DanCann Pharma

BETTER THAN YESTERDAY

YEAR-END REPORT 2020

www.dancann.com

SUMMARY

Key figures Q4 2020

KDKK	01/10/20 – 31/12/20	01/10/19 – 31/12/19	01/01/20 – 31/12/20	01/01/19 – 31/12/19
Net sales	0	0	0	0
Operating profit (EBIT)	-2,721	-493	-5,870	-627
Result per share (DKK)	-0.07	-460,000*	-0.48	-500,000*
Equity ratio	0.89	-0.42	0.89	-0.42

Number of shares on the *31/12/20*: 20,730,800
Number of shares on the *31/12/19*: 1

Result per share = $\frac{\textit{Result for the period}}{\textit{Average number of shares}}$ ***Equity ratio*** = $\frac{\textit{Equity}}{\textit{Total assets}}$

* 2019 comparative figures is affected by the major changes in the number of shares during 2020

Highlights during 2020

DanCann Pharma A/S presents their new Board of Directors
WED, APR 8, 2020
DanCann Pharma A/S announced that the company has appointed Magnus Østergaard Dahlmann as their new chairman of the board, followed by Carsten Trads and Per Wester as board members.

DanCann Pharma A/S completes Private Placement investment of SEK 35 million
THU, APR 16, 2020
DanCann Pharma A/S announced that the company has completed a Private Placement investment of SEK 35 million. The issue was oversubscribed, and the company was thus allocated SEK 35 million before issue costs.

DanCann Pharma A/S: Mads Møller Kristensen entered the organization of DanCann Pharma as Chief Financial Officer (CFO)
THU, APR 23, 2020
DanCann Pharma A/S announced that the company has appointed Mads Møller Kristensen as Chief Financial Officer (CFO).

DanCann Pharma A/S: Jeppe Krog Rasmussen, CEO and Founder, entered the Board of Directors of DanCann Pharma
MON, JULY 6, 2020
DanCann Pharma A/S announced that the company has appointed Jeppe Krog Rasmussen, CEO and Founder of DanCann Pharma A/S, as new board member.

DanCann Pharma A/S: John Morell Frellsen entered the organization of DanCann Pharma as interim Chief Commercial Officer (CCO)
TUE, SEPT 22, 2020
DanCann Pharma A/S announced that the company has appointed John Morell Frellsen as interim Chief Commercial Officer (CCO).

DanCann Pharma entered into a Supply Agreement to source medical cannabis products for Denmark and the company's Scandinavian and European markets with the global market leading MediPharm Labs Corp
FRI, SEPT 25, 2020
DanCann Pharma A/S announced that the company has signed a supply agreement for research-driven pharmaceutical-quality cannabis extraction, distillation, and derivative products with MediPharm Labs Corp.

DanCann Pharma A/S: DanCann Pharma A/S receives approval for listing and publishes prospectus
FRI, OCT 02, 2020
DanCann Pharma A/S announced that the company has received approval for listing on the Spotlight Stock Market.

Today is the first day of trading in DanCann Pharma A/S shares and warrants at Spotlight Stock Market
THU, NOV 12, 2020
DanCann Pharma A/S announced that the subscription period in DanCann Pharma's new share issue began.

DanCann Pharma A/S: Chairman of the board and management subscribes for units in the ongoing IPO
FRI, OCT 09, 2020
DanCann Pharma A/S announced that the company's Chairman of the Board, Magnus Østergaard Dahlmann, Chief Commercial Officer, John Morell Frellsen (who works for the company as a consultant and is thereby not part of the company's registered executive management) and Chief Financial Officer, Mads Møller Kristensen subscribed for units in the ongoing listing issue.

DanCann Pharma A/S: DanCann Pharma A/S Selects AEsSenseGrows For European Medicinal Cannabis Collaboration
WED, OCT 21, 2020
DanCann Pharma A/S announced that the company has

chosen AEssenseGrows for European Medicinal Cannabis Collaboration. AEssenseGrows, an AgTech company specializing in precision automated aeroponic platforms for consistent high-yield plant production, will deliver the AEssenseGrows AEtrium system for DanCann Pharma's cultivation operations.

DanCann Pharma's IPO of units was oversubscribed
WED, OCT 28, 2020
DanCann Pharma announced that the company's new share issue of approx. DKK 30 million was oversubscribed. DanCann Pharma received subscriptions for a total of approx. DKK 55 million, including subscription commitments, corresponding to a total subscription of approx. 183 percent – and approx. 433 percent for the public part.

DanCann Pharma A/S: Additional lock-up agreements have been signed by Chairman of the board and management
TUE, NOV 10, 2020
DanCann Pharma A/S announced that additional board members and management have been allotted units in the IPO. In total, the lock-up from the board, management, and shareholders after the fully subscribed IPO amount to 8,221,565 shares, corresponding to approximately 39.66 percent.

DanCann Pharma A/S: Today is the first day of trading in DanCann Pharma A/S shares and warrants at Spotlight Stock Market
THU, NOV 12, 2020
DanCann Pharma A/S announced that the trading in DanCann Pharma's shares started on Spotlight Stock Market.

DanCann Pharma A/S: The United Nations' commission reclassifies cannabis, no longer considered risky narcotic
FRI, DEC 04, 2020
DanCann Pharma A/S announced that The United Nations (UN) removed cannabis from list of most dangerous drugs following a recommendation from the World Health Organization (WHO), the United Nations' Commission for Narcotic Drugs voted to remove cannabis from Schedule IV of the 1961 Single Convention on Narcotic Drugs, a decision that is expected to eventually have a far-reaching impact on cannabis and cannabinoid research and for medical use and purposes worldwide.

DanCann Pharma A/S enter exclusive agreement with Cannassure Therapeutics to be multinational distributor for Scandinavia (Denmark, Norway, Sweden, and Finland)
TUE, DEC 15, 2020
DanCann Pharma A/S announced that the Company has entered into an agreement with Cannassure Therapeutics Ltd. (TASE: CSURE) to be the exclusive multinational distributor of the Israelian-based company's product portfolio for whole Scandinavia.

DanCann Pharma A/S submits new Application to the Danish Medicine Agency for authorisation to produce cannabis intermediate products
THU, DEC 17, 2020
DanCann Pharma A/S announced that it has submitted a new Application to the Danish Medicine Agency (DMA) for approval for authorisation to produce cannabis intermediate products.

Highlights after the period

DanCann Pharma's strategic partner, Cannassure Therapeutics Ltd., enter exclusive licensing agreement regarding topical medical cannabis products 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). Under the agreement, Cannassure has the exclusive right to use Lipidor's proprietary drug delivery technology AKVANO® in medicinal cannabis products for the treatment of selected indications such as psoriasis, atopic dermatitis, pain, and lesions. DanCann Pharma is the exclusive multinational distributor of the Israelian-based company's product portfolio for whole Scandinavia and Finland.

DanCann Pharma A/S announced the signing of a Letter of Intent with Canadian Tetra Bio-Pharma Inc. for the exclusive distribution of Reduvo™ Adversa® and Qixleef™ in Scandinavia and Germany
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.

DanCann Pharma 2020

First of all: what a year.

As always, I am honored and extremely proud to be part of DanCann Pharma, 2020 was the year that the company was really put on the map, we raised more than DKK +55 million and in November the company went live as a listed company on the Danish / Swedish stock exchange, Spotlight Stock Market. The future was now ahead of us – and as of this day back in November last year, DanCann Pharma was more than +1,700 investors - something that I am truly proud and inspired of every day.

This is our second interim report as a public and listed company, and like last time, I would like to take the opportunity to comment on some of the highlights that have happened in recent months (Q4), both during and after the period – as well as some of the strategic considerations we are making for the future.

AS EXPRESSED in this material, I hope you will notice all the visuals, and especially from our on-site at BIOTECH PHARM1. BIOTECH PHARM1 is now established (phase 1) and has started its first operations. The facility is currently in the process of stabilizing the company's first genetics, including its first test batches (harvest). This is where the foundation for our future products will be built, so the very carefully selection and deselection of different geneticists and profiles is now ongoing (analyzes) - this is an extremely nerdy process around cannabinoid monographs etc. that I will not bore you with here. So, what not very long time ago (less than 6 months) was a more or less empty site – is now becoming one of Europe's most modern state-of-the-art cultivation facilities. A slightly special and emotional feeling, especially for the part of the DanCann Pharma team that has been part of the journey since its infancy and together has worked on "project DanCann" (as the company was named at the beginning) for more than +10 years in total. A project which is now really starting to take off – and even though we describe ourselves – and the company – as young – I almost think we could write a novel about the process already at this point. What once was our little child and secret - is now growing – and is about to become a teenager.

In terms of the BIOTECH PHARM1 facility we will apply for the first part of the application later this year, including approval of our entire quality system (QMS) and the GMP-part. Later we will apply for the bulk product after we have sufficient data and basis for this, we expect to be able to do this at the end of 2021 / beginning of 2022. The goal is to get BIOTECH PHARM1 up and running and get it approved as soon as possible, so that we in 2022 can start generating revenue on this part of the business with the raw materials. It is the executive management's best estimate that there is an annual turnover of approx. DKK +40 million based solely on this part of the business (raw materials and APIs) mainly sold and marketed to the south of the Danish border (Germany). The initial dialogues regarding the marketing and distribution to its partners have been initiated and the management team is already now working to secure supply agreements based on future framework agreements. As of today, we expect, by a conservative bid, that first sales and release of the products can begin in first half of 2022.

BIOTECH PHARM2 is intended to find its momentum in the laboratory - which later then will be made / scaled for a larger commercial setup. We want to shape BIOTECH PHARM2 according to an IP-based platform (formulation and delivery of the pharmaceutical), rather than just another extraction company that has no IP within its business model, from the executive management's side and point of view we rather see this outsourced to 3rd parties. We are considering our strategic options with several partners for setting up our business model – both commercial (private actors and companies) and public (universities, etc.) partners. The focus area is still centered around the table version, where we largely focus on the uniform dosage (safe and discreet delivery) and release option (bioavailability), where we investigate areas around extended release, sustained release, instant release, modified release, etc. cf. the individual needs.

DanCann Pharma is still awaiting its application to the Danish Medicines Agency for a permit / license for intermediate production in relation to the import of medical cannabis products (cf. press release: THU, DEC 17, 2020 – DanCann Pharma A/S submits new Application to the Danish Medicine Agency for authorisation to produce cannabis intermediate products). This can in principle come at any time, and we expect to be able to launch the first product to the market Q1 / Q2 2021 depending on the processing time, which also includes various conditions and now also new handling terms and conditions from the Danish Medicines Agency, as well as reservations in connection with the COVID19 situation. Initial negotiations with distributors (wholesalers) for our products have been initiated for the Danish market under the Pilot Programme.

IN ADDITION, we have also expanded our product portfolio, this through a strategic collaboration with Cannassure Therapeutics Ltd. (TASE: CSURE), a leading, world class, trusted developer and provider of top-quality-grade medical cannabis products and pharmaceutical cannabinoid

BIOTECH PHARM1

medicines, addressing a broad range of unmet medical needs. The agreement is based on an exclusive relationship between DanCann Pharma and Cannassure where DanCann Pharma has the rights to distribute the entire Cannassure product portfolio in Scandinavia and Finland. Initially, the focus is based on getting oil products on the market (short-term-market penetration). The distribution agreement does not counteract DanCann Pharma's current agreements but creates an even broader product portfolio in terms of dosage, formulation, and delivery (delivery systems) of cannabinoid-based pharmaceuticals for DanCann Pharma with the goal of becoming the leading supplier of medical cannabis in Scandinavia. With this agreement, DanCann Pharma's product portfolio for the Pilot Programme now covers the following:

- Pharmaceutical oral oils (Rx), 3 size dosages, +10 standardized cannabinoid formulations - ready for application / market launch now.
- Pharmaceutical soft-gel capsules (Rx), 2 size dosages, yet unknown number of cannabinoid formulations - ready for application in the second half of 2021.
- Pharmaceutical topical drugs (Rx) (including, among other things, based on the protected and patented lipid technology, AKVANO®) – yet unknown market launch.
- Broad OTC-assortment (CBD: Cannabidiol) – ready for application / market launch now.

WE SHARE the same mindset with Cannassure about how we see the industry develop - based on the more IP based platform and the future prospects therefore offer a more diversified product portfolio, where especially upcoming products based on the patented AKVANO® technology are very interesting, which are expected to create a strong position in the market for us based on this unique technology for some patient groups who have not received as much focus regarding the potential treatment with cannabinoids in Denmark and Scandinavia.

DANCANN PHARMA consider the potential to be quite solid and strong - especially around skin diseases (psoriasis) - as there is a huge lack of alternative treatment and patients rely on the most strange and naive attempts on their own body in hope of relieving their disease and symptoms. There is also solid pre-clinical research in the field and associated support from the patient association in Denmark. Cannassure assesses, based on public information, that the market for topical therapies for indications under the scope of cannabinoids will undergo a significant growth in the next few years and may exceed USD 50 billion by 2027.

DanCann Pharma is currently one of very few companies betting on topical solutions, as mainly all (competing companies), in our best belief and knowledge, currently have a main focus on neuropathic pain relief by oral (oils) solutions in Denmark.

The area around skin diseases (psoriasis) are strongly focused and centered on the area of CBD (the cannabinoid: Cannabidiol), cf. current research – and thereby – a (expected) less painful approval process regarding the Danish Medicines Agency, regardless of whether it is an Rx- or OTC-pharmaceutical (as we do not want to implement THC in these kind of products – THC: Tetrahydrocannabinol – the psychoactive substance). Treatment with CBD solely must be considered from a professional point of view as being quite harmless.

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When the challenges arise – we reinvent ourselves

THE PILOT PROGRAMME: "ROOM FOR IMPROVEMENT"

IN DECEMBER last year The United Nations (UN) removed cannabis from the list of most dangerous drugs following a recommendation from the World Health Organization (WHO), the United Nations' Commission for Narcotic Drugs voted to remove cannabis from Schedule IV of the 1961 Single Convention on Narcotic Drugs, a decision that is expected to have a far-reaching impact on cannabis and cannabinoid research and for medical use and purposes worldwide. First of all, a huge victory for patients all over the world and another step in the right direction in terms of treatment with medical cannabis. With the reclassification of cannabis, we expect to see an accelerating of the legalization wave - and thereby promote growth within our business area. This will unimaginably make our work across nations far more painless - and the whole business development hereof. We hope that this opens up new doors for patients and their access to medical cannabis and cannabinoid treatment on a global scale - and especially a strong indication around our core markets where European nations were among those who voted in favor.

However, as you will read below, we are still experiencing and facing some "problems" around a lack of standard for "medical cannabis" in Europe (the "non-approved" part of the scheme) which we have with approved drugs, and in our case, especially problems and obstacles in relation to the Danish Pilot Programme right now - which leads to our reflections and strategic considerations later.

BUT, INITIALLY ... as always, an update on the situation in terms of the Pilot Programme and the scheme's development and evaluation. The Danish Minister, Magnus Heunicke, (Minister of Health) and the Danish politicians are working on the evaluation of the Pilot Programme right now. Back in November 2020, the Minister published an evaluation report, which will form the basis for the decision for the future legislation on medical cannabis. An ongoing theme in this report is that there is a need of data collection from the treatments of patients. Therefore, the Minister of Health have repeatedly expressed support for extending the scheme, and thus giving more time to gather experience. It is expected that a decision will be made within very near future. DanCann Pharma estimates that the Pilot Programme will be extended with the aim of collecting more data on the treatment effects and gaining experience from doctors and the industry so that there will be a better basis for discussing Denmark's future legislation for medical cannabis.

ON 19 JANUARY, the Danish Medicines Agency held a seminar for all stakeholders within medical cannabis and the Pilot Programme. Here they explained, among other things, their new expected handling terms of various applications, including both in relation to own produced products, but also imports. Not really any big surprises here, a little longer handling time than expected, but nothing of any nature that we raised eyebrows at. On the other hand, there was another very remarkable announcement from the agency (the Danish Medicines Agency), namely that they now only process one product application at a time, i.e.., something that gives completely natural limitations to the penetration of the Danish market and the supply to Danish patients with a wide and deep product portfolio under the Pilot Programme. We question the rationale for a maximum of one product application at a time (this process quickly takes +1-3 months per preparation). We are aware that there have been many "try-harders" and "cowboys" in the field (no names mentioned), but why should this ruin it for the good ones who actually take this task seriously and have spent several years sourcing and screening solid suppliers who can comply with the regulatory requirements and deliver standardized (EU-GMP, GACP, etc.) products and pharmaceuticals?

In general, we experience opposing parties around the Danish Pilot Programme, and here I think I can say that I speak for the whole industry and all patients where we miss the one who takes responsibility for all this (the Danish Medicines Agency, the politicians, etc.). The Danish Medicines Agency communicate to all stakeholders saying that this has been a "paid" task from a political point of view. It is useless.

Perhaps the biggest problem with the whole programme (from a prescription perspective) is the distorted division of responsibilities between the doctor and manufacturer, where the doctor - as the framework is today - assumes all responsibility for possible side effects with these kind of non-approved cannabis drugs. The responsibility must be taken away from the doctor, this is a huge obstacle in terms of >

> prescriptions, both for patients and doctors, and understandably enough – as manufacturers, we would gladly like to take this responsibility, as with any other conventional medicine we have today. In continuation of this, the current reporting only continues to speak our case, and it is minimal what is reported – and not something that has given rise to action from either politically or expertly (the Danish Medicines Agency) side.

It is also quite remarkable why only side effects are reported in the programme, and not effects in general (more inspired by clinical studies)? For this, we also need way more education and prioritization of this (within medical cannabis) regarding professionals (doctors), as this is not part of the current curriculum. It cannot be the case that only the private sector has to observe and finance this in a welfare state like Denmark. We could get infinitely more out of the current system by the right priorities and investments. At present it seems like the authorities only want to dictate it in the wrong / a bad direction.

LAST BUT NOT least, we need more funds in general allocated to the scheme and the area – including a more advantageous reimbursement scheme for the patients – the current one is far from sufficient enough – and especially compared to conventional medicines (it is also worth considering that the segment – in general – is not in a particularly strong economic situation due to their illness and their limitations in advance, which ones again naturally puts some strong restrictions for the access to treatment with medical cannabis within the Pilot Programme). If we, as a unit and country, want to put an end to the illegal market, we simply need to prioritize this task more wholeheartedly. However, as stated earlier, the prospects for this seem long in relation to the Danish market and the Danish patients under the Pilot Programme if these issues will not be addressed in the near future. Unfortunately, we do not consider that any major initiatives in the new evaluation will take place around the above points – besides an extension of the current programme with increased data collection.

With the result of the above as 80% who continue to use the illegal market for cannabis due to all the restrictions that exist at present. Patients who self-medicate themselves with something they have no clue about - it is simply not sustainable - and it should be in everyone's interest to rectify this.

SO ... THE PILOT PROGRAMME was created for patients - and thus a legal path to alternative treatment without having to stage the uncontrolled and illegal market for cannabis – we may ask ourselves whether this has been a success so far. We need a way broader and deeper product portfolio, and more affordable one, so that we can meet the needs of the individual, but with only one application at a time in the Pilot Programme and an opposing system, the prospects for this seems very long. Unfortunately.

“Patients who self-medicate themselves with something they have no clue about – it is simply not sustainable – and it should be in everyone's interest to rectify this”.

We may ask ourselves whether the battle for the Danish market in terms of the Pilot Programme, cf. the many conflicting factors, is worth “the fight” right now? Unfortunately, there are many things that speak against this, and most of all unfortunately for the patients. It must never be understood as if we are whining or shouting - we could choose to go many other ways by exports and other markets - but as mentioned many times before, then we are put in this world because of the patients, and especially the Danish ones - and it will always be these glasses we wear (the patient glasses) at DanCann Pharma - they are the reason for our basis of existence as a company - and thus our greatest interest regardless no matter what. DanCann Pharma was formed with vision based on a foundation of care, from which we grow our passion to improve health and life quality for all patients with challenges. We continue to challenge status quo, based on knowledge and innovation and we innovate life-changing technology – and if that means we need to challenge conventions, then that is still what we do. This will never change, and we will never forget this. This is why we get out of bed in the morning, tie our shoes, and show up at work. All to make a difference.

Take this as another appeal to the decision makers – for the sake of the patients - we need change and decision making – now. We will continue to actively stage and push for the debate and the conventions - this is what we as a company are driven by – driven by challenging the existing for the better – and hereby always being better than yesterday.

FINALLY ... AS I expressed in my last comment in our Q3-report, we were potentially facing some strategic choices to be made (from DanCann Pharma A/S Q3-report, CEO-comment: “As a company, we are potentially facing some major strategic choices to be made - which, on the part of the management team, is assessed as strengthening our position in the market. This due to our business model which possesses strong flexibility and readiness for change – if the outcome should be that the strategy should be changed in a new or different direction. The uncertainty of the outcome has been incorporated into our strategy from the very first beginning. We continue to see our current position as an advantage in relation to how the market has developed and that we have not “rushed” our business - but carefully considered how to approach this task. This is, as always, reflected in all the choices we, as an organization, make – to ultimately ensure patient safety and satisfying results for our stakeholders and shareholders”).

I would like to address these considerations in my writing below with more concrete action measures on the situation on behalf of the executive management team of DanCann Pharma. Enjoy.

An acceleration of our market penetration in Scandinavia, but also Europe in general

The Danish Medicines Agency's announcements about their handling of various applications have given us an opportunity

to reflect – and in times where we meet resistance, we lead to the reinvention of ourselves and a creativity that until now was still unseen – this is far from the first time - we know this game and we have been a part of this (the Pilot Programme) since its very first days.

As mentioned above, due to this, the situation has of course led to reflection on our go-to-market strategy, since Denmark has been our core focus (in terms of markets) since day one. Instead of letting ourselves be limited, we have instead chosen to take this to our advantage - and in fact, something good – and therefore it is now the company's plan to accelerate more fronts than just the Danish one initially.

With that said, DanCann Pharma will accelerate its entry into the entire Scandinavian market ahead of schedule, and this will happen in almost the same time perspective as for the Danish market. Due to the regulatory conditions, our neighboring countries will be supplied with our products under a delivery permit for pharmaceuticals (non-approved), as these still do not have a similar program as the Pilot Programme in Denmark – for as long as we do not have any approved drugs with cannabis or cannabinoids in our product portfolio. However, it is the executive management team's strongest conviction and belief that these will follow in the near future and build on the ecosystem that is already being established in Denmark. As a result, our channels throughout the Scandinavian market will at this point already be built by the time that this day comes.

A broader scope of business for DanCann Pharma, which not only targets the Pilot Programme

However, it must be said that this has not only led to a changed focus in terms of markets - but - also the scope of our business.

Due to the fact that we still see many limitations in relation to the various schemes (similar to the Danish version, the Pilot Programme), we aim to bet on serval horses, so to speak, in order to cover the risk scope of our business in the best possible way. Where we in the past were very much centered around the Pilot Programme, and the way in which this scheme has worked – we will in the future expand our focus, so that we now also equally look at approved (including marketed approved) drugs with cannabinoids, drugs with cannabinoids on a delivery permit(s) (SE, NO, FIN, etc.), as well as an even stricter oversight in the OTC-market (CBD: Cannabidiol). In addition, we will also investigate the area of other medicines (both approved (licensed) and non-approved (unlicensed)) - and not solely medical cannabis and cannabinoids – which in good symbiosis plays together with the treatment with medical cannabis and cannabinoids. In connection with this we are in the process of preparing further applications to the Danish Medicines Agency, for handling medicines (fully GMP and GDP) outside the scope of the Pilot Programme.

Due to the current market and its limitations, we have been looking for alternatives with the result, Tetra Bio-Pharma Inc. DanCann Pharma has signed an LOI with Tetra Bio-Pharma Inc. (TSX:TBP)(OTCQB:TBPMF) concerning the exclusive distribution of the cannabinoid-based medicines Reduvo™ Adversa® and Qixleef™ in Denmark, Norway, Sweden, Finland, and Germany, which are expected to launch first products at the European market later this year (second half of 2021) as approved EMA-registered drugs with cannabis and cannabinoids.

Just to briefly tell you about Tetra and who they are: Tetra Bio-Pharma (TSX:TBP)(OTCQB:TBPMF) is a biopharmaceutical leader in cannabinoid-based drug discovery and development with a FDA and a Health Canada approved clinical program >

> aimed at bringing novel prescription drugs and treatments to patients and their healthcare providers. Their evidence-based scientific approach has enabled them to develop a pipeline of cannabinoid-based drug products for a range of medical conditions, including pain, inflammation, and oncology. With patients at the core of what they do, Tetra Bio-Pharma is focused on providing rigorous scientific validation and safety data required for inclusion into the existing biopharma industry by regulators, physicians and insurance companies. We see many synergies between us and Tetra, and we undoubtedly share the same values and vision for the future.

With this deal, in 2028, our sales are expected to peak for these products, and this will be immediately before the patent expires. Overall, revenue is expected over the years 2021 – 2028 of DKK 340 – 410 million, depending on the final outcome and scope of the agreement, distributed in the Nordic countries and Germany. Also note the last mentioned in the previous sentence – Germany – which will put DanCann Pharma on the largest market in Europe to date with exclusive rights to a portfolio of approved drugs with cannabis and cannabinoids.

Pursuant to registration with the European Medicines Agency (EMA), we will handle the exclusive sales and distribution in the Nordics and Germany for the products, Reduvo™ Adversa® and Qixleef™. In addition, the agreement also covers Tetra's OTC-product Enjouca™.

ABOUT THE PRODUCTS and pharmaceuticals in the exclusive distribution agreement:

- Reduvo™ Adversa® (dronabinol using a novel mucoadhesive-tablet route of administration) are indicated for the treatment of CINV-patients (Chemotherapy-Induced Nausea and Vomiting) and for AIDS-related anorexia associated with weight loss. Qixleef™ and Enjouca™ are indicated for the treatment of uncontrolled pain in advanced cancer patients as well as for breakthrough pain. Reduvo™ Adversa® technology will allow us (DanCann Pharma) to launch a largely improved dronabinol version in the Nordic countries and Germany. The clinical benefits are numerous including: illimited first-pass metabolism leading to an improved bioavailability and consequently to reduced gastro-intestinal exposure and side-effects. The dosage regimen is likely to become BID as opposed to QID. This new technology signifies important intellectual property.
- Qixleef™ is a botanical cannabinoid-derived medicine, planned to become the first prescription product to be dispensed through pharmacies and prescribed by healthcare professionals. QIXLEEF™ is inhaled through a Health Canada approved class 2 medical device. It is well characterized and will benefit from data protection, once approved by the EMA. The indications for this product are expected to be for advanced cancer pain and breakthrough pain.
- Lastly, Enjouca™ is a medical cannabis therapeutic option (a non-registered) which will help European patients to manage their pain.

We have very high expectations for the collaboration with Tetra Bio-Pharma. They have a unique portfolio within the pain management and CINV-segments, and we look forward to introducing these lines to our markets. We estimate the first sale to commence during second half of 2021, leaving us sufficient time to prepare our sales organization. We estimate to reach our peak sales of DKK 340-410 million in the period until 2028.

IT IS TO my strongest belief that physicians and other healthcare professionals are – undoubtedly – receptive to cannabinoid-derived medicines, but they have been seeking robust scientific evidence supported by a traditional pharma infrastructure such as a pharmacovigilance program, medical information, medical science liaisons, and so on. With this agreement we are now entering into a completely new path around approved pharmaceuticals with cannabinoid-derived medicines and meeting the above mentioned aims and wishes of professionals and physicians, where the restrictions for these kinds of approved pharmaceuticals are assumed to be minimal compared to the framework within the Pilot Programme. This provides a good spread of risk across our portfolio, as well as a much more transparent business plan and future for the company.

It is undoubtedly more expensive to be considered for these kinds of agreements (exclusive rights for approved medicines and pharmaceuticals) for us as a company – but the case is also undoubtedly much more solid and transparent without too many big surprises. With such agreements, we can circumvent the problems we experience with the Pilot Programme right now, as Tetra Bio-Pharma's products (Reduvo™ Adversa® and Qixleef™) aim for approved drugs (EMA-registered) with cannabis and cannabinoids - and including substantiated by clinical data - which means that with the distribution of these are no longer dependent on reluctant doctors due to the disclaimer. The possibilities for obtaining reimbursement (general reimbursement scheme as with conventional medicine – and not the scheme for the Pilot Programme) for these drugs must also be considered to be extremely solid as these function under and as conventional and approved drugs. With this, there are both strong opportunities to prescribe the drugs - for both doctor and patient – and at a price (due to subsidies) where people (low and middle income) can acquire it.

OF THE CURRENTLY approved drugs in Denmark and Europe, we have only two drugs, both from GW Pharmaceuticals, Sativex® and Epidyolex®, respectively.

- Sativex® (mouth spray) is a pharmaceutical (based on CBD: Cannabidiol – and THC: Tetrahydrocannabinol) for multiple sclerosis (MS) to relieve symptoms associated with muscle stiffness. Sativex® costs pr. packing approx. DKK 4,300.
- Epidyolex® (liquid / oil) is a pharmaceutical (based on CBD: Cannabidiol) for rare forms of epilepsy. Epidyolex® costs pr. packing approx. DKK 12,700.

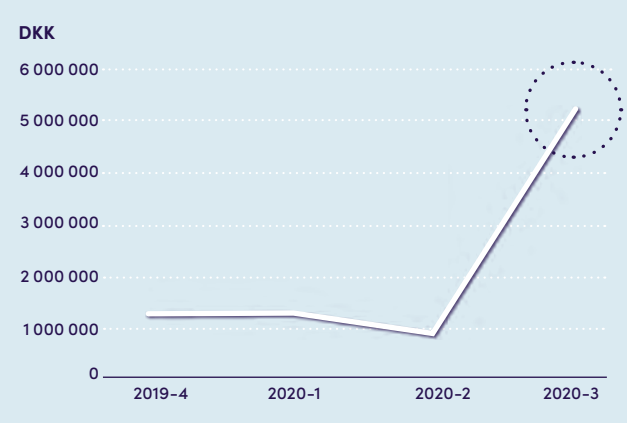
The biopharmaceutical company, GW Pharmaceutical, recently announced that Jazz Pharmaceuticals will acquire GW Pharmaceuticals plc for a total consideration of USD $7.2 billion. The transaction is expected to close in the second quarter of 2021, subject to regulatory and shareholder approval.

BASED ON the Danish market and the latest data / statistics, we see without comparison that this part of the sector (approved drugs with cannabis and cannabinoids) is the fastest growing

one and is gaining significant market shares – especially with the recent approval of Epidyolex®. Please see below.

Quantities and turnover of approved medicines with cannabis and cannabinoids (Sativex® and Epidyolex®) within the last year (newest data) in Denmark:

SECTOR				YEAR AND QUARTER
	2019-4	**2020-1**	**2020-2**	**2020-3**
Main total	1,227,205.90	1,193,597.35	905,542.61	**5,292,971.80**
Primary	1,223,330.90	1,193,597.35	901,399.20	**5,230,459.30**
Hospital	3,875.00		4,143.41	62,512.50



For your information, I can inform you that sales through the Pilot Programme have stagnated over the last year in the range of DKK 1.5 million to DKK 2.0 million on a quarterly basis.

Sativex® sold in Germany in September 2020 (latest data / statistics) for approx. EUR 1.75 million – and in the past year there have been sales for approx. EUR 23 million of the Sativex® preparation in Germany. Outside the U.S., Epidiolex® sales reached EUR 9.2 million in the third quarter of 2020 and reporting progress in several European countries.

BY ALL THIS, DanCann Pharma is expanding its business scope – both in terms of an accelerated market penetration – but also by influencing serval more areas for medicines with cannabinoids - and other drugs that can assist within this area (treatment with medical cannabis and cannabinoids).

- Shareholders should expect a downgraded expectation for market launch of products on the Danish market (the Pilot Programme), the best estimate for this is a delay from expected Q1 2021 to Q2 2021 due to the Danish Medicines Agency's new processing and handling times for applications.
- Shareholders should expect a relatively unchanged timeline regarding the processes around cannabis bulk (BIOTECH PHARM1, facility), it remains our best estimation to have the facility and (bulk)product approved at the end of 2021 / early 2022 – and sales in 2022 H1.
- Shareholders should expect an acceleration of our market penetration in Scandinavia, but also Europe in general, here we are upgrading our ambitions. With this, our shareholders should expect a rollout of the upcoming DanCann Pharma Group in the respective markets we aim to enter – both in terms of offices and warehouses.
- Shareholders should expect a broader scope of business for DanCann Pharma, which not only targets the Pilot Programme – but now also (among other things) approved medicines (EMA-register) with cannabis and cannabinoids – and thus many of the challenges with the Pilot Programme (which act as non-approved medicines with medical cannabis) can be circumvented by this move.
- Shareholders should expect a broader and even deeper product portfolio for medicines with cannabinoids - but also without, here we are upgrading our ambitions.
- All this implied that we continue to build and develop on the diversified IP-based business model to secure and create the unique place in the market for DanCann Pharma.

Jeppe Krog Rasmussen
Founder, CEO & Board Member
DanCann Pharma


BETTER THAN YESTERDAY
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Research decides – but – patients inspires

DANCANN PHARMA A/S was founded in 2018 and is a Danish biopharmaceutical company powered by cannabinoids. DanCann Pharma is focused on discovering, developing, manufacturing, and commercializing of novel cannabinoid therapeutics in a broad range of disease areas.

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

DanCann Pharma makes and distributes prescription (Rx-pharmaceuticals) and over-the-counter (OTC) pharmaceuticals mainly focused on pain patients with alternative needs and management to handle their illness – with future targets for further and new patient groups and segments.

DanCann Pharma is licensed for handling of euphoriant substances, and during the summer 2018, DanCann Pharma was licensed as one of the first companies in Denmark to handle and cultivate cannabis for medical use.

DanCann Pharma has a differentiated approach to the industry, by targeting on supply and research of rare cannabinoids (APIs) for new, unexplored treatment options.

DanCann Pharma focuses on unique and innovative drug administration and delivery systems for cannabis- and cannabinoid-based pharmaceuticals through strategic partnerships. DanCann Pharma aims to integrate the medical cannabis industry with the existing pharmaceutical industry to bring the best of two worlds into a higher unity.

The Pilot Programme and medical cannabis

ON 1 JANUARY 2018, medical cannabis was legalized in Denmark under a 4-year Pilot Programme that allow all Danish physicians to prescribe cannabis for medical use. The pharmaceuticals covered by the Pilot Programme are referred to as medical cannabis and may take the form of dried cannabis flowers, cannabis oil, capsules, or tablets. The Programme was approved by 9 out of 10 political parties in the Danish parliament at the time and is therefore widely supported across the political parties.

The purpose of the Pilot Programme is to give patients a legal opportunity to test medical cannabis treatment if they have not benefited from conventional medication. The authorities will perform various evaluations of the Pilot Programme and the products during the 4-year period, and the Programme will therefore provide a better basis for assessing the use of medical cannabis at the end of the period.

The program is focused around 4 specific indications currently – mainly pain patients with alternative needs and management to handle their illness – the relevant indications are:

- Painful spasms due to multiple sclerosis
- Painful spasms due to spinal cord injury
- Nausea after chemotherapy
- Neuropathic pain, which is pain due to brain, spinal cord, or nerves

Physicians must, as always, exercise carefully and with conscientiousness in their work. This includes, among other things, that physicians must base their decision on treatment on whether there is scientific evidence for the treatment and on their experience with the individual patient and the patient's wishes. Treatment with medical cannabis should only be attempted if the patient has tested relevant approved medication without satisfactory results. No physician has a duty to prescribe medical cannabis.

Though, physicians have free prescribing rights, which means, in principle, that all physicians are free to prescribe the products covered by the Pilot Programme to all their patients if they can see the possibilities with these kinds of products.

In 2018, the pharmacies dispensed pharmaceuticals for approx. DKK 7.6 billion calculated in the pharmacy's purchase prices. Pharmaceuticals for the nervous system were the most widely traded Rx-pharmaceutical group. With revenue of DKK 1.7 billion, it accounted for 22.15 percent of pharmacies' total Rx-pharmaceutical sales.

The impact of medical cannabis is growing exponentially as several potential treatment areas are covered, including research working to reveal more medical and pharmaceutical benefits, as well as a range of worldwide applications investigating the effects of cannabis.

ABOUT THE YEAR-END REPORT

DanCann Pharma A/S was formed in March 2018. The fiscal year is 1st of January to 31st of December. DanCann Pharma A/S does not have any subsidiaries, nor is it part of a group. Therefore this interim report exclusively deals with the financials of DanCann Pharma A/S, company reg. no. 39 42 60 05.

Auditors review

This interim report has not been audited.

Accounting policy

The year-end report has been prepared in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium sized enterprises.

The report is prepared consistently with the accounting principles applied last year, except for the following changes.

Change in accounting policies and classification
The accounting policies have been changed in the following areas:

- The company's development costs were previously expensed. Practice has been changed so that the company's development costs are recognized and measured at cost with depreciation when development projects are completed.
- The reason for the change in practice is that DanCann Pharma A/S with the capital increases implemented in 2020 now has the necessary capital to carry out the development projects to create future income, which is why all criteria for accounting recognition now are met.
- The company aims to receive authorization from the Danish Medicine Agency to produce cannabis products from which a net income can be achieved.
- The application of the rules for capitalization of development costs thus provides a more accurate picture of the company's assets and liabilities, financial position and result also in the future when production and sales are established.
- Comparative figures have been adjusted for the changed accounting policies.
- The accumulated effect of the change in practice constitutes an increase in 2019 profit after tax and equity by KDKK 740. The balance sheet total is increased by KDKK 948.
- The accumulated effect of the change in practice constitutes an increase in 2020 Q1 – Q3 profit after tax and equity by KDKK 1,347. The balance sheet total is increased by KDKK 1,643.

Turnover and results

According to plan DanCann Pharma A/S did not record any net sales yet. Other external expenses consisted of selling and distribution costs, expenses related to real property and administrative expenses. The operating profit (EBIT) for Q4 2020 was KDKK -2,721 vs. KDKK -493 in Q4 2019. The year to date operating profit for 2020 was KDKK -5,870 vs. KDKK -627 for 2019.

Other external expenses include advertising, administration, buildings, operational lease expenses, etc.

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees.

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realized and unrealized gains and losses arising from investments in financial assets, debt and transactions in foreign currencies.

Balance sheet

The total assets at the end of the period amounted to KDKK 49,549 vs. KDKK 1,473 in 2019. About KDKK 15,684 is the development project of creating the production facility. Current assets consisting of cash and cash equivalents and receivables amounted of KDKK 21,329 and KDKK 8,225 respectively. Other receivables consist primarily of refundable VAT.

At the end of the period the equity amounted to KDKK 44,326 vs. KDKK -624 in 2019. The development is influenced by the issuing of new shares and retained profit.

Provisions for deferred tax amounted to KDKK 1,337 vs. KDKK 0 in 2019

Non-current liabilities amounted to KDKK 24 vs. KDKK 0 in 2019
Current liabilities amounted to KDKK 3,886 in 2020 vs. KDKK 2,097 in 2019.

Cash flow

In the fiscal year 2020 the cash flow amounted to KDKK 21,150 vs. KDKK 190 for 2019. Cash flow from operating activity amounted to KDKK -7,664 vs. KDKK -257 in 2019. In 2020 the cash flow from investing activity amounted to KDKK 19,073 vs KDKK 1,010 in 2019. Cash flow from financing activity was registered at KDKK 47,887 vs. KDKK 1,457 in 2019.

Shares

The shares of DanCann Pharma A/S were listed on Spotlight Stock Market on the 12th of November 2020. DanCann Pharma A/S' shares are traded under the ticker "DANCAN" with ISIN code ISIN DK0061410487.

On the 31st of December 2020 the total number of shares in DanCann Pharma A/S was 20,730,800. On the 31st of December 2019 the total number of shares was 1.

All shares carry the same rights. The nominal value is DKK 0,0375 per share.

Warrants

At the listing date 2,668,000 warrants were issued.
The warrants are traded under "DANCAN TO 1" with ISIN DK0061410560. Each warrant gives the right to subscribe for 1 share at a price of DKK 6.0 and can be exercised in the period from the 1st of September 2021 to the 17th of September 2021.

Proposed dividends

The Board of Directors and the CEO propose that no dividend shall be paid for the fiscal year 2020.

Annual General Meeting

The Annual General Meeting in DanCann Pharma A/S will be held in Kolding, Denmark on the 28th of April 2021. Due to possible COVID-19 restrictions, we may encourage you not to attend the AGM physically and instead vote by postal vote or power of attorney to the board of directors. Notification on how the AGM will be held will be given no later than 21 days before the AGM is set to take place on https://www.dancann.com/investor-relations-ir/general-meetings.

Annual report

The Annual Report will be made available at the company website https://www.dancann.com/investor-relations-ir/financial-reports.

Operational risks and uncertainties

The risks and uncertainties that DanCann Pharma operations are exposed to are related to factors such as development, competition, permissions, capital requirements, customers, suppliers/manufacturers, currencies, and interest rates. During the current period, no significant changes in the risk factors or any uncertainties have occurred. For more detailed description of risks and uncertainties, please go the prospectus published in October 2020. All documents are available on DanCann Pharma's website (www.dancann.com).

Shareholders (more than 5%)

Shareholders with more than 5 % of the votes and capital on the 17th of February 2021

Name	Number of shares	Proportion of votes and capital
JKR Investment Group ApS	5,280,000	25.47%
JJV Invest AB	1,788,018	8.62%
Others	13,662,782	65.91%
Total	**20,730,800**	**100,00%**

Financial calendar

Annual report 2020	08.04.21
Annual general meeting	28.04.21
Quarterly report Q1 2021	28.05.21
Quarterly report Q2 2021	27.08.21
Quarterly report Q3 2021	26.11.21

Submission of year-end report

Ansager, 26th of February 2021
DanCann Pharma A/S
The Board of Directors

Contact

Jeppe Krog Rasmussen, CEO
Phone: + 45 29 63 69 20
E-mail: ir@dancann.com
Web: www.dancann.com

Income statement

KDKK	01/10/20 31/12/20	01/10/19 31/12/19*	01/01/20 31/12/20	01/01/19 31/12/19**
Net sales	**0**	**0**	**0**	**0**
Other external expenses	-2,137	-66	-4,830	-422
Staff expenses	-519	-419	-946	-197
Operating profit before depreciation and amortization (EBITDA)	**-2,656**	**-485**	**-5,776**	**-619**
Depreciation of tangible assets	-65	-8	-94	-8
Operating profit (EBIT)	**-2,721**	**-493**	**-5,870**	**-627**
Financial income	20	0	24	0
Financial expenses	-81	-2	-140	-12
Profit before income taxes	**-2,782**	**-495**	**-5,986**	**-639**
Tax on profit/loss for the period	1,245	35	1,732	139
Net profit	**-1,537**	**-460**	**-4,254**	**-500**

* Due to change in accounting policy the comparative figures for Q4 2019 have been amended. The effect on profit after tax is KDKK 272.
** Due to change in accounting policy the comparative figures for the full year 2019 have been amended. The effect on profit before after tax is KDKK 740.

Balance sheet

KDKK	31/12/20	31/12/19
ASSETS		
Development projects in progress and prepayments	15,684	949
Intangible assets	**15,684**	**949**
Other plant, machinery, tools and equipment	1,756	23
Leasehold improvements	270	35
Tangible fixed assets in progress and prepayment	1,953	0
Property, plant and equipment	**3,979**	**58**
Rent deposit and other receivables	322	0
Financial non-current assets	**322**	**0**
NON-CURRENT ASSETS	**19,985**	**1,007**
Raw materials and consumables	10	0
Inventories	**10**	**0**
Provision for deferred tax	0	173
Other receviables	4,325	92
Corporation tax receivable	3,242	0
Prepayments and accrued income	658	22
Receivables	**8,225**	**287**
Cash and cash equivalents	**21,329**	**179**
CURRENT ASSETS	**29,564**	**466**
ASSETS	**49,549**	**1,473**
EQUITY AND LIABILITIES		
Share capital	777	1
Reserve for development costs	14,925	0
Retained profit	28,624	-625
EQUITY	**44,326**	**-624**
Provisions for deferred tax	1,337	0
PROVISIONS	**1,337**	**0**
Other liabilities	24	0
Non-current liabilities	**24**	**0**
Leasing liabilities	185	0
Trade payables	2,820	99
Payables to owners and management	0	549
Other liabilities	857	1,449
Current liabilities	**3,862**	**2,097**
LIABILITIES	**3,886**	**2,097**
TOTAL EQUITY AND LIABILITIES	**49,549**	**1,473**

Change of equity

KDKK	SHARE CAPITAL	SHARE PREMIUM ACCOUNT	RESERVE FOR DEVELOPMENT COSTS	RETAINED PROFIT	TOTAL
Equity at 1 January 2020	0	0	0	-1,365	-1,365
Change of equity due to change of policy				740	740
Adjusted equity at 1. January	**0**	**0**	**0**	**-625**	**-625**
Proposed profit allocation				-4,255	-4,255
Transactions with owners					
Capital increase	777	53,097	0	0	53,875
Cost of capital increase		-4,669			-4,669
Other legal bindings					
Capitalized development costs			14,925	-14,925	0
Transfer to/from other items		-48,428		48,428	0
Equity at 31 December 2020	**777**	**0**	**14,925**	**28,623**	**44,326**

During the financial year, 20,730,799 new shares were subscribed.

Cash flow statement

1 JANUARY TO 31 DECEMBER

KDKK	2020	2019
Profit/Loss for the year	-4,255	-500
Depreciation and amortisation, reversed	94	8
Tax on profit/loss, reversed	-1,731	-139
Change in inventories	**-10**	**0**
Change in receivables	-4,869	-94
Change in current liabilities	3,083	468
Change in non-current liabilites	24	0
CASH FLOW FROM OPERATING ACTIVITY	-7,664	-257
Purchase of intangible assets	-14,736	-948
Purchase of property, plant and equipment	-4,015	-62
Purchase of financial assets	-322	0
CASH FLOW FROM INVESTING ACTIVITY	**-19,073**	**-1,010**
Loan from majority owner	-549	502
Increase loans	-955	955
Increase leasing debt	185	0
Other capital items - capital raising costs	-4,669	0
Sharecapital payments	53,875	0
CASH FLOW FROM FINANCING ACTIVITY	**47,887**	**1,457**
CHANGE IN CASH AND CASH EQUIVALENTS	**21,150**	**190**
Cash and cash equivalents at 1. january	179	-11
CASH AND CASH EQUIVALENTS AT 31. DECEMBER	**21,329**	**179**
Cash and cash equivalents at 31. december comprise:		
Cash and cash equivalents	21,329	179
CASH AND CASH EQUIVALENTS, NET DEBT	**21,329**	**179**

DanCann Pharma™

BETTER THAN YESTERDAY

DANCANN PHARMA A/S RUGVÆNGET 5, ANSAGER 6823, DANMARK
COMPANY REG. NUMBER: 3942 6005 E-MAIL: INFO@DANCANN.COM WWW.DANCANN.COM