



Interim Report

Q2 2023

1 April — 30 June

DanCann Pharma A/S

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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.

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Corporate announcement

DanCann Pharma A/S to refocus its strategy – will reinvigorate its pipeline and product portfolio, and start looking for future owner or partnership for BP1

This shift reflects the commitment to adapt to evolving market dynamics and position DanCann Pharma for sustainable growth.

The new strategic direction will build upon the existing strengths, notably CannGros. Going forward, the Company will significantly increase its emphasis on sourcing, distribution, and sales within the Danish market.

The Company will maintain its commitment to supplying current products to the Danish market, including those from Bedrocan. Simultaneously, the Company will actively strengthen its future pipeline, significantly driven by the recent partnership agreement with MYCB1 GmbH. Moreover, the Company aspires to explore broader horizons within the industry, outside the limits of the Pilot Programme for medicinal cannabis.

The deliberate shift will result in a stop of further investments in the production facility, Biotech Pharm 1 (“BP1”), with a concurrent reduction in production activities to the bare minimum. The ultimate aim is to restrict the cash burn rate and attain self-sufficiency independent of external capital markets across short, medium, and long-term horizons.

The Company has observed that the timeline for bringing its tetrahydrocannabinol candidate for its biomaterial product to market from the production facilities appears to

be longer than initially anticipated. This extended runway, combined with shifting market dynamics and a lower market capitalization, has necessitated a recalibration of the strategic focus.

The Company is committed to proactively exploring alternative solutions, including potential joint ventures or sale of BP1 assets. The recognition of the substantial value inherent in the state-of-the-art facility, particularly its EU-GMP certification, fuels the optimism in finding mutually beneficial arrangements with new stakeholders, paving the way for a future owner or partnership. Consequently, the Company’s past guidance will no longer be quantifiable.

The Company is conducting an organizational review to enhance its ability to strengthen its pipeline and expanding its operating space.

In the forthcoming months, DanCann Pharma will unveil future elaboration in line with the new strategic focus, with a paramount emphasis on sourcing, distribution, and sales within the Danish market, encompassing new products within the pipeline – and simultaneously exploring opportunities for a new future owner or partnership for BP1.

REGULATORY HIGHLIGHTS

Press releases during the period

2023
MAY

2023
JUNE

APR. 03
2023

DanCann Pharma A/S presented their work to the Ministry of Foreign Affairs

MAY 12
2023

DanCann Pharma A/S publishes Annual Report 2022

MAY 12
2023

DanCann Pharma A/S is strengthening its regulatory focus by appointing a life science lawyer to the board of directors

MAY 24
2023

DanCann Pharma A/S invites to an investor presentation and Q&A session in relation to the ongoing exercise period of warrants

MAY 26
2023

DanCann Pharma A/S has successfully completed pre-validation batches and expects final approval from the Danish Medicines Agency by the end of summer

MAY 30
2023

DanCann Pharma A/S: Minutes of Annual General Meeting

JUN. 01
2023

DanCann Pharma A/S' Pre-Validation Batches Meets European Standards, paving the Path for Final Product Approval

JUN. 02
2023

DanCann Pharma A/S Secures 10-Year Financing, Loan-Agreement with 12-months Conversion Option and Warrants

JUN. 20
2023

DanCann Pharma A/S: Minutes of Extraordinary General Meeting

MAY 09
2023

DanCann Pharma A/S has signed an exclusive contract with MYCB1 GmbH for the distribution of full-spectrum extracts based on Bedrocen International varieties

MAY 12
2023

Notice of annual general meeting 2023 in DanCann Pharma A/S

MAY 15
2023

DanCann Pharma A/S: The subscription price for warrants of series TO 2 has been set

MAY 26
2023

DanCann Pharma A/S in advanced talks with new investor of additional DKK 12 million for topping up the outcome of the TO 2's

MAY 26
2023

DanCann Pharma A/S has secured 71 percent of the TO 2's

MAY 31
2023

DanCann Pharma A/S publishes Q1-2023 report

JUN. 02
2023

DanCann Pharma receives approximately DKK 5.6 million from the exercise of series TO 2 together with a directed issue to the underwriters

JUN. 02
2023

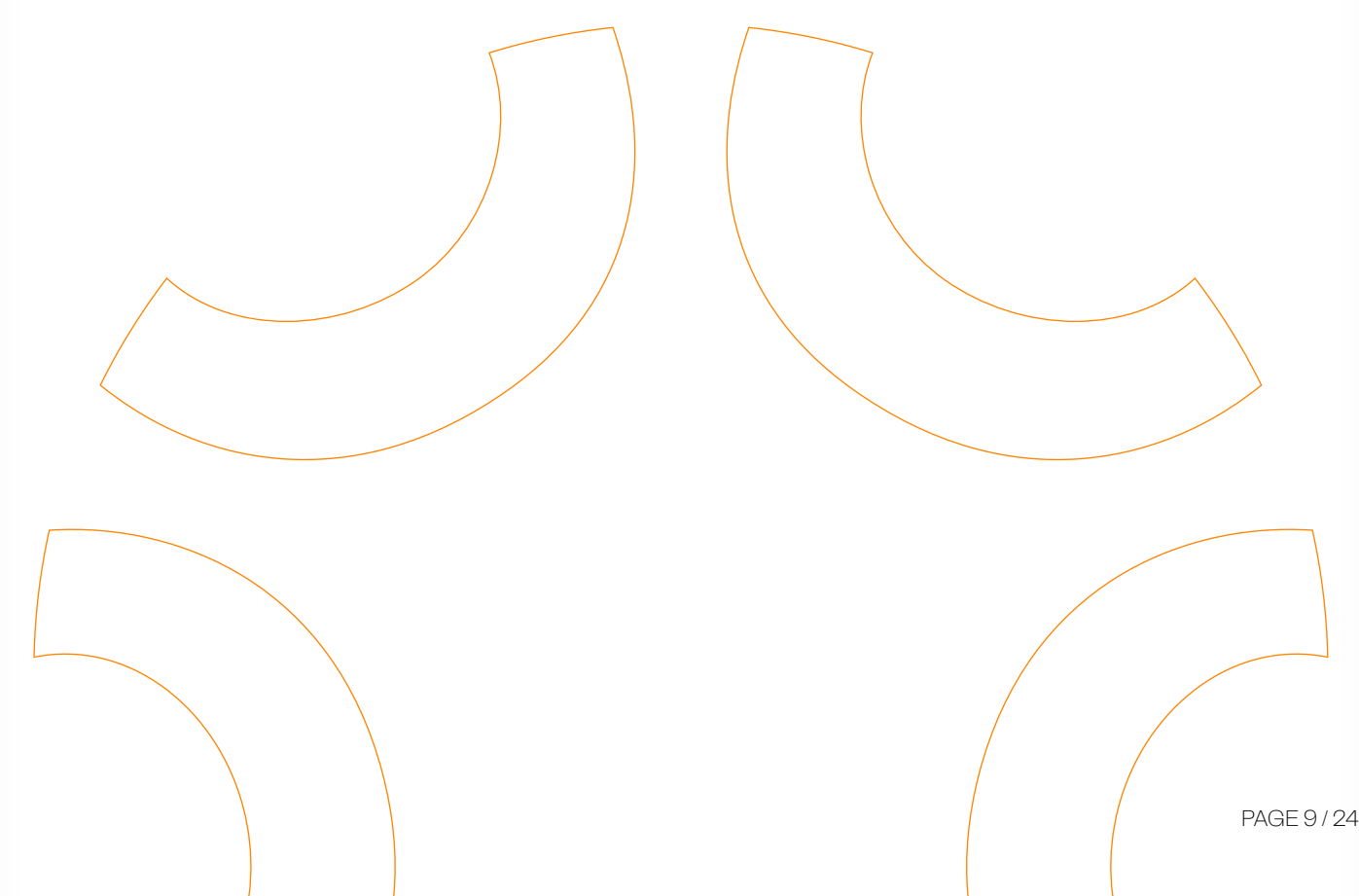
DanCann Pharma A/S: NOTICE OF EXTRAORDINARY GENERAL MEETING IN DANCANN PHARMA A/S



Summary: Group key figures Q2 2023

DKK 1 000	01/01/23 – 30/06/23	01/01/22 – 30/06/22	01/04/23 – 30/06/23	01/04/22 – 30/06/22	01/01/22 – 31/12/22
Net sales	2,903	2,037	2,282	771	5,707
OPERATING PROFIT/LOSS (EBIT)	-7,079	-9,304	-2,863	-5,759	-17,586
Result per share (DKK)	-0.08	-0.01	-0.05	-0.02	-0.52
Equity ratio	0.90	0.80	0.86	0.80	0.78

Number of shares on 31.06.2023 = 82,700,800 (3,101,280)
Result per share = Result for the period / weighted average number of shares
Equity ratio = Equity / Total assets



About the interim report Q2

DANCANN PHARMA A/S was formed in March 2018. The fiscal year is 1st of January to 31st of December. DanCann Pharma A/S acquired CannGros ApS on October 18, 2021. This interim report deals with the consolidated financials for the group DanCann Pharma A/S, company reg. no. 39 42 60 05 and CannGros ApS, company reg. no. 39 03 94 51. Financial statements for DanCann Pharma A/S as parent company are included.

Auditor's review
This interim report has not been audited.

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

Revenue and results
The consolidated revenue was 2,282 (771) in Q2 2023. As well, in Q2 2023, the own consolidated work capitalized was 518 (328), the cost of sales was 1,162 (918), and other external expenses were 2,032 (3,010). The consolidated operating profit (EBIT) for Q2 2023 was --398 (-2,829). The primary cost drivers were the development of the production facility, operation activities, business development, testing, and compliance cost.

Balance sheet
The consolidated total assets at the end of the period amounted to 66,323 (67,991). Consolidated fixed assets amounted to 59,527 (54,953). Consolidated current assets were 6,796 (13,038) and consisted of cash and cash equivalents and receivables from corporation tax and refundable VAT.

At the end of the period, the equity amounted to 59,871 (54,386). Provisions amounted to 0 (0), and current liabilities amounted to 6,452 (13,605).

Cash flow
In Q2 2023 the consolidated cash flow was -9,541 (-1,933). Cash flow from net investments was -2,534 (-4,717).

Shares
The shares of DanCann Pharma A/S were listed on Spotlight Stock Market on November 12, 2020. DanCann Pharma A/S' shares are traded under the ticker "DANCAN" with ISIN code ISIN DK0061410487. On June 30 2023 the total number of shares in DanCann Pharma A/S was 82.700.800 (28,468,289).

All shares carry the same rights. The nominal value is DKK 0.0375 per share.

Warrants for the Executive Management team and Board of Directors
The Board of Directors has granted warrants for the management team. 762,861 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 to the Board of Directors. 90,000 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.

Shareholders
Shareholders with more than 5% of the votes and capital on June 30, 2022.

Name	Number Of Shares	Proportion of votes and capital
Xignotus Capital ApS*	5,913,693	7,15%
Others	76,787,107	92,85%
	82,700,800	100.00%

* Founder and CEO, Jeppe Krog Rasmussen



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.

Q1-2023 Report	31. May 2023
Q2-2023 Report	31. August 2023
Q3-2023 Report	30. November 2023

Group income statement

DKK 1 000	01/01/23 – 30/06/23	01/01/22 – 30/06/22	01/04/23 – 30/06/23	01/04/22 – 30/06/22	01/01/22 – 31/12/22
Net sales	2,903	2,037	2,282	771	5,707
Own work capitalised	581	698	514	328	2,975
Cost of sales	-1,660	-1,653	-1,162	-918	-3,722
Other external expenses	-3,613	-5,102	-2,032	-3,010	-11,838
GROSS PROFIT/LOSS	-1,789	-4,020	-398	-2,829	-6,878
Staff expenses	-4,167	-4,177	-1,906	-2,373	-8,476
OPERATING PROFIT/LOSS BEFORE DEPR. AND AMORT. (EBITDA)	-5,956	-8,197	-2,304	-5,202	-15,354
Depreciation and amortisation	-1,123	-1,107	-559	-557	-2,232
OPERATING PROFIT/LOSS (EBIT)	-7,079	-9,304	-2,863	-5,759	-17,586
Income from investments in subsidiaries	-	-	-	-	-
Financial income	401	821	103	448	1,189
Financial expenses	-1,681	-1,632	-985	-700	-3,018
PROFIT/LOSS BEFORE TAX	-8,359	-10,115	-3,745	-6,011	-19,415
Tax on profit/loss for the period	1,813	2,295	728	1,372	2,880
NET PROFIT/LOSS AFTER TAX	-6,546	-7,820	-3,017	-4,639	-16,535

Group balance sheet

DKK 1 000	AT 30/06/23	AT 30/06/22	AT 31/12/22	AT 31/12/21
Goodwill	10,583	11,860	11,217	12,497
Distribution rights	821	821	821	-
Development projects in progress and prepayments	38,754	32,320	35,735	28,954
Intangible assets	50,158	45,001	47,773	41,451
Other plant, machinery, tools and equipment	2,687	2,940	2,714	3,038
Leasehold improvements	2,994	3,344	3,222	3,210
Tangible fixed assets in progress and prepay.	3,346	3,346	3,347	3,322
Property, plant and equipment	9,027	9,630	9,283	9,570
Investments in subsidiaries	-	-	-	-
Rent deposit and other receivables	342	322	322	322
Financial non-current assets	342	322	322	322
NON-CURRENT ASSETS	59,527	54,953	57,378	51,343
Raw materials and consumables	-	10	10	10
Finished goods and goods for resale	-	-	339	25
Prepayments	-	-	-	236
Inventories	-	10	349	271
Trade receivables	1,693	269	1,614	530
Other receivables	2,397	1,715	730	2,475
Corporation tax receivables	-	4,046	1,653	6,161
Deferred tax	-	621	193	-
Joint tax contribution receivable	-	-	-54	-
Prepayments and accrued income	1,489	574	475	478
Receivables	5,579	7,225	4,611	9,644
Cash and cash equivalents	1,217 *	5,803	10,749	7,736
CURRENT ASSETS	6,796	13,038	15,709	17,651
ASSETS	66,323	67,991	73,087	68,994
Share capital	2,695	1,068	2,438	995
Reserve for development costs	38,754	32,320	44,290	22,584
Retained profit	18,422	20,998	16,064	29,791
EQUITY	59,871	54,386	62,792	53,370
Provision for deferred tax	-	-	-	974
PROVISION	-	-	-	974
Lease liabilities	-	-	-	-
Trade payables	714	1,238	2,306	2,915
Corporation tax payable	172	338	252	352
Other liabilities	5,566	12,029	7,737	11,383
Current liabilities	6,452	13,605	10,295	14,650
LIABILITIES	6,452	13,605	10,295	14,650
EQUITY AND LIABILITIES	66,323	67,991	73,087	68,994

* Since the end of the period, the company has entered into a new financing agreement of up to 18.9 million DKK. For further details, please refer to the press release titled "DanCann Pharma A/S Secures 10-Year Financing Loan Agreement with 12-month Conversion Option and Warrants.

Group cash flow statement

DKK 1 000	01/01/23 – 30/06/23	01/01/22 – 30/06/22	01/04/23 – 30/06/23	01/04/22 – 30/06/22	01/01/22 – 31/12/22
Profit/loss for the year	-6,427	-7,820	-2,515	-4,639	-15,879
Depreciation and amortisation, reversed	1,123	1,107	559	557	965
Profit/loss from subsidiaries	-119	-	-502	-	621
Cash from purchase, Canngros ApS	-	-	-	-	-
Net equity purchase, Canngros ApS	-	-	-	-	-
Tax profit/loss, reversed	-1,813	-2,295	-728	-1,372	-2,880
Corporation tax received	-321	2,801	-	2,801	4,697
Change in inventories	-311	269	-27	27	-154
Change in receivables	-86	918	-1,720	766	-1,932
Change in current liabilities	4,533	-1,744	-3,410	-556	-648
Other cash flows from operating activities	-	-	-	4	-
CASH FLOWS FROM OPERATING ACTIVITY	-3,421	-6,764	-8,343	-2,412	-15,210
Purchase of intangible assets	-3,019	-4,188	-1,315	-1,076	-7,602
Purchase of property, plant and equipment	256	-529	424	-249	-264
Sale of property, plant and equipment	-	-	-	-	340
Purchase of leaseholds improvements	228	-	-403	-	-468
Purchase of tangible fixed assets in progress and prep	1	-	-	-	-24
Purchase of financial assets	-	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITY	-2,534	-4,717	-1,294	-1,325	-8,018
Increase loans	-3,586	714	5,337	210	-2,471
Increase leasing debt	-	-	-	-	-
Other capital items – capital raising costs	-	-465	-	-	-4,671
Share capital payments	-	9,299	-	-	31,227
CASH FLOWS FROM FINANCING ACTIVITIES	-3,586	9,548	5,337	210	24,085
CHANGE IN CASH AND CASH EQUIVALENTS	-9,541	-1,933	-4,300	-3,527	857
Cash and cash equivalents at beginning	10,758	7,736	5,517	9,330	9,906
CASH AND CASH EQUIVALENTS AT END	1,217	5,803	1,217	5,803	10,763

Parent income statement

DKK 1 000	01/01/23 – 30/06/23	01/01/22 – 30/06/22	01/04/23 – 30/06/23	01/04/22 – 30/06/22	01/01/22 – 31/12/22
Net sales	-	-	-	-	-
Own work capitalised	581	698	514	328	1,481
Cost of sales	-	-78	-	-36	-213
Other external expenses	-3,377	-5,036	-1,868	-2,966	-10,000
GROSS LOSS	-2,796	-4,416	-1,354	-2,674	-8,732
Staff expenses	-3,321	-3,968	-1,581	-2,206	-7,460
OPERATING LOSS BEFORE DEPR. AND AMORT.	-6,117	-8,384	-2,935	-4,880	-16,192
Depreciation, amortisation and impairment losses	-1,123	-470	-559	-238	-2,231
OPERATING LOSS	-7,240	-8,854	-3,494	-5,118	-18,423
Income from investments in subsidiaries	119	-497	502	-573	670
Other financial income	401	821	102	448	1,189
Other financial expenses	-1,673	-1,625	-978	-696	-1,878
LOSS BEFORE TAX	-8,393	-10,155	-3,868	-5,939	-18,442
Tax on profit/loss for the year	1,846	2,335	851	1,300	2,378
LOSS FOR THE YEAR	-6,546	-7,820	-3,017	-4,639	-16,064

Parent balance sheet

DKK 1 000	AT 30/06/23	AT 30/06/22	AT 31/12/22	AT 31/12/21
Distribution rights	821	821	821	-
Development projects in progress and prepayments	38,754	32,320	35,735	28,954
Intangible assets	39,575	33,141	36,556	28,954
Other plant, machinery, tools and equipment	2,687	2,940	2,714	3,038
Leasehold improvements	2,994	3,344	3,222	3,210
Tangible fixed assets in progress and prepay.	3,346	3,346	3,347	3,322
Tangible fixed assets	9,027	9,630	9,283	9,570
Investments in subsidiaries	11,799	12,427	12,313	12,924
Rent deposit and other receivables	322	322	322	322
Financial non-current assets	12,121	12,749	12,635	13,246
NON-CURRENT ASSETS	60,723	55,520	58,474	51,770
Raw materials and consumables	-	10	10	10
Inventories	-	10	10	10
Other receivables	2,397	1,715	730	2,475
Corporation tax receivables	-	4,046	1,598	5,237
Deferred tax	-	621	193	
Joint tax contribution receivable	-	54	-	54
Prepayments	1,486	574	473	479
Receivables	3,883	7,010	2,994	8,245
Cash and cash equivalents	809	4,462	10,140	7,208
CURRENT ASSETS	8,393	17,643	13,144	15,463
ASSETS	65,415	67,002	71,618	67,233
Share capital	2,695	1,068	2,438	995
Reserve for development costs	38,754	32,320	44,290	22,584
Retained profit	18,422	20,998	16,064	29,791
EQUITY	59,871	54,386	62,792	53,370
Provision for deferred tax	-	-	-	974
PROVISION	-	-	-	974
Lease liabilities	-	-	-	10,028
Trade payables	632	1,089	2,205	2,804
Other liabilities	4,912	11,527	6,621	57
Current liabilities	5,544	12,616	8,826	12,889
LIABILITIES	5,544	12,616	8,826	12,889
EQUITY AND LIABILITIES	65,415	67,002	71,618	67,233

Parent cash flow statement

DKK 1 000	01/01/23 – 30/06/23	01/01/22 – 30/06/22	01/04/23 – 30/06/23	01/04/22 – 30/06/22	01/01/22 – 31/12/22
Profit/loss for the year	-6,546	-7,820	-3,017	-4,639	-16,535
Depreciation and amortisation, reversed	1,123	470	559	238	955
Profit/loss from subsidiaries	-119	497	-502	573	621
Cash from purchase, Canngros ApS	-	-	-	-	-
Net equity purchase, Canngros ApS	-	-	-	-	-
Tax profit/loss, reversed	-1,846	-2,335	-851	-1,300	-3,087
Corporation tax received	-	2,801	-	2,801	5,730
Change in inventories	-	-	-	-	-77
Change in receivables	889	665	-663	233	233
Change in current liabilities	3,282	-1,855	-3,849	-781	-1,052
Other cash flows from operating activities	-	-	-	2	-
CASH FLOWS FROM OPERATING ACTIVITY	-3,218	-7,577	-8,323	-2,873	-13,212
Purchase of intangible assets	-3,019	-4,188	-1,315	-1,076	-7,602
Purchase of property, plant and equipment	256	-529	424	-249	-264
Sale of property, plant and equipment	-	-	-	-	340
Purchase of leaseholds improvements	228	-	-403	-	-468
Purchase of tangible fixed assets in progress and prep	1	-	-	-	-24
Purchase of financial assets	-	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITY	-2,534	-4,717	-1,294	-1,325	-8,018
Loan from majority owner	-	-	-	-	-
Increase loans	-3,586	714	5,337	210	-2,471
Increase leasing debt	-	-	-	-	-
Other capital items – capital raising costs	-	-465	-	-	-4,671
Share capital payments	-	9,299	-	-	31,227
CASH FLOWS FROM FINANCING ACTIVITIES	-3,586	9,548	5,337	210	24,085
CHANGE IN CASH AND CASH EQUIVALENTS	-9,338	-2,746	-4,280	-3,988	2,855
Cash and cash equivalents at beginning	10,147	7,208	5,089	8,450	7,208
CASH AND CASH EQUIVALENTS AT END	809	4,462	809	4,462	10,063

Better than yesterday

We want to revolutionize health care for everyone and **ensure** that no one experiencing pain or trauma gets left behind.

DanCann Pharma is all about challenging the status quo. **We** saw an issue in our healthcare system and are now working with determination to change it.



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