for 2021 shows a loss of DKK 11.750 million after tax and on 31 December 2021 the balance sheet of the company shows equity of DKK 53.370 million. The management team consider the results as expected. In 2021, the company secured financing for approx. DKK 24.5 million (raised approx. DKK 14.5 million over two directed issues (based on market terms/price) and a loan facility of approx. DKK 10 million). The company ended the financial year with 26,551,018 shares and a nominal capital of DKK 995,663.175.



Significant events after the end of the financial year

In the beginning days of 2022, DanCann Pharma and 18 of its warrant-holders exercised a total of 1,917,271 warrants. The warrants were exercised at an exercise price of DKK 4.8685 per warrant equivalent to a total subscription amount of approx. DKK 9.334 million.

Shortly after, DanCann Pharma received approvals of its trademarks* for its future product portfolio through the European Union Intellectual Property Office Certificate of Registration (trademarks: TETRACANOID® (No 018533183), BIDIOCANOID® (No 018533188), MIXCANOID® (No 018533189), VARINCANOID® (No 018533193), BIGEROLCANOID® (No 018533195).

At the beginning of February, DanCann Pharma announced to the market that we had submitted our application for EU-GMP approval to the Danish Medicines Agency in January. This is another step in the right direction on the journey for DanCann Pharma – something that the company has been working towards for a long time and the management team and the board are looking forward to finally having the approval from the Danish Medicines Agency later in the year. DanCann Pharma and its first facility, Biotech Pharm1, are currently in the process of transforming from a project to an actual operation.

The EU-GMP certification of the facility is a hallmark, and ultimately a hallmark of all processes and systems meeting requirements to produce medical cannabis in Denmark and Europe. This as a step on the way to achieving quality assured products for partners, and ultimately patients, which is essential for the company's legitimacy to the market. Uniform product content and a focus on delivering the same quality from time to time is a guarantee that DanCann Pharma is obliged to give to patients who can benefit from a treatment with medical cannabis and cannabinoids.

Following the approval of the production conditions, DanCann Pharma faces its biggest milestone to date when the first batch of biomaterial is ready for delivery in the end-2022 / beginning of 2023 from Biotech Pharm1.

Besides that, no further events have occurred.

**The trademarks are protected in the following businesses: cannabis for medical purposes; cannabis for pharmaceutical purposes; cannabinoids for medical purposes; cannabinoids for pharmaceutical purposes; Pharmaceuticals and medical preparations and substances; preparations, substances, reagents, and agents for medical purposes; Pharmaceuticals and natural remedies.*

Outlook for 2022: Future expectations

The outlook for 2022 for DanCann Pharma is based on 3-4 focus areas, which is highly reflected in the fact that the company is working on and expects to have its EU-GMP approval for Biotech Pharm1 in place by approx. mid-2022. As a result, the company expects an increased focus on production, and a changed mindset from project to here (production and execution). This is reflected in all areas of the company and is also expected to make its mark on the organization during 2022.

Following the approval of the production facilities and its Quality Management Systems, Biotech Pharm1 will scale up to reach a volume of approx. 2.5 tons of cannabis bulk (biomaterial) per year. The export of the cannabis bulk is estimated to start in end-2022 / beginning-2023.

When fully scaled and developed, it is the management team's best estimate (based on market conditions and indications), but conservative, that there is an annual revenue of minimum DKK 40 million based on Biotech Pharm1 based on full-scale operation solely on this part of the business (biomaterials) mainly sold and marketed to the European market, based on market prizes as of today. The company expects to close agreements during mid-2022 / H2-2022 before estimated market launch in the end-2022 / beginning-2023.

In parallel with processes around the approval of Biotech Pharm1 and the marketing of its products, the company expects its integration of the acquisition CannGros and its activities. Whether these activities are intended to be integrated into the company's current facility in Ansager has not yet been clarified. Furthermore, the company has strong expectations for its future product portfolio, where the the company have its current application at the Danish Medicines Agency, in the form of a new product type (extracts of cannabis in an oil solution), which can potentially add significant revenue and profit to the company in H2- 2022, in addition to its current 3 products from Bedrocan (dried flower and granules, Bedrocan®, Bedica® and Bediol®), which the company expects revenue of 5-6 MDKK in 2022.

In addition, the company is working on the launch of Enjouca™ in Germany with potential partners, which the company has exclusive rights through its collaboration with Tetra Bio-Pharma, which is estimated to be launched at the end of 2022 / beginning of 2023. The company also expects to communicate about the development of the cannabinoid-based medicines Qixleef™ and Reduvo™ Adversa® in 2022, which the company has exclusive rights for in Denmark, Norway, Sweden, Finland, and Germany.

Financing and capital

To date, at the time of approving the annual report, the company and group does not have the necessary capital to implement all the company's initiatives and operations for the entire year (2022), but has initiated initiatives to do so, in order to raise the necessary capital.

To implement the company's future plans, the company intends to exercise its outstanding warrants, followed by a minor transaction, preferred as a directed share issue to a selection of prominent investors, in the range of 10-20% of the total sharecapital.

In the case that the warrants not become attractive and hereby accomplished, the company plans to conduct a capital increase in H2-2022, either as a directed share issue to a selection of prominent investors, or offered to the company's current investors, along with a potential move to a new trading platform, that will ensure sufficient liquidity for the company and its vision and goals for 2022 and 2023 and will open for the opportunity to trade the company's shares wide in Europe and globally.

Management is of the opinion that this financing will be obtained and therefore the annual accounts have been prepared in accordance with the going concern principle. Reference is made to Note 1 in financial statements.

Particular risks

Permissions and approvals from the Danish Medicine Agency

Due to the date of this Annual Report, DanCann Pharma does not have all the necessary licenses needed to realize its business. To be able to promote and sell medical cannabis on a European level, permissions must be obtained from the Danish Medicine Agency.

There is a risk that DanCann Pharma will not receive the necessary permits from the Danish Medicine Agency. This poses a potential risk to DanCann Pharma's ability to generate revenue temporarily or permanently. In the scenario that DanCann Pharma does not receive the necessary permits from the Danish Medicine Agency, there is a risk that DanCann Pharma's earnings and financial position will be adversely affected.

To mitigate this risk, DanCann Pharma has spent several years developing and investing in state-of-the-art high-tech facilities, which are considered to be one of the industry leaders.

The Danish Pilot Programme with medical cannabis

Due to the date of this Annual Report, DanCann Pharma does not have the security for the continuation of the Pilot Programme at the end of 2025. There is a risk that the CannGros business and its activities in the Danish market may be affected.

However, the management team attaches great importance to the extension being voted by 102 to 0 in the last vote in the Danish parliament, which shows that the company is dealing with an area that politicians, authorities and NGOs really want to be successful.

The new agreement, which extend the old program with another 4-year, is good news for the entire Danish medical cannabis industry and the ecosystem, especially in combination with the permanent scheme for manufacturing of medical cannabis in Denmark, as it will probably attract further investments and stimulate the positive wave that is currently going on in the industry and ensure Denmark's position as a leading nation in the medical cannabis field.

With the decision to make Danish manufacturing of medical cannabis permanent after the expiry of the current Pilot Programme, Denmark formally continues its ambition to become a leading player in medical cannabis with ambitions to serve both the domestic market and international markets.

Likewise, it has never been seen before in Europe that a similar program as the Danish Pilot Programme with medical cannabis for prescription has been withdrawn or canceled, there has in all cases been only progress.

Environmental Situation

DanCann Pharma works for its environment and environmental situation and has the ambition to become a first mover and pioneer as the good example in the field of CO2 emissions. A more detailed strategy is expected to be prepared for this in the near future.

DanCann Pharma has, as of today, among other things, eco-friendly reductions in water (90%), nutrients (70%), and no soil or waste (100%).

Knowledge resources

DanCann Pharma's operations are managed by highly trained and experienced employees in various areas and knowledge. The company's staff today is 10 fulltime employees with broad and professional competencies.

Corporate governance

Company details

Company	DanCann Pharma A/S Rugvænget 5 6823 Ansager CVR No.: 39 42 60 05 Established: 20 March 2018 Municipality: Varde Financial Year: 1 January - 31 December
Board of Directors:	Carsten Trads, chairman Jeppe Krog Rasmussen Magnus Østergaard Dahlmann Per Wester Christian Carlsen
Executive Board	Jeppe Krog Rasmussen
Auditor	Deloitte Dokken 8 6700 Esbjerg
Bank	Danske Bank Strandbygade 2 Danske Bank
Law Firm	Andersen Partners Buen11, 6. sal 6000 Kolding

DanCann Pharma – Board of Directors

CARSTEN TRADS, CHAIRMAN OF THE BOARD

Carsten Trads holds a B.Sc. from Copenhagen Business School, complemented by management training from INSEAD and Harvard Business School. Carsten has more than 30 years international experience within sales, marketing, operations, strategic planning, and general management.

Executive positions in companies such as Bang & Olufsen A/S, GN ReSound A/S and Plantronics Inc. From 2015 he has been the CEO and owner of C-Plus Consult, assisting smaller business startups.

JEPPE KROG RASMUSSEN, FOUNDER, CEO AND MEMBER OF THE BOARD

Jeppe Krog Rasmussen, Founder and CEO at DanCann Pharma since its formation in 2018. Jeppe has been a part of the whole DanCann Pharma journey since its beginning back in March 2018, where he founded the Company.

Jeppe is responsible for the strategic direction and operational execution of all processes relevant to DanCann Pharma. In addition to DanCann Pharma Jeppe runs Xignotus Capital ApS, where he manages his investment portfolio.

MAGNUS ØSTERGAARD DAHLMANN, MEMBER OF THE BOARD

Magnus Østergaard Dahlmann holds a B.Sc. Magnus has as a senior executive more than 30 years international business experience within supply chain, sales, marketing, brand position and general management.

He has experience within mergers and acquisitions, change management and strategic- & operational business development. Executive positions at Solar A/S (DK), EVN GmbH (D), Klitsö AB (S) and Solar Elektro Engros AS (N).

PER WESTER, MEMBER OF THE BOARD

Per Wester holds an MBA from Stockholm Business School and a B.Sc. in Business and Administration from Linné University. Per has a long experience from starting and building companies as well as developing new pharmaceutical products in pre-clinical phase and launching new pharmaceutical products into markets.

As CEO Wester has managed several funding arrangements such as Private Placements, issuing of new shares, rights issues, IPO into Spotlight Stock Market, and list change to Nasdaq First North Growth Market.

CHRISTIAN CARLSEN, MEMBER OF THE BOARD

Christian Carlsen holds an executive MBA from Henley Business School complemented by management training from INSEAD and Harvard Business School. Christian Carlsen has previously worked for companies such as Bavarian Nordic A/S, Labflex A/S and Novo Nordisk Engineering A/S (NNE).

At NNE Christian Carlsen led several strategic projects and activities, including leading an initiative to establish a corporate venture business and establishing a unit with a focus on business model innovation, venture incubation and partnerships.

Board composition

Once a year, the Board of Directors will conduct a self-evaluation to ensure that the Board promotes the Company's purpose and serves the culture and values of the Company. As of 31 December 2021, the Board of Directors consists of five members. To ensure constructive and value-creating discussions, the Board of Directors aims at ensuring the right composition and balance of competencies in the Board.

Consequently, it is the mission of the Board of Directors to augment the competencies within scaling and internationalisation of pharma and science businesses while also looking to organise itself with Board members that hold solid experience and a strong track record from listed companies and experience within corporate finance and investor relations.

DanCann Pharma - Executive Management

JEPPE KROG RASMUSSEN, FOUNDER, CEO AND MEMBER OF THE BOARD

Jeppe Krog Rasmussen, Founder and CEO at DanCann Pharma since its formation in 2018. Jeppe has been a part of the whole DanCann Pharma journey since its beginning back in March 2018, where he founded the Company.

Jeppe is responsible for the strategic direction and operational execution of all processes relevant to DanCann Pharma. In addition to DanCann Pharma Jeppe runs Xignotus Capital ApS, where he manages his investment portfolio.

MADS MØLLER KRISTENSEN, CHIEF FINANCIAL OFFICER

Mads Møller Kristensen holds a M.Sc. in Business Economics and Auditing. He has been the Chief Financial Officer (CFO) of DanCann Pharma A/S since May 2020, and or more than 8 years he has worked with in all aspects of strategy, finance, management, processes, organizational development, and business development.

Among others he has held positions at Viking Life-Saving Equipment A/S, Martinsen Statsautoriseret Revisionspartnerselskab and Arctiko A/S.

SARAH MAI LYKKE-KJELDSEN, CHIEF OPERATING OFFICER

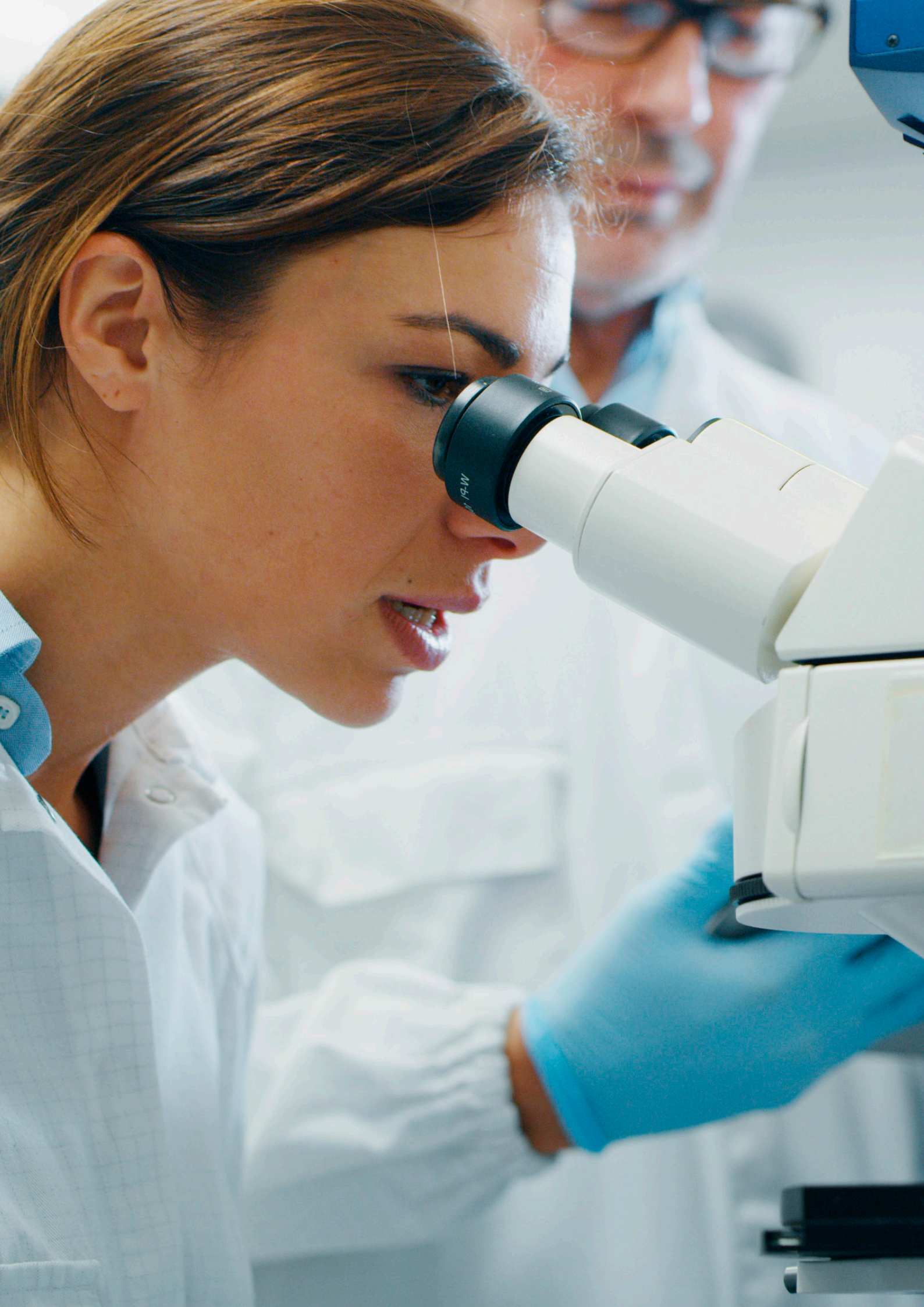
Sarah Mai Lykke-Kjeldsen has an MSc in Economics & Business Administration from Syddansk Universitet in Kolding and has her strengths in areas such as change management, organizational development, and project management.

Sarah Mai Lykke-Kjeldsen has joined DanCann Pharma on 1 April 2022.

MORTEN MARTINSEN, BUSINESS DEVELOPER (FORMER CHIEF OPERATING OFFICER)

Morten Martinsen holds a B.Sc. in Biology and a M.Sc. in Climate Change from the University of Copenhagen. Morten has been the Chief Operating Officer (COO) of DanCann Pharma A/S since 2018. Mortens major point of focus is on state-of-the-art technologies for indoor cultivation of medicinal crops, including Cannabis.

Morten Martinsen specialized in vertical farming technology and energy optimization in the horticultural industry. In addition, he has been engaged in the pharma industry for several years through his work at Nomeco A/S under GDP and GMP regulations. After 1 April 2022 - Business Developer.



Group Structure

DanCann Pharma A/S

Canngros ApS (100%)

Management's Statement

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of DanCann Pharma A/S for the financial year 1 January - 31 December 2021.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2021 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2021.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Ansager, 12 April 2022

Executive Board

Jeppe Krog Rasmussen

Board of Directors

Carsten Trads, Chairman

Jeppe Krog Rasmussen

Magnus Østergaard Dahlmann

Per Wester

Christian Carlsen

Independent auditor's report

To the Shareholders of DanCann Pharma A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Dancann Pharma A/S for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements which highlight that further financing is necessary in order to complete the planned activities for 2022. Management have described the measures expected in order to ensure sufficient financing and is of the opinion that it is possible to accomplish these successfully. Our conclusion is not qualified in this respect but emphasis is made in respect to the uncertainty related to this matter.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark 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 consolidated financial statements and parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained,

whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Esbjerg, 12.04.2022

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Anders Rasmussen
State Authorised Public Accountant
Identification No (MNE) mne34316

Income Statement 1 January - 31 December

KDKK	NOTE	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
NET REVENUE		**874**	**0**	**0**	**0**
Raw materials and consumables used		-616	0	-179	0
Own work, recognised under assets		1,431	1,995	1,431	1,995
Other external expenses		-8,183	-4,830	-8,025	-4,830
GROSS PROFIT/LOSS		**-6,494**	**-2,835**	**-6,773**	**-2,835**
Staff costs	2	-7,124	-2,942	-7,091	-2,942
Depreciation, amortisation and impairment losses		-890	-94	-624	-94
OPERATING LOSS		**-14,508**	**-5,871**	**-14,488**	**-5,871**
Income from investments in subsidiaries		0	0	-76	0
Other financial income		578	24	578	24
Other financial expenses		-1,255	-140	-1,253	-140
LOSS BEFORE TAX		**-15,185**	**-5,987**	**-15,239**	**-5,987**
Tax on profit/loss for the year	3	3,435	1,732	3,489	1,732
LOSS FOR THE YEAR	4	**-11,750**	**-4,255**	**-11,750**	**-4,255**

Balance Sheet At 31 December

ASSETS		Group		Parent Company	
KDKK	NOTE	2021	2020	2021	2020
Goodwill		12,497	0	0	0
Development projects in progress and prepayments		28,954	15,683	28,954	15,683
Intangible assets	**5**	**41,451**	**15,683**	**28,954**	**15,683**
Other plant, machinery tools and equipment		3,038	1,756	3,038	1,756
Leasehold improvements		3,210	270	3,210	270
Tangible fixed assets in progress and prepayment		3,322	1,953	3,322	1,953
Property, plant and equipment	**6**	**9,570**	**3,979**	**9,570**	**3,979**
Investments in subsidiaries		0	0	12,924	0
Rent deposit and other receivables		322	322	322	322
Financial non-current assets	**7**	**322**	**322**	**13,246**	**322**
NON-CURRENT ASSETS		**51,343**	**19,984**	**51,770**	**19,984**
Raw materials and consumables		10	10	10	10
Finished goods and goods for resale		25	0	0	0
Prepayments		236	0	0	0
Inventories		**271**	**10**	**10**	**10**
Trade receivables		530	0	0	0
Other receivables		2,475	4,325	2,475	4,325
Corporation tax receivable		6,161	3,242	6,107	3,242
Joint tax contribution receivable		0	0	54	0
Prepayments	8	478	658	478	658
Receivables		**9,644**	**8,225**	**9,114**	**8,225**
Cash and cash equivalents		**7,736**	**21,332**	**7,208**	**21,332**
CURRENT ASSETS		**17,651**	**29,567**	**16,332**	**29,567**
ASSETS		**68,994**	**49,551**	**68,102**	**49,551**

Balance Sheet At 31 December

EQUITY AND LIABILITIES		Group		Parent Company	
KDKK	NOTE	2021	2020	2021	2020
Share capital	9	995	777	995	777
Reserve for development costs		22,584	12,234	22,584	12,234
Retained earnings		29,791	31,314	29,791	31,314
EQUITY		**53,370**	**44,325**	**53,370**	**44,325**
Provision for deferred tax	10	974	1,337	974	1,337
PROVISIONS		**974**	**1,337**	**974**	**1,337**
Other non-current liabilities		0	24	0	24
Non-current liabilities	**11**	**0**	**24**	**0**	**24**
Lease liabilities		0	185	0	185
Trade payables		2,915	2,821	2,804	2,821
Corporation tax payable		352	0	0	0
Other liabilities		11,383	859	10,954	859
Current liabilities		**14,650**	**3,865**	**13,758**	**3,865**
LIABILITIES		**14,650**	**3,889**	**13,758**	**3,889**
EQUITY AND LIABILITIES		**68,994**	**49,551**	**68,102**	**49,551**

Assumptions for going concern	**1**
Contingencies etc.	**12**
Charges and securities	**13**
Related parties	**14**

Group Equity Statement

KDKK	Share capital	Share premium account	Reserve for development costs	Retained profit	Total
Equity at 1 January 2021	777	0	12,233	31,315	44,325
Proposed profit allocation, note 3				-11,750	-11,750
Transactions with owners					
Capital increase	218	21,245			21,463
Cost of capital increase		-668			-668
Other legal bindings					
Capitalized development costs			13,270	-13,270	0
Transfer					
Transfer to/from other items		-20,577		20,577	0
Tax on changes in equity			**-2,919**	**2,919**	**0**
Equity at December 31, 2021	**995**	**0**	**22,584**	**29,791**	**53,370**

Parent Equity Statement

KDKK	Share capital	Share premium account	Reserve for development costs	Retained profit	Total
Equity at 1 January 2021	777	0	12,233	31,315	44,325
Proposed profit allocation, note 3				-11,750	-11,750
Transactions with owners					
Capital increase	218	21,245			21,463
Cost of capital increase		-668			-668
Other legal bindings					
Capitalized development costs			13,270	-13,270	0
Transfer					
Transfer to/from other items		-20,577		20,577	0
Tax on changes in equity			**-2,919**	**2,919**	**0**
Equity at December 31, 2021	**995**	**0**	**22,584**	**29,791**	**53,370**

During the financial year, 5,820,218 new shares were subscribed with a nominal value of DKK 0.0375 and a total share capital of DKK 218,258.

Cash Flow Statement 1 January - 31 December

	Group		Parent Company	
KDKK	2021	2020	2021	2020
Profit/loss for the year	-11,750	-4,255	-11,750	-4,255
Depreciation and amortisation, reversed	890	94	624	94
Profit/loss from subsidiaries	0	0	76	0
Cash from purchase, Canngros ApS	277	0	0	0
Net Equity purchase, Canngros ApS	-237	0	0	0
Tax on profit/loss, reversed	-3,435	-1,732	-3,489	-1,732
Corporation tax received	206	0	206	0
Change in inventories	-36	-10	0	-10
Change in receivables (ex tax)	1,780	-4,866	2,028	-4,866
Change in current liabilities (ex bank, tax, installments payable and overdraft facility)	344	3,083	53	3,083
Other cash flows from operating activities	-24	24	-24	24
CASH FLOWS FROM OPERATING ACTIVITY	**-11,985**	**-7,662**	**-12,276**	**-7,662**
Purchase of intangible assets	-26,033	-14,735	-13,270	-14,735
Purchase of property, plant and equipment	-6,370	-4,015	-6,370	-4,015
Sale of property, plant and equipment	155	0	155	0
Purchase of financial assets	0	-322	-13,000	-322
CASH FLOWS FROM INVESTING ACTIVITY	**-32,248**	**-19,072**	**-32,485**	**-19,072**
Loan from majority owner	0	-549	0	-549
Increase Loans	10,027	-955	10,027	-955
Increase leasing debt	-185	185	-185	185
Other capital items - capital raising costs	-668	-4,669	-668	-4,669
Sharecapital payments	21,463	53,875	21,463	53,875
CASH FLOWS FROM FINANCING ACTIVITY	**30,637**	**47,887**	**30,637**	**47,887**
CHANGE IN CASH AND CASH EQUIVALENTS	**-13,596**	**21,153**	**-14,124**	**21,153**
Cash and cash equivalents at 1. January	21,332	179	21,332	179
CASH AND CASH EQUIVALENTS AT 31. DECEMBER	**7,736**	**21,332**	**7,208**	**21,332**
Cash and cash equivalents at 31 December comprise:				
Cash and cash equivalents	7,736	21,332	7,208	21,332
CASH AND CASH EQUIVALENTS, NET DEBT	**7,736**	**21,332**	**7,208**	**21,332**

Notes

Note 1 - Assumptions for going concern

Management have prepared the Annual Report based on the going concern assumption.

To date, at the time of approving the annual report, the company and group does not have the necessary capital to implement all the ompany's initiatives and operations for the entire year (2022), but has initiated initiatives to do so, in order to raise the necessary capital.

To implement the company's future plans, the company intends to exercise its outstanding warrants, followed by a minor transaction, preferred as a directed share issue to a selection of prominent investors, in the range of 10-20% of the total sharecapital.

In the case that the warrants not become attractive and hereby accomplished, the company plans to conduct a capital increase in H2-2022, either as a directed share issue to a selection of prominent investors, or offered to the company's current investors, along with a potential move to a new trading platform, that will ensure sufficient liquidity for the company and its vision and goals for 2022 and 2023 and will open for the opportunity to trade the company's shares wide in Europe and globally.

There is an inherent uncertainty related to the completion of these initiatives but the management consider it highly probable that it is possible to ensure sufficient financing through these measures.

Note 2 - Staff costs

	Group		Parent Company	
KDKK	2021	2020	2021	2020
Average number of employees	10	4	10	4
Wages and salaries	6,283	2,729	6,250	2,729
Pensions	739	152	739	152
Social security costs	69	32	69	32
Other staff costs	33	29	33	29
	7,124	**2,942**	**7,091**	**2,942**
Remuneration of Executive Board	905	624	905	624
Remuneration of board of directors	313	149	313	149
	1,218	**773**	**1,218**	**773**

Incentives Programs
The Board of Directors have granted warrants for the management team. 762,860 warrants have been issued and can be exercised until 2025. The warrants are vesting in three equal stages over the next three years. The company has granted warrants for the Board of Directors. 300,000 warrants have been issued and can be exercised until 2025. The warrants are vesting in three equal stages over the next three years. Each warrant grants the right to subscribe for one share.

Note 3 - Tax on profit/loss for the year

Calculated tax on taxable income of the year	-2,865	-3,242	-2,919	-3,242
Adjustment of tax in previous years	-207	0	-207	0
Adjustment of deferred tax	-363	1,510	-363	1,510
	-3,435	**-1,732**	**-3,489**	**-1,732**

Note 4 - Proposed distribution of profit

Retained earnings	-11,750	-4,255	-11,750	-4,255
	-11,750	**-4,255**	**-11,750**	**-4,255**

Note 5 - Intangible Assets

KDKK	Group	
	Goodwill	Development projects in progress and prepayments
Cost at 1 January 2021	0	15,684
Additions	12,763	13,270
Cost at 31 December 2021	**12,763**	**28,954**
Amortisation for the year	266	0
Amortisation at 31 December 2021	**266**	**0**
Carrying amount at 31 December 2021	**12,497**	**28,954**

The company's facility, Biotech Pharm1, is being developed based on best practice from the pharmaceutical industry in combination with advanced environmentally controlled agricultural technology and vertical agriculture. Biotech Pharm1 is designed to supply cannabis to the European market in accordance with EU Good Manufacturing Practice (GMP) standards. Biotech Pharm1 is awaiting EU-GMP the necessary approval from the Danish Medicines Agency and subsequent product approvals in order to generate revenue.

The valuation of the development projects is based on the assumption that the necessary approvals are obtained, but there is inherently an uncertainty related to this assessment.

Note 5 - Intangible Fixed Assets (Continued)

KDKK	Parent Company
	Development projects in progress and prepayments
Cost at 1 January 2021	15,684
Additions	13,270
Cost at 31 December 2021	**28,954**
Carrying amount at 31 December 2021	**28,954**

Note 6 - Property, Plant And Equipment

KDKK	Group		
	Other plant, machinery tools and equipment	Leasehold improvements	Tangible fixed assets in progress and prepayment
Cost at 1 January 2021	1,842	287	1,953
Transfers	0	1,953	-1,953
Additions	1,827	1,221	3,322
Disposals	-244	0	0
Cost at 31 December 2021	**3,425**	**3,461**	**3,322**
Depreciation and impairment losses at 1 January 2021	86	17	0
Reversal of depreciation of assets disposed of	-89	0	0
Depreciation for the year	390	234	0
Depreciation and impairment losses at 31 December 2021	**387**	**251**	**0**
Carrying amount at 31 December 2021	**3,038**	**3,210**	**3,322**

Note 6 - Property, Plant And Equipment (Continued)

	Parent Company		
KDKK	Other plant, machinery tools and equipment	Leasehold improvements	Tangible fixed assets in progress and prepayment
Cost at 1 January 2021	1,842	287	1,953
Additions	1,827	3,174	3,322
Disposals	-244	0	0
Transfer	0	0	-1,953
Cost at 31 December 2021	**3,425**	**3,461**	**3,322**
Depreciation and impairment losses at 1 January 2021	86	17	0
Reversal of depreciation of assets disposed of	-89	0	0
Depreciation for the year	390	234	0
Depreciation and impairment losses at 31 December 2021	**387**	**251**	**0**
Carrying amount at 31 December 2021	**3,038**	**3,210**	**3,322**

Note 7 - Financial Non-Current Assets

	Group
KDKK	Rent deposit and other receivables
Cost at 1 January 2021	322
Cost at 31 December 2021	**322**
Carrying amount at 31 December 2021	**322**

	Parent Company	
KDKK	Investments in subsidiaries	Rent deposit and other receivables
Cost at 1 January 2021	0	322
Additions	13,000	0
Cost at 31 December 2021	**13,000**	**322**
Revaluation and impairment losses for the year	190	0
Revaluation at 31 December 2021	**190**	**0**
Amortisation of goodwill	266	0
Impairment losses and amortisation of goodwill at 31 December 2021	**266**	**0**
Carrying amount at 31 December 2021	**12,924**	**322**

Goodwill
Dancann Pharma A/S has acquired shares in CannGros ApS during the year. The cost price for the share capital amounts to T.DKK 13,000. Goodwill on the purchase for the year amounts to T.DKK 12,763.

Investment in Subsidiaries

KDKK	Ownership
CannGros ApS, Vejle	100 %

Note 8 - Prepayments

	Group		Parent Company	
KDKK	2021	2020	2021	2020
Prepayments				
Costs	478	658	478	658
	478	**658**	**478**	**658**

Prepayed cost are insurance, IT-services and rental.

Note 9 - Share capital

KDKK	NOTE	2021	2020
Financial non-current assets			
Allocation of share capital: 1,0 unit in the denomination of 1 DKK		0	0
Capital raise, 14,060,770 unit in the denomination of 0.0375 DKK		0	527
Capital raise, 6,670,000 unit in the denomination of 0.0375 DKK		0	250
Capital raise, 1,702,339 unit in the denomination of 0.0375 DKK		63	0
Capital raise, 1,910,480 unit in the denomination of 0.0375 DKK		72	0
Capital raise, 2,207,399 unit in the denomination of 0.0375 DKK		83	0
		995	**777**

Note 10 - Provision For Deferred Tax

The provision for deferred tax is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts.

	Group		Parent Company	
KDKK	2021	2020	2021	2020
Deferred tax regarding				
Development projects in progress and prepayments	6,370	3,451	6,370	3,451
Production plant and machinery	-37	124	-37	124
Leasehold improvments	-41	11	-41	11
Prepayment and accrued income	11	99	11	99
Leasing liabilities	0	-41	0	-41
Remaining unused tax losses	-5,329	-2,307	-5,329	-2,307
	974	**1,337**	**974**	**1,337**

	Group		Parent Company	
KDKK	2021	2020	2021	2020
Deferred tax, beginning of year	1,337	376	1,337	-173
Deferred tax of the year, income statement	-363	961	-363	1,510
Provision for deferred tax 31 December	**974**	**1,337**	**974**	**1,337**

Note 11 - Long-Term Liabilities

	Group			
KDKK	31/12 2021 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2020 total liabilities
Other non-current liabilities	0	0	0	24
	0	**0**	**0**	**24**

	Parent Company			
KDKK	31/12 2021 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2020 total liabilities
Other non-current liabilities	0	0	0	24
	0	**0**	**0**	**24**

Note 12 - Contingencies etc.

Contingent liabilities

The company has entered into one rental of property with an annual rent of DKK ('000) 263. The rental can not be terminated from the landlord before 1 June 2030 and DanCann Pharma A/S has pre-emptive right to purchase of the property. The rental can be terminated by the company with a 12 month notice.

The company has entered into another rental of property with and annual rent of DKK ('000) 72. The rental can not be terminated before 1 October 2025 with 12 month notice.

The company has entered into rent obligations which at the balance sheet date amount to DKK 1 thousand during the notice period.

The company has entered into an operational leasing contract with a total leasing obligation of DKK ('000) 41.

Joint liabilities

The Danish companies of the group is jointly and severally liable for tax on the groupís jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

Tax payable of the groupís jointly taxed income amounts to DKK ('000) 0 at the Balance Sheet date.

Note 13 - Charges And Securities

Cash of DKK ('000) 656 have been set as security in bank

Note 14 - Related Parties

The Company have no related parties with controlling interest.

Transactions with related parties

The Company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

Accounting Policies

The Annual Report of DanCann Pharma A/S for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium-size enterprises.

The Annual Report is prepared consistently with the accounting principles applied last year.

Presentation for Own work, recognised under assets been changed in the Annual Report for 2021. Previous years the salaries recognized under assets was deducted under Staff cost and are now presented as gross numbers.

Comparative figures regarding the changed presentation have been adjusted.

Consolidated Financial Statements

The Consolidated Financial Statements include the Parent Company DanCann Pharma A/S and the subsidiaries in which DanCann Pharma A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the Group structure.

The Consolidated Financial Statements consolidate the Financial Statements of the Parent Company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, intercompany accounts and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Newly acquired or established enterprises are recognised in the Consolidated Financial Statements from the date of acquisition. Sold or wound up enterprises are recognised in the Consolidated Income Statement up to the date of disposal. Comparative figures are not adjusted for newly acquired, sold or wound up enterprises.

The date of acquisition is the date at which the Group gains actual control over the acquired enterprises.

Acquired enterprises are recognised in the Consolidated Financial Statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods. Deferred tax on the taken over reassessments is recognised with the exception of goodwill.

At calculation of the fair value of investment properties, a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, using an overall assessment of the production equipment.

Positive differences (goodwill) between the acquisition value and fair value of acquired and identified assets and liabilities are recognised in intangible fixed assets as goodwill and amortised systematically in the Income Statement under an individual assessment of the useful life. The difference from acquired enterprises is DKK ('000) 12,763.

Negative differences are recognised in the Income Statement at the date of acquisition. Transaction costs, incurred in connection with acquisition of enterprises, are recognised in the Income Statement in the year in which the costs are incurred.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

Investments in associates are measured in the Balance Sheet at the proportional share of the equity value of the enterprises, calculated under the accounting policies of the Parent Company and eliminating proportionally any unrealised intercompany gains and losses. The proportional share of the results of the associates is recognised in the Income Statement after elimination of the proportional share of internal gains and losses.

INCOME STATEMENT

Net revenue

Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Group and the Parent Company's employees. Repayments from public authorities are deducted from staff costs.

Income from investments in subsidiaries

The proportional share of the results of subsidiaries, stated according to the Parent Company's accounting policies and with full elimination of unrealised intercompany profits/losses and deduction of amortisation of added value and goodwill resulting from purchase price allocation at the date of acquisition, is recognised in the Parent Company's Income Statement.

In connection with transfers, potential profits are recognised when the economic rights related to the sold subsidiaries are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc.

Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Intangible fixed assets

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 10 years. The period of amortisation is determined based on an assessment of the acquired Company's position in the market and earnings profile, and the industry-specific conditions.

Development costs comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the companyís development activities and which fulfil the criteria for recognition.

Capitalised development costs are measured at the lower of cost less accumulated amortisation or recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is to begin after completion of the development work.

Intangible fixed assets are generally written down to the lower of recoverable value and carrying amount.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets

Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment	1-5 years	0-63 %
Leasehold improvements	5-10 years	0 %

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Fixed asset investments

Investments in Equity interests in subsidiaries are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring/consolidation.

Equity investments in subsidiaries are measured in the Balance Sheet at the proportional share of the enterprisesí carrying equity value, calculated in accordance with the Parent Companyís accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement when the equity interest is acquired. Where the negative goodwill is related to acquired contingent liabilities, the negative goodwill will be recognised as income when the contingent liabilities have been settled or cease.

Acquired enterprises are subject to the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation models. A discounted cash flow model is used to calculate the fair value of investment properties based on a discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessorís opinion, based on an overall assessment of the production equipment. The acquisition date is the date on which the Company gains actual control over the acquired entity.

Consolidated goodwill is amortised over the expected useful life, which is determined on the basis of Managementís experience within the individual lines of business. Consolidated goodwill is amortised on a straightline basis over the amortisation period, which is 10 years. The amortisation period is determined on the basis of an assessment of the acquired entityís market position and earnings profile, and the industryspecific condition.

Net revaluation of equity interests in subsidiaries is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the Company has a legal or actual liability to cover the subsidiaries deficit.

Other receivables are measured at amortised cost which usually corresponds to the nominal amount. The amount is written down to meet expected losses.

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in

the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct and other indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, the cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Prepayments

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

CASH FLOW STATEMENT

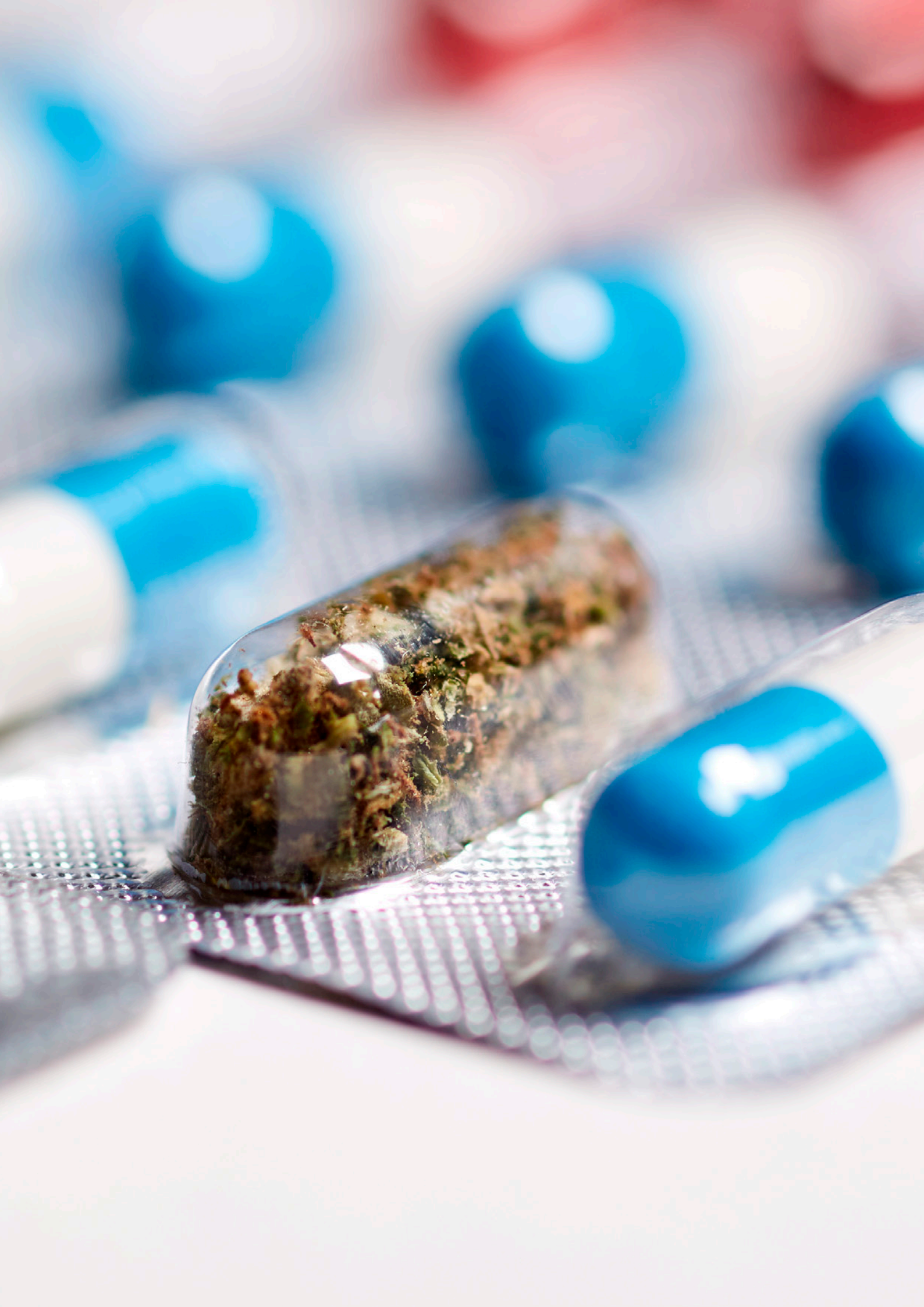
The cash flow statement shows the Companyís cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:
Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:
Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:
Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:
Cash and cash equivalents include bank overdraft and cash in hand.



DanCann Pharma™

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