Invitation to subscribe for units in DanCann Pharma A/S

DanCann Pharma

Important information

Definitions

This EU Growth **Prospectus** (the "Prospectus") has been prepared in connection with DanCann Pharma A/S ("**DanCann Pharma**" or the "**Company**"), corporate registration number (In Danish CVR No.) 39 42 60 05, offer to subscribe for units, consisting of shares ("**New Shares**") and warrants of series TO2 ("**New Warrants**") (together the "**Offer**" or the "**Issue of Units**"). This Prospectus has been approved and registered by the Danish Financial Supervisory Authority (Dk. Finanstilsynet) (the "**DFSA**"), as a competent authority under Regulation (EU) 2017/1129. The approval and registration do not imply that the DFSA guarantees that the information in the Prospectus is accurate or complete.

In connection with the Issue of Units described in this Prospectus, Corpura Fondkommission AB ("Corpura") is the financial advisor, Andersen Partners Advokatpartnerselskab ("**Andersen**") and MAQS Advokatbyrå AB ("**MAQS**") are the legal advisors. Nordic Issuing AB ("**Nordic Issuing**") provides issuing services to DanCann Pharma. Corpura, Andersen and MAQS has assisted the Company in the preparation of this Prospectus. The Board of Directors of DanCann Pharma is responsible for the content, whereupon Corpura, Andersen and MAQS disclaim all liability in relation to shareholders in the Company and regarding other direct or indirect consequences because of investment decisions or other decisions based wholly or partly on the information in this Prospectus.

No shares or warrants in DanCann Pharma are subject to trade or application thereon in any country other than Sweden and Denmark. The invitation according to this Prospectus does not apply to individuals whose participation requires additional prospectus, registration measures, or other measures than those that comply with Danish law. This Prospectus may not be distributed in the United States, Australia, Japan, Canada, New Zealand, Russia, Belarus, South Africa, Hong Kong, Switzerland, Singapore, or other countries where the distribution or this invitation requires additional measures as stated in the previous sentence or contravene rules in such country. Disputes arising from the contents of the Prospectus or related legal matters shall be settled according to Danish law and at the Danish court.

Spotlight stock market

DanCann Pharma is listed on the Spotlight Stock Market ("Spotlight"), corporate identity number 556736- 8195. The Company is obliged to comply with other applicable laws, statutes, and recommendations that apply to companies listed on Spotlight. Spotlight is a special company name under ATS Finans AB. ATS Finans AB is a subsidiary of Spotlight Group AB and is a securities company under the supervision of the Swedish Financial Authority. Spotlight Group AB has been listed on the Spotlight marketplace since 2020. Spotlight operates a so-called MTF platform. Companies listed on Spotlight have undertaken to comply with Spotlights in accordance with current regulations. The commitment to comply with the regulations aims, among other things, to ensure that shareholders and other players in the market receive correct, immediate, and simultaneous information about all circumstances that may affect the Company's share price. Trading on Spotlight takes place in an electronic trading system that is available to the banks and stockbrokers affiliated with the Nordic Growth Market (NGM). This means that anyone who wants to buy or sell shares listed on Spotlight can use the banks or stockbrokers who are members of Spotlight. Spotlight's regulations and share prices can be found on Spotlight's website (www.spotlightstockmarket.com).

Forward-looking statements

This Prospectus contains forward-looking statements that reflect the Company's current views on future events and financial and operational development. Words that relate to indications or predictions concerning future developments or trends, and that do not refer to historical facts, constitute forward-looking statements. Forward-looking information is inherently associated with both known as well as unknown risks and uncertainties, given their dependence on future events and circumstances. Forward-looking information is no guarantee of future results or development, and the actual results may differ materially from what is stated in the forward-looking information. Statements about the outside world and future conditions in this Prospectus reflect the Board of Directors' current view on future events and financial developments. Forward-looking information express only the assessments and assumptions made by the Board of Directors at the time of this Prospectus. These statements are well thought out, but the reader is made aware that these, like all future assessments, are associated with uncertainty.

Business and market information

This Prospectus contains market information relating to DanCann Pharma's business and the market in which the Company operates. Unless otherwise stated, such information has been derived from reports prepared by third parties and/or is based on the Company's analysis of several different sources. The Company has not independently verified and cannot give any assurances as to the correctness of industry and market information contained in this Prospectus that was extracted or derived from such industry publications or reports. Industry and market information is inherently forward-looking, subject to uncertainty, and does not necessarily reflect actual market conditions. Industry publications or reports generally state that the information reproduced therein has been obtained from sources deemed to be reliable, but the accuracy and completeness of such information cannot be guaranteed. Certain information in this Prospectus has been prepared by the Company, in some cases based on assumptions. Although the Company believes that the methods and assumptions are reasonable, the information has only to a limited extent been reviewed or verified against external sources. Against this background, the reader shall note that the financial information, market information, and estimates of market information presented in this Prospectus do not necessarily constitute reliable indicators of the Company's future performance. However, as far as the Board of Directors is aware and can ascertain by comparisons with other information published by the relevant third parties, no facts have been omitted which could render the information provided inaccurate or misleading.

Disputes

Disputes due to the content of the memorandum or related legal matters shall be settled per Danish law and Danish court.

DanCann Pharma A/S

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Table of contents

Documents incorporated by reference

The investor should take note of the information incorporated in the Prospectus by reference and that the information to which reference is made should be read as part of the Prospectus. The information given below as part of the following documents is incorporated into the Prospectus by reference. Copies of the Prospectus and the documents incorporated by reference can be obtained from DanCann Pharma electronically via the Company's website, www.dancann.com/investor-relations-ir/financial-reports, or obtained by the Company in paper format at the Company's office with address: Rugvænget 5, DK-6823 Ansager, Denmark. The parts of the document that are not incorporated are either not relevant to the investors or the corresponding information is reproduced elsewhere in the Prospectus.

ANNUAL FINANCIAL REPORT 1st of January 2020 – 31st of December 2020	Page number
Independent auditor's report	5–6
Income statement	11
Balance sheet	12–13
Statement of changes in equity	14
Cash flow statement	15
Notes to the financial statements	16–19
ANNUAL FINANCIAL REPORT 1st of January 2021 – 31st of December 2021	Page number
Independent auditor's report	24–25
Income statement	26
Balance sheet	27–28
Statement of changes in equity	29
Cash flow statement	30
Notes to the financial statements	31–35
INTERIM FINANCIAL STATEMENTS 1st of January 2022 – 30 June 2022	Page number
Income statement for the group	26
Balance sheet for the group	27
Cash flow statement	28

Summary

SECTION 1 – INTRODUCTION		
1.1	Name and international securities identification number ('ISIN') of the securities	The Issue of Units consists of units in DanCann Pharma A/S. Share: ISIN code DK0061410487, Ticker DANCAN. Warrant TO2: ISIN code DK0061927266, Ticker DanCann Pharma A/S Warrant
1.2	Name and contact details to the issuer	DanCann Pharma A/S, corporate registration number 39 42 60 05, and LEI code 549300KLXQ6I-C2YUUB58. Representatives of DanCann Pharma may be reached at telephone +45 29 63 69 20 and by e-mail info@dancann.com. The Company's visiting address is Rugvænget 5, DK-6823 Ansager, Denmark and the website is www.dancann.com.
1.3	Name and contact details for the relevant authority that has approved this prospectus	The Danish Financial Supervisory Authority (Dk. Finanstilsynet) (the "DFSA") is the competent authority that is responsible for the approval of the Prospectus. The visiting address to the DFSA is Strandgade 29, 1401 Copenhagen, Denmark, and the website is www.finanstilsynet.dk. The DFSA can also be reached on phone at +45 33 55 82 82 and email finanstilsynet@ftnet.dk.
1.4	Date of approval	The EU Growth Prospectus was approved by the Danish Financial Supervisory Authority on the 21st of October 2022.
1.5	Warning	This summary should be read as an introduction to the EU Growth Prospectus. Any decision to invest in the securities should be based on the investor studying the entire Prospectus. The investor may lose all or part of his/her invested capital. If a claim related to information in the EU Growth Prospectus is made in court, the investor claiming under national law in the Member State may have to pay the cost of translating the EU Growth Prospectus before the legal proceedings begin. Civil liability covers only those persons who have presented the summary, including translations thereof, but only if the summary is misleading, incorrect, or inconsistent with the other parts of the EU Growth Prospectus or if it together with other parts of the EU Growth Prospectus does not provide the key information that investors need when deciding whether to invest in the securities concerned.
SECTION 2 – Key information about the issuer		
2.1	Who is the issuer of the securities?	DanCann Pharma, was incorporated as an entrepreneurial limited company (ELC) under the laws of Denmark on 20 March 2018. The Company was reregistered to a private limited company on 26 June 2020, and DanCann Pharma was converted into a public limited company on 6 July 2020. The Company's visiting address is Rugvænget 5, DK-6823 Ansager, Denmark. The Board of Directors has its registered office in Ansager, Denmark. The Company's CEO is Jeppe Krog Rasmussen since 2018. DanCann Pharma is a Danish biopharmaceutical company powered by cannabinoids. DanCann Pharma is a vertically integrated, licensed production and distribution company. The Company focuses on discovering, developing, manufacturing, and commercializing new therapeutic cannabinoids in a wide range of disease areas, dedicated to the commercialization of innovative prescription products targeting the European market. DanCann Pharma is neither directly nor indirectly controlled by any shareholder(s). The following table illustrates the Company's main shareholders with holdings corresponding to at least five (5) percent of the votes and capital.The Board of Directors informs that, there are no shareholder agreements or other agreements between the Company's shareholders, which seek to have joint influence over the Company.

Part	Number of shares	Percentage of votes and capital (%)
Jeppe Krog Rasmussen (through Xignotus Capital ApS, a wholly owned company)	5,747,023	20.19
Total	**5,747,023**	**20.19**
Other shareholders (less than 5 % each)	22,721,266	79.81
Total	**28,468,289**	**100**

SECTION 2 – Key information about the issuer

2.2 **What is the key financial information regarding the issuer?**

The financial information incorporated in this Prospectus by reference includes the consolidated annual reports for the financial years 2020 and 2021 and interim accounts pertaining to the financial period 1st of January 2022 to 30th of June 2022, with comparative accounts for the period 1st of January 2021 to 30th of June 2021, which have been prepared in accordance with the provisions of the Danish Financial Statements Act governing enterprises of reporting class C.

Consolidated income statement for the group

DKK 1,000	2022-01-01 – 2022-06-30 Unaudited	2021-01-01 – 2021-06-30 Unaudited	2021-01-01 – 2021-12-31 Audited	2020-01-01 – 2020-12-31 Audited
Net revenue	2,037	–	874	–
Gross loss	4,020	2,909	6,494	2,835
Operating loss	**9,304**	**6,362**	**14,508**	**5,871**

Balance sheet for the group

DKK 1,000	2022-06-30 Unaudited	2021-06-30 Unaudited	2021-12-31 Audited	2020-12-31 Audited
Non-current assets	54,953	31,978	51,343	19,984
Current assets	13,038	12,899	17,651	29,567
Assets in total	**67,991**	**44,877**	**68,994**	**49,551**
Equity	54,386	39,739	53,370	44,325
Liabilities	13,605	3,786	14,650	3,889
Equity & liabilities in total	**67,991**	**44,877**	**68,944**	**49,551**

Cash flow statement for the group

DKK 1,000	2022-01-01 – 2022-06-30 Unaudited	2021-01-01 – 2021-06-30 Unaudited	2021-01-01 – 2021-12-31 Audited	2020-01-01 – 2020-12-31 Audited
Cash flow from operating activity	-6,764	-3,286	-11,985	-7,662
Cash flow from investing activity	-4,717	-12,223	-32,248	-19,072
Cash flow from financing activities	9,548	23	30,637	47,997
Changes in cash and cash equivalents	**-1,933**	**-15,532**	**-13,596**	**21,332**

2.3 **What are the key risks that are specific to the issuer?**

Clinical trials and studies

Clinical trials and the pharmaceutical industry are associated with a great level of uncertainty. Since cannabis and cannabinoids is new medical field and previously been stigmatise, there is inadequate data and research on the area, which makes it harder to predict the outcome of clinical trials and studies as well as the likelihood of success.

The uncertainty is largely connected to the risks related to delays in certain processes and the outcome of the results. There is a risk that the results from DanCann Pharma's partners and its clinical trials do not match the results in more extensive ongoing trials of the product portfolio and pipeline, which thus indicates insufficient safety and efficiency. This could affect the Company's ability to launch its pharmaceutical products. In addition, it could lead to delayed launches of the Company's products, which would affect DanCann Pharma's ability to generate income and thereby harming the financial position of the Company for a period of time. Therefore, there is a risk that the potential outcome of the clinical trials could be undesirable, which could mean that DanCann Pharma and its partners need to reconsider the formulation and design of the products.

A part of DanCann Pharma's business is to conduct the clinical trials and studies through partnership. As for now, DanCann Pharma has two candidates in stage two and there is a risk that these two will not make it through the entire process. The Company invest money and time in these clinical trials and studies and if the candidates does not make it through the entire process they will only be as cost for the Company and will consequently not contribute to DanCann Pharma's ability to generate income in the future.

DanCann Pharma assesses the likelihood of the risk occurring as medium. If the risk should materialise, DanCann Pharma considers the potential negative impact to be high.

Financing and capital needs

DanCann Pharma is not profitable and has incurred losses every year since its formation and the financial year 2021 was the first year the Company had revenue. DanCann Pharma's future plans carry significant costs for DanCann Pharma. If DanCann Pharma does not receive at least approximately DKK 12 million in the Issue of Units (approximately 42 percent of the Offer) and all alternative financing opportunities fail, there is a risk that DanCann Pharma will have to revise the development plans significantly, which consequently may delay or temporarily halt the developments of DanCann Pharma's operation.

There is a risk that delays in DanCann Pharma's clinical trials, controlled studies, and/or or product developments, will result in a delayed market breakthrough and consequently cash flow being generated later than expected. Delaying market breakthroughs in emerging markets could result in lower revenue for the Company, which may mean that the Company's breakeven will be generated later than planned. Consequently, there is a risk that DanCann Pharma's targets regarding the market penetration and sales will not be achieved within the determined timeframe and that it takes longer than planned to reach the determined milestones.

DanCann Pharma may have a need for additional capital in the future and there is a risk that such capital cannot be raised (please see the section "Working capital statement"). In the long run, there is a risk that, if all financing options fail, the Company goes bankrupt. Thus, there is a risk that investors lose their entire investment in the Company in the event that the Company goes bankrupt.

DanCann Pharma assesses the likelihood of the risk occurring as medium. If the risk should materialise, DanCann Pharma considers the potential negative impact to be high.

Final permission(s) and approval(s) from the danish medicine agency

Due to the date of the Prospectus approval, DanCann Pharma does not have all the necessary licenses needed to realize its business. To be able to promote and sell medical cannabis, permissions must be obtained from the Danish Medicine Agency (DMA). DanCann Pharma is licensed under the Development Scheme (please see the definition under the section "Definitions"), from which DanCann Pharma can develop its production facilities, procedures, and its cultivation and production of medical cannabis. However, in order to import and/or produce medical cannabis that will be available for prescription, DanCann Pharma must be licensed under the Pilot Programme (please see the definition under the section "Definitions").

DanCann Pharma intends to obtain license under the Pilot Programme and to develop its business with facilities for manufacturing of medical cannabis. Further, DanCann Pharma's manufactured products must undergo an approval process by the DMA before sales and/or exports can begin. There is a risk that DanCann Pharma will not receive the necessary permits from the DMA without making adjustment to the application and/or the Company's manufactured products. If adjustments are needed, it will mean that the permit process will be delayed and become more expensive. This poses a risk to Company's ability to generate revenue temporarily, which would adversely affect the Company's earnings and financial position. In worst case scenario, it is established that the Company will not be possible to receive the necessary permits, which would affect the Company's ability to generate revenue permanently and mean that the Company cannot conduct its planned operations.

DanCann Pharma assesses the likelihood of the risk occurring as low. If the risk should materialise, DanCann Pharma considers the potential negative impact to be high.

SECTION 3 – key information on the securities

3.1	What are the main features of the securities?	**Type, category, and isin of the securities** DanCann Pharma's New Shares and New Warrants in the Issue of Units are admitted to trading on Spotlight. There is only one class of shares in DanCann Pharma. One (1) Unit consists of ten (10) New Shares and six (six) Warrants of series TO2. The ISIN-code for the shares is DK0061410487 and the ISIN-Code for the New Warrants is DK0061927266. **Currency, nominal value, and number of shares** DanCann Pharma has only one class of shares and all outstanding shares have been fully paid. The New Shares and New Warrants are denominated in DKK. Before the Issue of Units, DanCann Pharma's registered share capital amounts to DKK 1,067,560.8375 divided among 28,468,289 shares. Each share has a nominal value of DKK 0.0375. The New Shares in the Company is issued per Danish law. **Rights attached to the securities** All rights attached to the New Shares are added to the one registered in the share register kept by VP Securities A/S ("VP"). The New Shares will have the same rights as the Existing Shares. The rights include voting rights, the right to receive a dividend, the right to participate in the proceeds in case of a dissolution or liquidation of the Company, and pre-emptive rights in connection with the issue of new/additional warrants, convertible bonds, and shares by cash contribution. DanCann Pharma is a growth company and has not since its formation paid dividends to the shareholders. Nor does the Company have a dividend policy. The Board of Directors of DanCann Pharma intends to finance development, operations, and growth with possible profits. Any future dividends, and the amount of such, are among other things dependent on the Company's future earnings, financial condition, working capital requirements, and liquidity. In the event of a dividend, all shares in the Company carry an equal right to dividends. Dividend on the New Shares that are newly issued in the Issue of Units as described in this Prospectus will be paid on the record day for the dividend that may occur after the registration of the New Shares in the share register kept by VP. The dividend is not of an accumulated nature. The right to a dividend applies to investors who are registered as shareholders in DanCann Pharma on the record day for the distribution of dividends. There are no existing restrictions on dividends or special procedures for shareholders resident outside of Denmark, and payment of any distribution of dividend is intended to take place via VP in the same manner as for shareholders resident in Denmark. Dividend accrues to DanCann Pharma, if it has not been claimed by the Shareholder within ten years after the declaration of dividend. In the event of the Company's insolvency, liquidation, or dissolution, the New Shares have same level seniority as the Existing Shares, including with respect to any surplus. In the event of insolvency, liquidation, or dissolution proceedings of the Company, the Company's creditors will be satisfied in accordance with the Danish Insolvency Act, and only if all creditors are paid in full, any excessive surplus are divided to the shareholders pro rata in accordance with the shareholders' share of ownership. **The securities´ transferability** There are no restrictions on the transferability of the shares or warrants, except for the lock-up agreement described under the section "Lock-up agreements".
3.2	Where will the securities be traded?	The shares in DanCann Pharma are traded on Spotlight, a multilateral trading facility (MTF). The New Shares and New Warrants will be admitted to trading on Spotlight upon registration of the Issue of Units.
3.3	Is there a guarantee attached to the securities?	The securities are not covered by guarantees.

3.4	What are the key risks that are specific to the securities?	**Share price development, volatility, and liquidity** Existing and prospective shareholders should consider that an investment in DanCann Pharma is associated with risks and that it cannot be predicted whether the share price will have a positive development. This entails a risk that an investor may lose all or part of their invested capital in the Company. DanCann Pharma's share price has historically been volatile and may continue to fluctuate as a result of, among other things, revenues variations in the Company's quarterly reports, the general economic situation, and changes in the stock market's interest in DanCann Pharma and its shares. Limited liquidity in the shares can also contribute to amplify such fluctuations in the share price. Average turnover per trading day in DanCann Pharma's share during the period 1 January – 31 August 2022 amounted to 315,142.2 DKK per day. Average closing price per trading day in DanCann Pharma's share during the same period amounted to 3,45 DKK per share, with the lowest closing price amounting to 1.00 DKK per share and the highest closing price amounting to 6.78 DKK per share. The share price may thus be affected by factors that are wholly or partly outside DanCann Pharma's control. An investment in DanCann Pharma should therefore be preceded by a careful analysis of the Company, its competitors, general information about the industry, the general economic situation, and other relevant information. There is a risk that shares in the Company cannot be sold to a price acceptable to the shareholder at any given time. DanCann Pharma assesses the likelihood of the risk occurring as high. If the risk should materialise, DanCann Pharma considers the potential negative impact to be medium. **Warrants** In the Issue of Units, the instrument consists of so-called units, each of which consists of ten (10) New Shares and six (6) New Warrants. Each New Warrant entails a right to subscribe for a newly issued share in the Company at a predetermined price under a certain period in the future. The New Warrants can be transferred and are intended to be admitted to trading on Spotlight. The price development of the Company's shares may affect the trading with the New Warrants. The New Warrants only have a value if the subscription price for the newly issued shares in the future is less than the market price of the Company's shares at the time of subscription. This means that the probability that the New Warrants may lose their entire value is greater than, for example, shares in the Company. There is thus a risk that the New Warrants will not increase in value or that they do not represent a value at the time they expire. There is also a risk that the liquidity in the trading of these New Warrants is not good enough for them to be sold on terms satisfactory to the holders. In the event that the subscription price exceeds the market price of the Company's shares at the time of subscription, there is a risk that the New Warrants will not be exercised, which would mean that the DanCann Pharma will not receive additional capital and would affect the Company's financial situation. DanCann Pharma assesses the likelihood of the risk occurring as medium. If the risk should materialise, DanCann Pharma considers the potential negative impact to be high. **Psychological factors** There is a risk that the securities market is affected by physical factors, such as trends, rumours, and reactions to news and events, which are not directly related to the business of the Company. Since DanCann Pharma is operating in the field of medical cannabis, that, in some cases, are affected by relatively large number of factors, such as political, ethical, and regulatory, the Company may be exposed to a greater degree of risk and thus becoming a victim of trends and rumours that may potentially generate greater psychological vulnerability for the Company. In other words, there is a risk that DanCann Pharma is more exposed to peoples' general line of opinion, trends, and rumours than companies operating in more traditional business areas. There is a risk that psychological factors and its subsequent effects on price developments will adversely affect the market price of the DanCann Pharma's Shares. A lower share price may cause difficulties for the Company to raise additional capital on favourable terms in the future. There is therefore a risk that the Company's share price will be affected to a greater extent due psychological factors than securities in companies that are also admitted to trading but operates in more traditional business areas. DanCann Pharma assesses the likelihood of the risk occurring as high. If the risk should materialise, DanCann Pharma considers the potential negative impact to be medium.

SECTION 4 – Key information on the offer of securities to the public

4.1	Under which conditions and timetable can I invest in this security?	**The offer** Existing shareholders, the public, and professional investors in Sweden and Denmark are hereby invited to subscribe for units in the Company during the period from 31st October 2022 to 11th November 2022. The Board of Directors of the Company resolved on 21st October 2022, based on an authorization from the Extraordinary General Meeting on 20th September, to carry out the Issue of Units and to increase the share capital by a maximum of DKK 1,779,267.750 through a new issue of a maximum of 47,447,140 New Shares, each with a nominal value of DKK 0.0375 and also issue a maximum of 28,468,284 New Warrants. The maximum proceeds of the Issue of Units amount to a maximum of approximately DKK 28.5 million. The cost of the initial Issue of Units amounts to approximately DKK 6 million. The cost of full exercise of the New Warrants amounts to approximately DKK 0.15–1.9 million. A maximum of 4,744,714 units will be issued and the subscription price in the issue will be DKK 6.00 per unit. One (1) unit consists of ten (10) New Shares and six (6) New Warrants, issued free of payment. One (1) New Warrant gives the right to subscribe for one (1) share in the Company for the Warrant Exercise Price during the Warrant Exercise Period. **Subscription price** The subscription price is DKK 6.00 per unit. DanCann Pharma will not charge investors any fees for subscribing to the Offer, however, a brokerage fee may occur. **Subscription period** Subscription period of units will commence on 31st October 2022 at 9:00 a.m. CET and will close on 11th November 2022 at 5:00 p.m. CET. **Pre-subscription commitments and guarantee commitments** DanCann Pharma has, in August 2022, received pre-subscription commitments and guarantee commitments of approximately DKK 21.9 million, which corresponds to approximately 77 percent of the initial issue volume, of which approximately DKK 2.3 million is made up of pre-subscription commitments and approximately DKK 19.6 million are made up of guarantee commitments. **New warrants** One (1) New Warrant gives the right to subscribe for one (1) new Share during the exercise period for the New Warrants, which is set to take place from 16 May 2023 until and including the 31 May 2023. The exercise price for the New Warrants will be 70 percent of the volume-weighted average price during the period of ten trading days up to but not including the second trading day before the first day of the exercise period of the New Warrants. However, the exercise price for the New Warrants cannot be below the quota value, i.e., DKK 0.0375, or exceed DKK 1.20 per share. If all New Warrants are exercised during this period, the Company will receive an additional of approximately DKK 1–34.2 million before issue costs. **Publication of the outcome of the issue** The results of the Offer will be communicated in a company announcement expected to be published through Spotlight no later than three trading days after the expiry of the subscription period and therefore expected to be announced on 16th November 2022. **Dilution** As per the Prospectus Date, the Company's registered share capital had a nominal value of DKK 1,067,560.8375 divided into 28,468,289 Existing Shares with a nominal value of DKK 0.037500. All Existing Shares are issued and fully paid up, and each Existing Share represents 1 vote. Upon issue of the units, the percentage of ownership of the Existing Shareholders may be reduced. If the Existing Shareholders refrain from exercising pre-emptive rights allocated to them in connection with the Offer, each Existing Shareholder's ownership will be diluted by approximately 62.50 percent. If the Existing Shareholders elect to partly exercise the pre-emptive rights allocated to them, the rate of dilution will be between 0 to 62.5 percent depending on the exercise. If the Existing Shareholders exercise their pre-emptive rights in full, they will not be diluted. **Issue costs** The total cost for the initial part of the Issue of Units amounts to approximately DKK 5.4 million, equalling approximately 19 percent of the initial issue volume. Given a full subscription rate of the warrants series TO2, the cost amounts to approximately DKK 0.15–1.8 million, equalling approximately 5.3–14.4 percent of the warrants issue volume. The total cost thus amounts to approximately DKK 5.5–7.2 million, equalling approximately 12–19 percent of the total issue volume. **Potential payable fees** Clearing and settlement take place within the framework of the VP's system in Denmark. This may mean that banks and managers who are not members of VP in Denmark may charge an administrative fee for subscription in DanCann Pharma's new Issue of Units. In addition, a fee, in the form of a brokerage fee, may be taken for trading in DanCann Pharma's Share and/or warrants.

4.2	Why is this EU growth prospectus being produced?	**Reasons for the issue**
		According to DanCann Pharma's assessment, the existing working capital, which is intended to finance the development of the business, is not sufficient for current needs Therefore, DanCann Pharma has decided to resolve on the Issue of Units according to this Prospectus.
		
		Use of issue proceeds
		The proceeds from the Offer will be used to strengthen the Company's capital base and capital resources to implement the Company's strategy and objectives. The proceeds received from the Issue of Units will enable the Company to finalize its activities according to its guidance in terms of obtaining necessary permissions from the DMA and the approval of BP1, and hereafter also finalize the commercialization of its future product portfolio consisting of the following protected trademarks through the European Union Intellectual Property Office Certificate of Registration: Tetracanoid®, Bidiocanoid®, Mixcanoid®, Varincanoid® and Bigerolcanoid®. Furthermore, DanCann Pharma aims to accelerate and extend its product portfolio of imported medical cannabis and cannabinoid-based drugs and pharmaceuticals.
		
		The Company intends to use the issue proceeds as follows:
		
		Initial issue – approximately dkk 23 million (net proceeds):
		• Operation costs: approximately 55 percent
		  • Finalizing the EU-GMP process
		  • Finalizing the development of the inhouse product portfolio
		• Further development of the product portfolio: approximately 20 percent
		• Repayment of loan: approximately 25 percent
		
		New warrants – approximately dkk 0.95–32.3 Million[1] (net proceeds):
		Upon full exercise of the New Warrants, the Company can be provided with an additional approximately DKK 1–34.2 million before deduction of transaction-related costs.
		• Scaling of production: approximately 70 percent
		• Repayment of outstanding debt obligations: approximately 30 percent
		
		Working capital
		According to the Company's assessment, the existing working capital intended to finance the 12-month development of the operations and the Company's growth plan is not sufficient for the current needs as of the Prospectus Date. The deficit amounts to approximately DKK 15 million. A need for additional working capital is expected to arise in December 2023. To provide the Company with working capital, DanCann Pharma is carrying out an Issue of Units, which can provide the Company with a maximum of DKK 28.5 million (after compensation to bridge financiers and issue costs but including bridge financing of approximately DKK 15.2 million). In the event that the forthcoming Offer is fully subscribed, the Company assesses that the proceeds will finance DanCann Pharma's growth plan until December 2023.
		
		In order to raise sufficient working capital to be able to run its operations at a desirable pace for at least twelve months ahead, it is required that the Company is provided with at least approximately DKK 12 million through the Initial issue of Units described in this Prospectus. DanCann Pharma has as of the Prospectus date, secured a total of approximately DKK 21.9 million (before transaction-related costs) through pre-subscription commitments and guarantee commitments, which corresponds to approximately 77 percent of the initial issue volume and therefore securing enough working capital beyond the upcoming 12-months. If the Company does not raise the above-mentioned capital after financing issue costs, the Company will investigate alternative financing options such as additional capital raising, grants, or financing together with one or more partners or conduct the business at a lower rate than expected, until additional capital can be raised. In the long run, there is a risk that, if all financing opportunities and sales fail, the Company will file for bankruptcy.
		
		Intrests and conflict of interest
		Alexander Schoeneck, member of the Board of Directors of DanCann Pharma, is also a member of the Board of Directors of Corpura.
		
		DanCann Pharma has entered into agreements on pre-subscription commitments and guarantee commitments with a number of external investors, existing shareholders and members of the Board of Directors.
		
		DanCann Pharma has entered into underwriting guarantee agreement with a number of external investor and existing shareholders.
		
		Apart from what has been stated above, there are no conflicts of interest within administrative, management, and supervisory bodies, nor with other individuals in senior positions in DanCann Pharma. In addition, there are no other natural persons or legal entities involved in the Issue of Units that have financial or other relevant interests in DanCann Pharma.

Responsibility statement

Persons responsible

The Board of Directors and the CEO of DanCann Pharma are responsible for the content of this Prospectus. As of the date of this Prospectus, the Board of Directors of the Company comprises of Carsten Trads (chairman), Christian Carlsen (vice chairman), Tue Østergaard (member), Jeppe Krog Rasmussen (member), and Alexander Schoeneck (member). For additional information regarding DanCann Pharma's board members and CEO, please refer to the section "Board of Directors and executive management" in this Prospectus.

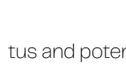
Statement by the ceo and board of directors of DanCann Pharma A/S

We hereby declare, as the persons responsible for this Prospectus on behalf of DanCann Pharma A/S (CVR no. 39 42 60 05), that to the best of our knowledge, the information contained in this Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

Danish financial supervisory authority

This Prospectus has been approved and registered by the DFSA as a competent authority under Regulation (EU) 2017/1129. The DFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility, and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this Prospectus and potential investors should make their assessment as to the suitability of investing in the securities. The Prospectus has been drawn up as part of an EU Growth prospectus in accordance with Article 15 of Regulation (EU) 2017/1129.

Ansager, 21st October 2022
DanCann Pharma A/S
The Board of Directors and the CEO



Carsten Trads
Chief Executive Officer of C-Plus Consult

Tue Østergaard
Founder and Chief Executive Officer of HC Andersen Capital

Alexander Schoeneck
Professional investor and Chief Executive Officer of JJV Invest AB

Christian Carlsen
Managing Partner of Volvér ApS

Jeppe Krog Rasmussen
Founder and Chief Executive Officer of DanCann Pharma

DANCANN PHARMA PROSPECTUS OCTOBER 2022

Business overview

The Board of Directors certifies that the information derived from references and citations has been described and reproduced as found and that – as far as the Board of Directors is aware of and can ascertain from information published by the third party – no facts or information have been omitted, which would render the reproduced information inaccurate or misleading.

General

The Company's legal and commercial name is DanCann Pharma A/S with the corporate registration number (Dk. CVR no.) 39 42 60 05. The LEI code of the Company is 549300KLXQ6IC2YUUB58. DanCann Pharma was incorporated in Denmark on 26 June 2020 and is a Danish public limited liability company governed by Danish law and the Danish Companies Act (Dk. Selskabsloven). DanCann Pharma is a Danish pharmaceutical biotechnology company powered by cannabinoids and the Company is focusing on discovering, developing, manufacturing, and commercializing of novel cannabinoid therapeutics in a broad range of disease areas. The Board of Directors has its registered office in Ansager, Denmark. Representatives of DanCann Pharma may be reached at telephone +45 69 16 03 93 and by e-mail info@dancann.com. The Company's visiting address is Rugvænget 5, DK-6823 Ansager, Denmark and the website is www.dancann.com. It is to be noted that the information on the Company's website does not form part of the Prospectus unless the information is incorporated in the Prospectus by reference.

Background

DanCann Pharma is a Danish biopharmaceutical company powered by cannabinoids, licensed for production and distribution of products based on cannabinoids. Cannabinoids is the active components from the plant cannabis. The Company conducts its business through work with both cannabis and cannabinoids as handling of the cannabis plant is part of the process in producing cannabinoids, the component used for therapeutic and medical purposes.

The Company is rooted in a constellation as a group, which focuses on production through DanCann Pharma and distribution through its fully owned subsidiary, CannGros ApS. The configuration is divided so that DanCann handles all its own production of ingredients and bulk goods, while CannGros handles sourcing and approval, enabling/delivery technologies, medical devices, distribution, branding, collaboration and education.

DanCann Pharma is an early-stage company with the intention to establish itself on the European medicinal cannabis market. The Company is overall focused on discovering, developing, manufacturing, and commercializing novel cannabinoid therapeutics in a broad range of disease areas, dedicated to the commercialization of innovative prescription products targeting the European market. The Company already has already as of the Prospectus Date market activities in Denmark, and has also set its focus on Germany in particular.

DanCann Pharma was established due to the poor access for cannabis and cannabinoid-based products, which led to that people instead went to the uncontrolled illegal market. For that reason, DanCann Pharma today works with the mission of securing access to treatments with quality assured cannabinoid substances. The Company creates and makes solutions for tomorrow's tough challenges by the use of cannabis- and cannabinoids for 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, and has its primary focus on patient groups with unmet needs.

As a company, DanCann Pharma wants to offer an alternative to the many patients who have not achieved the required quality of life with known medicine as of today, and focuses on, among other things but not limited to, the following patient groups:

- Pain (neuro) management (alternative or combination to treatment with opioids)
- Mental disorders (e.g., PTSD and anxiety)
- Skin conditions (e.g., psoriasis)
- Appetite stimulation and suppressant (e.g., anorexia, obesity and cancer treatment)
- Sleep and well-being

The Company works according to a formula based on an equation between evidence and relative number of patients who are prescribed the product for the disease. This is the superior mechanism for the Company's entire portfolio and its future construction, built on data and evidence.

Medicinal cannabis companies have in recent years started to accelerate their sales significantly. DanCann Pharma is intending to capitalize on opportunities in the growing market for medical cannabis products in Europe. Eased regulatory environment, launch of new products, awareness as well as clinical evidence, and an in general favourable stance to medicinal cannabis has been key for this progress.

DanCann Pharma is already well positioned in the starting pits – the Company has several distributions agreements and LOI's signed, giving the Company a very interesting product portfolio for the Nordic as well as the European market. The Company's business plan stands on different pillars spreading risks, and the Company already has interesting collaborations that opens the potential for revenue streams in near future.

The Company's business model is based on different pillars. The first pillar is to import and distribute medical cannabis products in the Nordics and in Europe. The second pillar is to cultivate, process, and export cannabis ingredients (APIs) and bulk goods. Lastly, the Company licensing and acquiring exclusive rights to innovative products and clinically de-risked, commercial stage, proprietary drugs and pharmaceuticals, with focus on data profiles and delivery methods to meet the individual patient's needs, both in breadth (delivery methods) and depth (formulation) and hereby no directly R&D or clinical activities associated risks to the business, which is hugely expensive and costly to operate.

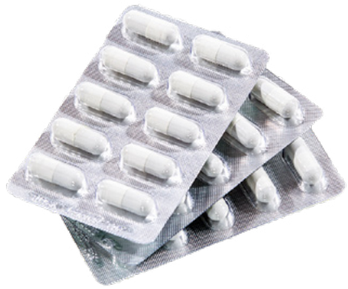
Over time, this will intensify and hereby secure a diversified portfolio of IP-protected products for the Company.

1. Manufacturing of ingredients/bulk (cannabinoids)
2. Import of medicinal cannabis products
3. In-licensing drugs and pharmaceuticals (cannabinoid-based)

Ingredients/bulk (cannabinoids)

Medical cannabis products

Drugs and pharmaceuticals



Today, "medical cannabis" is a catch-all term for anything from dried cannabis flowers, cannabis oils, capsules, tablets to oromucosal spray and so on. The commonest product is dried flowers. Patients can consume these in various ways. But common to all of these product types is that they contain either parts of the cannabis plant, active substances from the plant or synthetic cannabinoids, including a wide range of other chemically active substances such as terpenes and flavonoids, and that they are used for treatment of illness. Medical cannabis can have an effect on various things, including appetite, blood pressure, blood flow to the brain, digestion, nausea, the immune system, inflammation, movement, pain, memory, moods, reproduction and stress. But it is important to state that medical cannabis is not based on clinical evidence as approved and marketed pharmaceuticals. However, medical cannabis is seen as an alternative, and treatment with medical cannabis should only be attempted if the patient has tested relevant approved medication without satisfactory results first. Cannabinoid-based pharmaceuticals have been authorized through the official procedures for medicines licensing. This means they have been tested in controlled laboratory trials, animal trials as well as in real people (trial subjects). The manufacturers have submitted all data from these trials to the authorities, which have assessed that the benefits of these medicines outweigh the risk of side effects. As a result, these become authorized medicines.

DanCann Pharma's produces its own ingredients as well as medical cannabis products. In addition, the Company also imports finished medicinal cannabis products (generic and protected) as well as drugs and pharmaceuticals based on cannabis and cannabinoids.

DanCann Pharma's products are fully standardized – each variety, batch-to-batch, contains a constant composition of cannabinoids. Standardization is the only method of ensuring a consistent therapeutic effect over time. The Company is both handling approved ("pharmaceuticals") and non-registered medicines ("medical cannabis"), but as a common name, all the activities that the Company serves is prescription medicines (Rx).

> At DanCann Pharma, we strive to optimize care and well-being for those given up on.

Vision and business idea

A Pharma venture driven by a passion for patient and relative relief

Our mission is to improve the well-being of patients and their relatives. We want to revolutionize health care for everyone and ensure that no one experiencing pains or trauma gets left behind.

DanCann Pharma is all about challenging the status quo. We saw an issue in the Danish healthcare system and are now working with determination to challenge it. Based on knowledge, insight, and innovation, we innovate life-changing science by going face-to-face with traditional conventions. Our approach is built on cannabinoid therapeutics. Cannabinoids are active substances that affect receptors in the brain and human body when consumed. We are making it our lives work to democratize the use of these cannabinoids by discovering, developing, manufacturing, and commercializing novel cannabinoid therapeutics in various disease areas.

Our work revolves around shining new hope to patients and relatives who get left behind by the conventional health care industry. We strive to make tomorrow better than yesterday.

Built from a foundation of care

We work passionately to improve the quality of life for patients with challenges and their relatives.

Our reason for being lies in what was previously poor and limited access to cannabinoid-based drugs and pharmaceuticals. Patients were forced to search for products on uncontrolled, illegal markets. For such a reason, DanCann Pharma today works to improve accessibility to treatments with quality assured cannabinoid substances. We develop and produce solutions for tomorrow's tough challenges; however, we do not see ourselves as a business limited to treatments with medical cannabis or cannabinoids.

At DanCann Pharma, we strive to optimize care and well-being for those given up on.

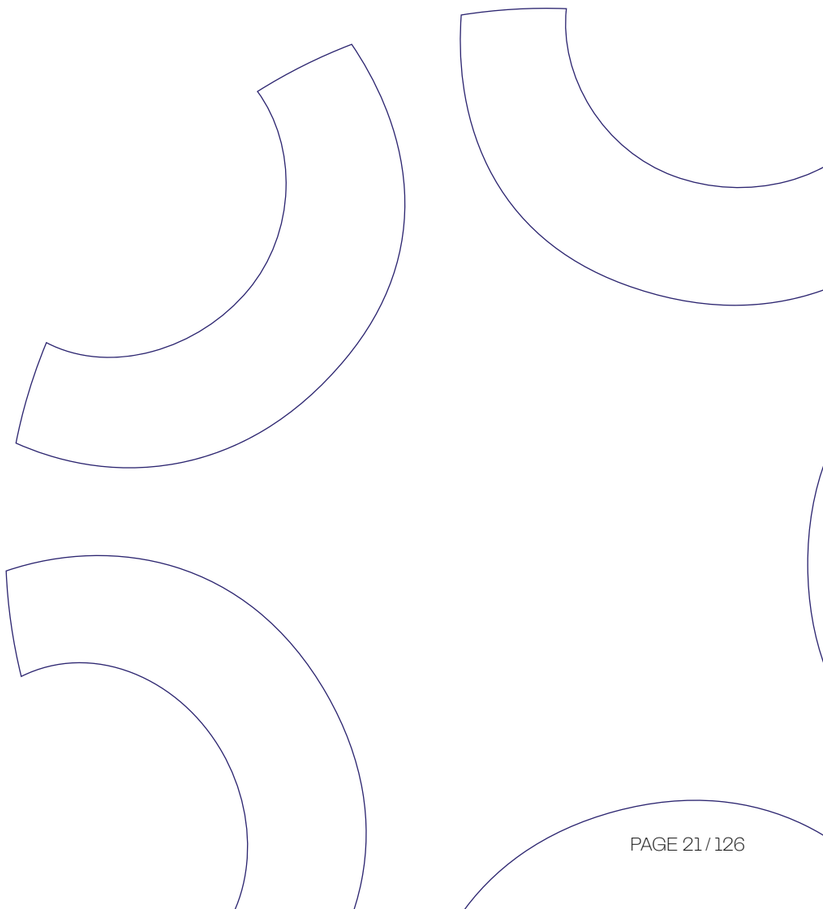
We thrive on the challenge of making excellent treatment available through alternative medicine, enabling a brighter future for everyone. Our business model is shaped around democratizing cannabinoid therapeutics and a long-term category impact, so our brand needs to do the same.

We are not afraid of setting bold targets for our purpose, and we want our brand to deliver on our grand ambitions for ourselves and the world around us.

Purpose

The DanCann Pharma foundation

Mission, vision, and values statements are the foundation for our strategic plan. They state the purpose, direction, and underlying values of DanCann Pharma while serving as a tool that provides us with guidance and direction.



OUR VISION

We want to revolutionize health and quality of life for patients with challenges

OUR MISSION

We enhance access to medicines inspired by nature for the benefit of patients and relatives

OUR CORPORATE VALUES

Inspired by patients

- Improve quality of life
- Deliver best-in-class innovation
- Supply medicines inspired by nature

Acting with empathy

- Perform as a team
- Stay trustworthy and fair
- Embrace different opinions

Executing with passion

- Work with resolute determination
- Maintain the highest standards of excellence
- Grow our business responsibly

Definitions: MISSION: Our mission statement defines DanCann Pharma's purpose or reason to exist. It guides our day-to-day operations, communicates our core solutions to stakeholders, and motivates our employees toward a common goal. VISION: The vision statement describes the future of DanCann Pharma. It reveals what we aspire to achieve long-term – a guiding star for where we are heading. VALUES: The values statement highlights our core principles and philosophical ideals. DanCann Pharma's core values guide decisions, shape daily culture, and establish standards of conduct against which our actions and decisions can be assessed.

HISTORY

- DanCann Pharma was founded in 2018 and is a pioneer within the field of medical cannabis- and cannabinoid-based drugs and pharmaceuticals and has already created a momentum to position itself as a prominent party in the Danish and European market.
- DanCann Pharma became the market leader within the Danish Pilot Programme through the acquisition of CannGros and reached revenue and sales for the first time in Q4-2021, and furthermore, published a 2021-report for the subsidiary showing profit for the year of DKK 1,65 million.
- DanCann Pharma has created Biotech Pharm1 as one of the most advanced and efficient production units of cannabis ingredients for medical purposes, which expects to be able to bring products to market with a superb low content of microorganisms and micro bacteria without the use of irradiation.
- DanCann Pharma holds a license under the Development Scheme (since 2018) for the Biotech Pharm1 (cultivation) and has furthermore submitted for EU-GMP to be obtained under the Pilot Programme (submitted January 2022).
- DanCann Pharma is in the process of developing its own product portfolio, consisting of Tetracanoid®, Bidiocanoid®, Mixcanoid®, Varincanoid® and Bigerolcanoid®, based on the active substances of THC, CBD, THCV and CBG. DanCann Pharma has already gained traction in the market with these products, and has, among other things, entered into a dialogue with companies from Sweden, Germany, Poland, Israel and the UK.
- DanCann Pharma holds license under the Pilot Programme to handle euphoriant substances for import and distribution of medical cannabis through the acquisition of CannGros ApS and has of today three (3) approved products (Bedrocan®, Bedica® and Bediol®) under the Pilot Programme, and furthermore, another new product type submitted (April 2021).
- DanCann Pharma has in recent years built a strong and exciting pipeline of medical cannabis products and cannabinoid-based candidates, drugs and pharmaceuticals. Among others: Qixleef™, Reduvo™ Adversa® and products based on the patented AKVANO® technology.
- DanCann Pharma has raised more than DKK 80 million since its establishment, this through seed-money, Pre-IPO, IPO and directed share issues.
- DanCann Pharma is now established within permanent national (DK) frameworks for the manufacture of its products, which were previously the subject of a trial period, thereby the biggest risk associated with the business was eliminated at the end of 2021.

Revenue model and customers

The Company has its focus on areas where there are still unmet needs, and especially the pain area. Furthermore, the Company is built on a de-risked go-to-market strategy based on traction in several markets, focusing on Europe.

DanCann Pharma and its revenue model are built around framework agreements with selected players in the European market. Typical so-called "drawdown framework agreements", where customers drawdown products each month against an overall assumed committed volume for a number of years. These are customers who are typically: pharma companies, biotech companies, API manufacturers, CDMO partners, distributors or wholesalers. As an example, in May 2022, the Company was able to disclose and communicate that it had signed an LOI with Swedish Aureum Pharma AB, where the Company over a 3-year period expects to gain turnover for at least SEK 37 million, based on exclusive rights for DanCann Pharma's own produced products. DanCann Pharma has already traction in the European market, and has, among other things, entered into a dialogue with companies from Sweden, Germany, Poland. Israel and the UK.

CannGros operates solely with sales to distributors and wholesalers, where in Denmark it is Nomeco and TMJ that purchase its products and supply the pharmacies and hospitals.

OUTLOOK AND GUIDANCE

Over the next few years, the Company expects to hit its commercial breakthrough, where, among other things, it expects to introduce new products under the Pilot Programme in H2-2022, as well as achieve sales for its own produced products, which will initially be launched in 2023 .

The facility (Biotech Pharm1) is built around a proof-of-concept setup, where it will operate during 2022-2023. It is estimated that it will be at a commercial size from the beginning of 2024.

The output from the facility is based on ingredients that will eventually be used in the Company's own products (TETRACANOID® (No 018533183), BIDIOCANOID® (No 018533188), MIXCANOID® (No 018533189), VARINCANOID® (No 018533193) and BIGEROLCANOID® (No 018533195)), and in the shorter run as flowers/granules, which are initially sold as bulk (biomaterial or white label) or under the DanCann Pharma brand. And later this in the form of multiple delivery formats. The product portfolio is based on the active substances of Tetrahydrocannabinol ("THC"), Cannabidiol ("CBD"), Tetrahydrocannabivarin ("THCV") and Cannabigerol ("CBG").

Based on its aspiration, the Company expects to have revenue in 2025-2027 of DKK 60-100 million, based on its two legs of the business around ingredients and import/export of medical cannabis products to the European market, and furthermore to reach breakeven during 2024. This is conditional upon the Company obtaining the necessary approvals from the Danish Medicines Agency under the Pilot Programme to produce medical cannabis and thereby obtain the expected EU-GMP certification of Biotech Pharm1, as well as the approval of the Company's new product type based on extracts of cannabis in an oil solution drop, which was submitted in April 2021. Furthermore, future expansion will consist of the Company broadening its product portfolio with more formulations during 2024 and 2025 in the form of extracts of cannabis in an oil solution drop, as well as the distribution of these in the Company's identified future core markets (Denmark, Germany, Poland, the UK, and Israel).

All the above is conditional upon the Offer being subscribed in full (100 percent) and that the New Warrants are exercised in full with a total issue funds from the New Warrants amounting to around DKK 0.95–32.3 million, so that the necessary investments can be made and thus bring the Company to a stage where it reaches breakeven in 2024 on its two business legs.

In addition, the Company will continue to invest in its market development, including its commercial forces in the task of purchasing (in-licensing) new products and rights for the European market, as well as its penetration and its regulatory work.

Upcoming cannabinoid-based drugs and pharmaceuticals from Tetra Bio-Pharma expect its go-to-market during 2026, 2027 and 2028, where this agreement could yield up to accumulated DKK 340-410 million in total sales by 2028, penetrating the market for the very first time during the end of 2025. Due to the still high likelihood of these to fail, these should not yet be seen as a part of the guidance for the Company.

The challenges connected to the strategy and goals above can be found in the section "Risk factors", please see the following risks in particular: "Final permission(s) and approval(s) from the Danish Medicine Agency"; "Clinical trials and studies; Financing and capital needs"; "Market growth, market penetration and marketing"; and "Warrants".

PRODUCTION

Introduction

Biotech Pharm1 aims to supply the Company with its products in the form of an herbal substance that will either be sold as an ingredient, or to be introduced to the Company's own products. Biotech Pharm1 handle activities for the production of so-called cannabis flowers or as granular (flower that has been grinded to achieve better standardization). It also handles the cultivation and processing (trimming, drying and packaging), which from here can either be processed as an ingredient (for an extract, isolate or API) or further processed as an herbal full spectrum product in the form of patient dosing.

DanCann Pharma is during H1-2023 ready to sell its first products from the high-tech 100% indoor facility, Biotech Pharm1. The facility will be one of Europe's most efficient and advanced production facilities for cannabis and cannabinoid ingredients, with the main point being a standardized product with excellent security of supply. Biotech Pharm1 will Initially with focus on the Tetrahydrocannabinol ("THC") candidate, named Tetracanoid®, which is expected to deliver solid +25% of the content of THC, and later the emergence of other unique geneticists and candidates based on a rather atypical content of novel cannabinoids (CBG, CBN, THCV, etc.).

As of the Prospectus Date, DanCann Pharma has obtained a license under the Development Scheme for its first facility, called Biotech Pharm1 ("BP1"), this license was received shortly after the establishment of the new Pilot Programme (during the summer 2018), and hence, the Company was licensed as one of the first companies to handle and cultivate medical cannabis here through. Biotech Pharm1 is today in the approval process to be obtained under the Pilot Programme, and hereby its EU-GMP certification, which were submitted back in January 2022.

Biotech Pharm1 is the Company's facility for manufacturing of cannabis ingredients.

The terminology and philosophy behind Biotech Pharm1

The DMA attaches great importance to adhering to quality standards and regulatory requirements for cultivating medical cannabis without the use of pesticides, and therefore DanCann Pharma has carefully evaluated various cultivation options. It is DanCann Pharma's own assessment that cannabis cultivation under greenhouse conditions will struggle and might even fail to meet the strict requirements for hygiene, quality, uniformity and strength and no use of pesticides over time. Large scale greenhouse operations in general are not an optimal go-to approach for producing standardized medicines. The footprint of the facility or the amount of square footage you have is not the essential – it is the quality of your product that matters and efficiency per square feet – and it is not easily obtainable in a large-scale greenhouse facility, and hence, it must be expected that part of its batches will be thrown away, due to the difficult conditions to control the plant under, and the strict control saying, that the batches may only fluctuate by 10% from its starting point from batch to batch, which will put partners and ultimately patients in a very unfortunate situation. That is why the Company has committed to produce indoors in a sealed environment in Biotech Pharm1.

So, by constructing Biotech Pharm1, DanCann Pharma has been decided to further develop the indoor production facilities for a factory developed with vertical aeroponics systems – a cultivation technique developed by NASA – in closed and hygienic climate-controlled premises for soil-free (no contaminants) and pesticide-free cultivation for production of cannabis- and cannabinoids. Through an easy intuitive interface, it is possible to control and monitor all elements during production. The Company can handle and regulate crucial conditions during the cultivation period, such as temperature, humidity, light, watering, and other factors, all of which can affect quality, uniformity, and strength. The infrastructure of the cultivation and production in the closed climate-controlled systems also give the Company better opportunities to control and log access to the cannabis plants, which must only be handled by authorized personnel.

It is the Company's opinion that this method provides the best quality, uniformity, and productivity versus any other production method. The intention is to establish a facility where standard, uniform and consistent products can be cultivated without the use of pesticides, so that the content of the active ingredients is the same for each harvest and processing process. At DanCann Pharma we aim to create the same perception – and mentality – about medical cannabis and cannabinoids, as with conventional.

> At DanCann Pharma we aim to create the same perception – and mentality – about medical cannabis and cannabinoids, as with conventional.

A pure and clean product in more than one sense

Vertical farming is the practice of growing crops in vertically stacked layers

In addition, since the Company cultivates in multiple layers (vertical farming), increasing efficiency and yield by up-to more than 200% compared to the industry standard single layer, bench type cultivation. Furthermore, the Company achieves an estimated approximately 50–100% better and faster harvest per m2 as well as 6 annual cycles per cultivation room. The production process is environmentally friendly and comes with several reductions compared to the industry standard; water (90%), nutrients (70%), no soil or waste (100%), no pesticides (100%) and labour (70%), as the systems are highly automatic and autonomous.

The industry, in general, is very energy intensive. Plants require a lot of light and water, and it will come with a cost – both for businesses and for the environment, unless these parameters are envisaged in the plans. It is the Company's goal to be a role model, thereby showing CSR and business together to move into a higher unit, as the Company also shares the outside world and customers' increasing concern for the health of our environment, and the Company has a commitment to provide environmentally friendly products as widely as possible. Therefore, it is a clear goal for DanCann Pharma to remain and improve its environmental profile by the forces of nature. The Company works towards becoming self-sufficient, including water, power, light, and heat supply.

The production keeps itself updated with automated software to operate at peak performance. Sensor-controlled dynamic dosing maintains the growth recipe at precise, non-interfering levels, reducing required work in the cultivation process, as well as human error.

With indoor cultivation, the risks of changing outside weather conditions and risks of insects and diseases are completely mitigated. The rooms are completely automated in terms of irrigation and microclimate control and ensure compliance and reduced labour needs. By this, DanCann Pharma can provide consistent, pharma-grade cannabis with uniform content. DanCann Pharma, being a producer of medicines, is obligated to ensure that patients have access to their medication at all times.

These next-tier structures help realize the full potential of seed genetics, using data, AI, and machine learning to bolster efficiencies, save resources, and reduce the cost of growing crops vertically.

> It is a clear goal for DanCann Pharma to remain and improve its environmental profile by the forces of nature.

Achievement and current status

Since its licensing under the Development Scheme (June 2018) and final establishment (April 2021), Biotech Pharm1 has achieved several milestones that support its potential, including promising indications of a high level of desired standardization, as well as superior levels of product purity, which potentially means that the Company will avoid having to irradiate its products, which is both a competitive advantage, as this is not legal in several nations and states, while at the same time this is a significant cost saving for the Company. Since its establishment, the Company has implemented several batches, which has served as the development process leading up to the approval of the facility (EU-GMP) as admission under the Pilot Programme. The Company submitted for license in January 2022, and expects this to be approved in Q4–2022.

April 2018
Applies for license for cultivation and handling of medical cannabis at the DMA

June 2018
Licensed for handling and cultivating of medical cannabis through the Development Scheme

August 2020
Commence of construction at Biotech Pharm1

April 2021
Pressed the start button in Biotech Pharm1
https://news.cision.com/dancann-pharma/r/dancann-pharma-a-s-has-pressed-the-start-button-in-biotech-pharm1,c3329512

August 2021
Reached a historic milestone with the first ever cannabis batch in Biotech Pharm1
https://news.cision.com/dancann-pharma/r/dancann-pharma-a-s-has-reached-a-historic-milestone-with-the-first-ever-cannabis-batch-in-biotech-ph,c3395232

January 2022
Submitted application to the Danish Medicines Agency for EU-GMP-approval for Biotech Pharm1
https://news.cision.com/dancann-pharma/r/dancann-pharma-a-s-has-submitted-application-to-the-danish-medicines-agency-for-eu-gmp-approval-for-,c3501448

Highly promising analysis results
https://news.cision.com/dancann-pharma/r/dancann-pharma-a-s--highly-promising-analysis-results,c3488412

European Union Intellectual Property Office Certificate of Registration for product portfolio trademarks
https://news.cision.com/dancann-pharma/r/dancann-pharma-a-s--european-union-intellectual-property-office-certificate-of-registration-for-prod,c3482645

May 2022
Establishing a new benchmark in the industry as impressive test results show extreme product purity without the use of radiation
https://news.cision.com/dancann-pharma/r/dancann-pharma-a-s--establishing-a-new-benchmark-in-the-industry-as-impressive-test-results-show-ext,c3567611

Signs Letter of Intent with Aureum Pharma AB for exclusive rights with a minimum commitment of SEK 37 million
https://news.cision.com/dancann-pharma/r/dancann-pharma-a-s-signs-letter-of-intent-with-aureum-pharma-ab-for-exclusive-rights-with-a-minimum-,c3564596

Ongoing recruiting new key employees and staff

Product portfolio

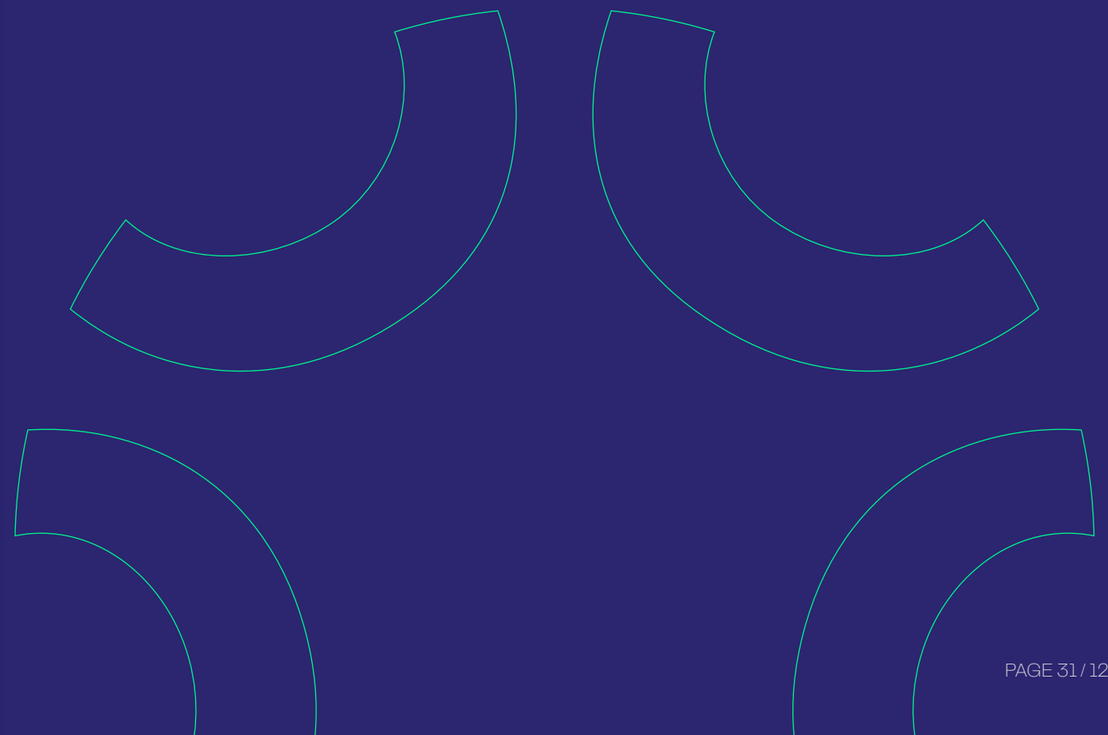
The Company is about to finalize its own produced product portfolio from BP1, this according to its guidance in terms of obtaining necessary permissions from the DMA. Partly the approval of BP1, and thereafter the commercialization of its future product portfolio consisting of the following protected trademarks through the European Union Intellectual Property Office Certificate of Registration.

- TETRACANOID® (No 018533183)
- BIDIOCANOID® (No 018533188)
- MIXCANOID® (No 018533189)
- VARINCANOID® (No 018533193)
- BIGEROLCANOID® (No 018533195)

These in the form of products based on ingredients that will eventually be used in the Company's own products, and in the shorter run as flowers/granules, which are initially sold as bulk gods (ingredients or white label) or under the DanCann Pharma brand, and potentially later in the form of multiple delivery formats. The product portfolio is based on the active substances of Tetrahydrocannabinol ("THC"), Cannabidiol ("CBD"), Tetrahydrocannabivarin ("THCV") and Cannabigerol ("CBG").

The cannabis plant contains over 100 active substances called: Cannabinoids.

Cannabinoids are active chemicals that affect receptors in the brain and human body when consumed. The two most known are Tetrahydrocannabinol (THC) and Cannabidiol (CBD).



DISTRIBUTION (CANNGROS)

Introduction

CannGros was established in October 2017 and became the first Danish company to obtain authorization to manufacture and distribute cannabis products (December 2017), under the Danish Medical Cannabis Pilot Programme (launching on January 1st, 2018), covering all pharmacies in Denmark, through agreements with pharmaceutical wholesalers, as well as authorization to handle euphoric substances. CannGros is today operating its Quality Management System and facilities with temperature control, video surveillance, alarm system and HVAC fully compliant with the requirements of the Danish Medicines Agency.

CannGros is the leading player in the Danish market under the Pilot Programme for medical cannabis.

Many of DanCann Pharma's commercial activities will be allocated under the CannGros company in the future, which is why several of DanCann Pharma's current agreements will be mentioned as being under CannGros in this section. This is to distinguish between the mentality of the two companies, which are respectively under production and quality, as well as distribution and regulatory aspects. The CannGros company is also subject for a re-branding with the desire to associate this more closely with the DanCann Pharma brand for the future.

Among others, the Company has partnered up highly respected companies, such as Bedrocan BV[2], Tetra Bio-Pharma Inc (TSX: TBP) (OTCQB: TBPMF) (FRA: JAM1)[3], MediPharm Labs Corp. (TSX: LABS) (OTCQX: MEDIF) (FSE: MLZ)[4] and Cannassure Therapeutics Ltd (CSURE.TA)[5].

[2] Bedrocan is an EU-GMP certified supplier of pharmaceutical grade cannabis to the Dutch Office of Medicinal Cannabis (OMC).
[3] Tetra Bio-Pharma is focused on drug development programs in Inflammation, pain, ophthalmology and oncology, aimed at bringing novel drugs and treatments to patients and their healthcare providers.
[4] MediPharm Labs specializes in the production and manufacturing of purified, high-quality cannabinoid-based derivatives and pharmaceutical ingredients (EU-GMP).
[5] Cannassure Therapeutics is a leading, world class, trusted developer and provider of top-quality-grade medical cannabis products and pharmaceutical cannabinoid medicines, addressing a broad range of unmet medical needs.

Business model (Business concept)

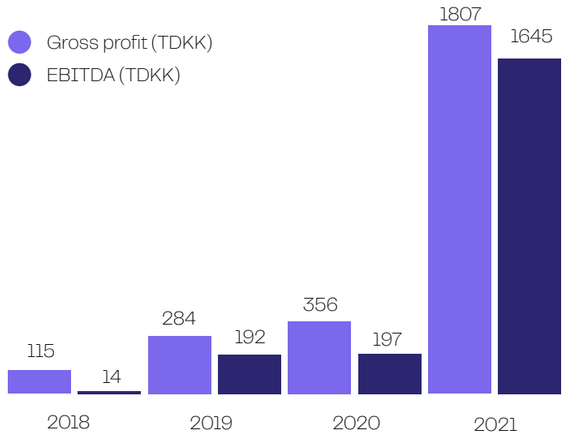
CannGros aims to accelerate and extend its product portfolio of imported medicinal cannabis products and cannabinoid-based drugs and pharmaceuticals, by licensing and acquiring exclusive rights to innovative medical cannabis products and clinically de-risked, commercial stage, proprietary drugs and pharmaceuticals, with focus on data profiles and delivery methods (areas: uniform dosage, release options, safe delivery, discreet, shelf life, bioavailability, metabolism mechanisms – and release options, such as: extended release, sustained release, instant release, modified-release), to meet the individual patient's needs, both in breadth (delivery methods) and depth (formulation) and hereby no directly R&D or clinical activities associated risks to the business, which is hugely expensive and costly to operate.

It's a clear strategic focus point of CannGros to expand its product portfolio. During 2018, 2019, 2020 and 2021, CannGros have had business discussions with several medicinal cannabis suppliers. Most advanced business discussions with Bedrocan BV and other important suppliers. Key success factors are supplier approval (internal) and regulatory dossier acceptance by the Danish Medicines Agency. Current strategic focus is on developing a product portfolio with oil/drops, sublingual tablets and more varieties of dried flower.

The Company intends to expand this position and build additional pipelines of exciting candidates and products, and hence, expand its portfolio to nature-inspired medicines, and not just cannabis and cannabinoid-based. This based on an even more data and evidence-based approach to its structure, to ensure the best access for the patient to the product, based on the Company's developed model built around mapped data, for which the most qualified choices are made in relation to screening and targeting the profile, to ensure that the pipeline of drug candidates obtains regulatory approval.

Achievement and current status

October 2017	CannGros ApS founded
December 2017	CannGros inspected by the Danish Medicines Agency and granted license at the day of the inspection
	Dossiers on "Bedrocan CannGros" and "Bediol CannGros" are accepted by the Danish Medicines Agency under the Danish Medical Cannabis Pilot Programme
	Agreements signed with pharmaceutical wholesalers to establish full distribution (100% coverage) of the Danish market
January 2018	Launch of "Bedrocan CannGros" and "Bediol CannGros"
October 2018	Dossier on "Bedica CannGros" accepted by the Danish Medicines Agency under the Danish Medical Cannabis Pilot program.
November 2018	Launch of "Bedica CannGros"
April 2021	CannGros submitted application for extracts of cannabis in an oil solution at the Danish Medicines Agency
October 2021	DanCann Pharma A/S acquires CannGros ApS and becomes market leader in the Danish market under the Pilot Programme with Medical Cannabis



> At DanCann Pharma, we strive to optimize care and well-being for those given up on.

Product portfolio

In the current CannGros product portfolio you will find Bedrocan products imported from the Netherlands. Bedrocan products, which are the only products worldwide categorized under "medical cannabis" which is fully GMP-certified (Good Manufacturing Practice) from cultivation to packing. As of the Prospectus Date, the CannGros portfolio consists of: Bedrocan®, Bedica® and Bediol®. All products are imported from Bedrocan BV and sold as dried flower or granular in 5-gram dosages, as available for inhalation using a vaporizer or via drinking as a tea. Furthermore, CannGros has the opportunity to apply for listing of another two (2) products from Bedrocan, Bedrolite® and Bedronol®, respectively, which are similarly sold as a medical cannabis product, dosed in granular form in 5-gram dosages, for inhalation or via drinking as a tea – and besides that, have another new product type submitted, based on extracts of cannabis in an oil solution (drops), which were submitted back in April 2021.

Besides above, the Company has built a pipeline of more new products. Among others, the Company has partnered up highly respected companies, such as Tetra Bio-Pharma Inc (TSX: TBP) (OTCQB: TBPMF) (FRA: JAM1), MediPharm Labs Corp. (TSX: LABS) (OTCQX: MEDIF) (FSE: MLZ) and Cannassure Therapeutics Ltd (CSURE.TA), where the Company aims to introduce new medicines, such as:

- **Qixleef™ and Enjouca™** (from Tetra Bio-Pharma), a botanical plant-based cannabinoid-derived medicine inhaled through an approved medical device (inhaled delivery format) indicated for the treatment of advanced cancer pain and breakthrough pain, which is ongoing in a clinical phase 2 study, targeting marketing authorization from the European Medicines Agency (EMA).

Tetra Bio-Pharma has commentated that global potential net sales are USD 675 million by 2027. The development schedule consists of a Phase II trial that is to be completed during 2022-2023, a Phase III trial to be completed in 2024 followed by a new drug application the same year and first sales during 2024-2025.

Enjouca™ is the OTC-version of with the same APIs as Qixleef™ and can thus be commercialized as a medical cannabis product at an earlier point in time during 2023.

- **Reduvo™ Adversa® (from Tetra Bio-Pharma)**, a synthetic THC novel mucoadhesive-tablet route of administration (tablet delivery format) indicated for the treatment of CINV patients (Chemotherapy-Induced Nausea and Vomiting) and for disease-related anorexia associated with weight loss, which is ongoing in a clinical phase 2 study, targeting marketing authorization from the EMA.

The Company has the exclusive rights for both of these candidates/drugs for the territories of Denmark, Norway, Sweden, Finland, and Germany once approved by EMA, and furthermore, the Company has first right of any future new product for the pain territory from Tetra Bio-Pharma.

Nevertheless, in the very end, their commercial value depends on their efficacy, which has not yet been finally established. Tetra Bio-Pharma management estimates that peak sales may be reached in 2028 at accumulated levels between DKK 340-410 million.

In addition, the Company also holds the exclusive rights for products such as topical spray products based on the

patented AKVANO® technology from Lipidor AB (LIPI: FN Stockholm), distributed from Cannassure Therapeutics, that allows them to use Lipidor's dermatologic delivery system for cannabis products. In September 2020, information was made public about a successfully completed feasibility study with an IP protected topical medical cannabis product for the treatment of skin inflammation, including psoriatic lesions.

Furthermore, In September 2020, a supply Agreement was signed with MediPharm Labs, giving the Company the right to import and distribute MediPharm Lab's products under the Danish Pilot Programme. MediPharm is focusing on pharmaceutical-quality cannabis extraction, distillation and derivative products with white label products as well as own brands. By these agreements, the Company has also more generic kind of product (medical cannabis) in the pipeline, such as:

- **Cannabis extracts in oil/drops delivery format** (3 sizes) based on +16 standardized formulations, and;

- **Cannabis soft gel caps** (2 sizes) based on 3 standardized formulations

Company structure

DanCann Pharma was founded in 2018 and is the parent company of its wholly owned subsidiary CannGros ApS.

Investments

As of the date of this Prospectus, no significant investments have been made since the date of the Company's last publish financial statements, the 31st of August 2022.

Trends

DanCann Pharma has undertaken development activities and activities related to production, stock, and sales. At this time, the Board of Directors has not acknowledged any explicit trends, uncertainties, potential claims or other requirements, commitments, or events related to production, stock, or sales that is expected to have a significant impact on the Company's future development. Further, the Company is, at this time, not aware of any specific governmental tendencies, economic tendencies, etc., which may affect the Company's operations in the foreseeable future. It shall however be clearly noted that the above trend statements are made as of this time. With the Company being one of the forerunners in a new medical field and developing a business based on an active substance with a history of stigmatization, the trends relating to both the market and regulatory aspects may swiftly shift. For an extensive description of the risks related to the now mentioned circumstances, please refer to the section "Risk factors" below.

Market overview

The Board of Directors certifies that the information derived from references and citations has been described and reproduced as found and that – as far as the Board of Directors is aware of and can ascertain from information published by the third party – no facts or information have been omitted, which would render the reproduced information inaccurate or misleading.

Introduction

As early as the 1960s, the major biologically active cannabinoids delta-9-tetrahydrocannabinol (Δ-9-THC or THC) and cannabidiol (CBD) were identified in the cannabis plant. By the early 1990s, the cannabinoid receptors CB1 and CB2 had been discovered, confirming the biological pathways for their action. Other receptors on which cannabinoids bind are still being elucidated. The understanding of the endocannabinoid system, the cannabinoid receptors, endogenous and plant-derived cannabinoids continue to increase. In recent years there have been major developments in cultivation techniques, finished product quality and production controls, and safer modes of administration. Research now demonstrates that cannabinoids have therapeutic applications in certain conditions, and that cannabis-based medicines are now a potential therapeutic option.

Addressable markets

Europe

In the 2020s, public and private interests have simultaneously begun to recognize the commercial and social value of legal medical cannabis. Both business and government realize that this thriving industry has a future, but it must be based on research. A record level of investment in research and development has seen new facilities opening across Europe. One of the results has been the ever-increasing list of conditions that cannabis can treat. As the list grows, so does the potential patient base. Europeans will expect a standardized and highly regulated product, which will clearly mark the European medical cannabis market as a key target for pharmaceutical companies over the next 5-10 years.

Prohibition Partners estimate that around EUR 354 million worth of unlicensed medical cannabis will be sold in Europe 2022, and project this will grow to around EUR 2.3 billion by 2026. In the long run, once all markets have implemented legislation and enacted an efficient market infrastructure, Prohibition Partners estimate that the European medicinal cannabis market could be worth up to €58 billion. This by a generally high per-capita gross domestic product and health-insurance coverage for medical cannabis in several

countries already now. These early indicators from leading medical cannabis programs suggest that fulfilling medical cannabis prescriptions will become a basic requirement of any public healthcare policy.

How things evolved in Europe in the past year adds to that optimistic outlook, with sales in Germany and Italy, the two largest markets on the continent, posting double-digit, year-over-year growth, where the German medical market continues to grow steadily, with a 43% increase in sales of cannabis to pharmacies in 2021, with the majority of growth coming from products sold to patients on private prescriptions. Pilot schemes for medical cannabis have progressed across the continent. France began their pilot scheme in 2021 as Denmark voted to extend theirs, Ireland began their new access scheme and the trial in Luxembourg is now due for a first assessment. Other countries showed positive signs, advancing with legislation that allowed prescription, but those markets are far from developed.

Only a few countries have really begun to open access to legal cannabis medications for their domestic patient population while millions of patients continue to use illegal products instead. Germany remains, by a distance, the leader in this regard in terms of legal patient numbers, followed by countries such as Italy, the Netherlands, Poland, Denmark and the Czechia. Many more countries have begun early efforts to increase access either through compassionate access or via pilot programs such as in France and Ireland. Some countries such as Portugal and Greece have formally legalized medical cannabis, but few patients are actively being prescribed, as the regulatory framework is not yet robustly established.

Diseases

European countries are in line with all other markets for medical cannabis in the world in that the predominant primary condition for which medical cannabis patients are prescribed medical cannabis is for severe pain related conditions including, e.g., chronic pain and neuropathic pain. This is unsurprising given that pain affects as many as one in three people in developed countries, and that evidence is relatively strong for the potential of medical cannabis in treating various types of pain. Indeed, in many cases, where a condition such as cancer or spasticity is listed as the primary condition, the treatment of pain is a central reason for the prescription of medical cannabis.

In continuation in above, and new cannabinoid-treatments for pain patients, where current and ongoing research shows promising results. A market that today is heavily burdened by opioid treatment that does not come at no cost. In fact, the case has become so bad that it has been defined as an epidemic (national opioid crisis in the United States), which kills 130 people every day in the United States – equal one person every 11 minutes.

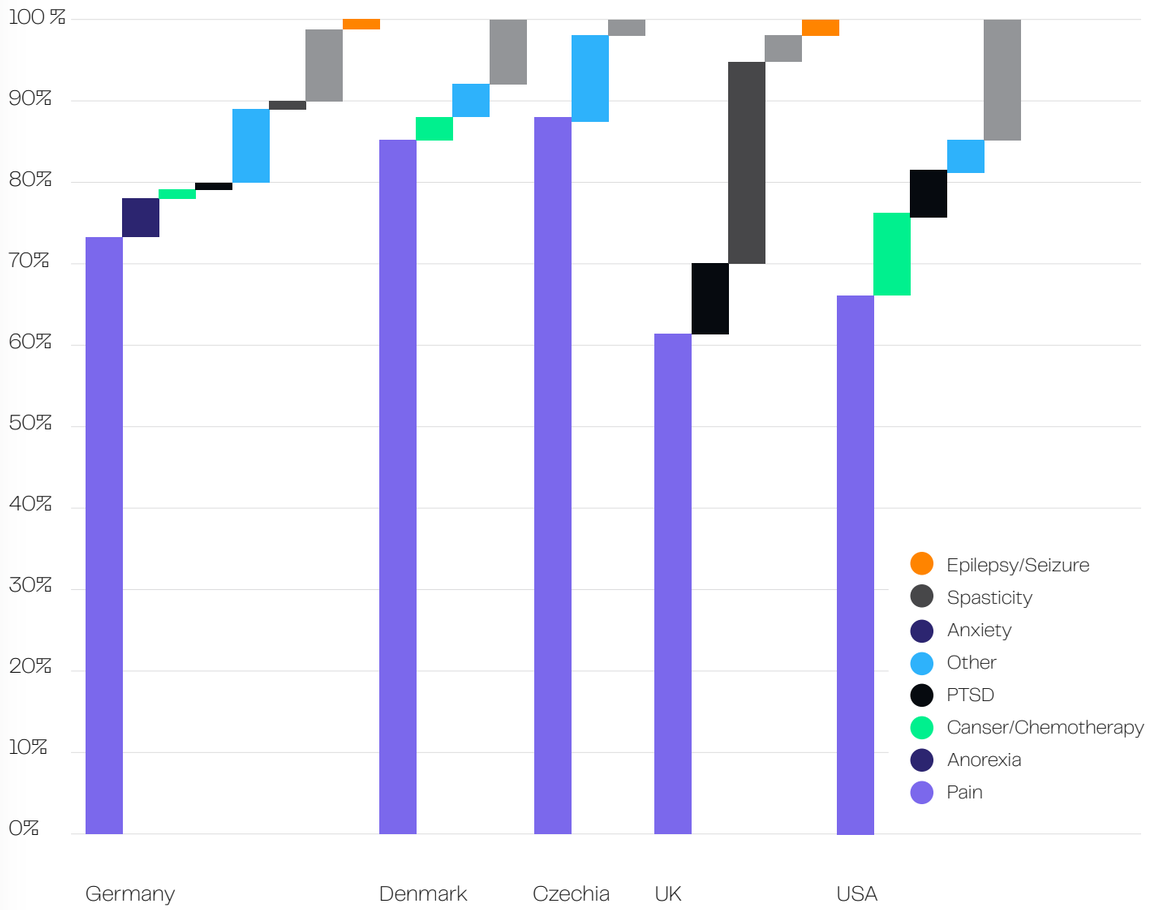
In other words, there is a huge need for new alternatives to this (with fewer and milder side effects), as the medication with opioids today is a bigger problem than the disease (pain) itself (2017: 70,000 deaths due to opioids), where the global opioid market had a size and value of USD 25.4 billion in 2018.[6]

Spasticity, most often caused by multiple sclerosis (MS), is another of the more common conditions for which medical cannabis is prescribed in Europe. While the prevalence of MS is far less than for pain conditions, the current medications for controlling these symptoms are insufficient for many patients, and there is good clinical data for the effectiveness of THC and CBD, hence the development and approval of Sativex.

[6] Source: The Grand View Research: Opioids Market Size, Share & Trends Analysis Report

Patients using medical cannabis for epilepsy represent a relatively small percentage of the population in Europe. This is probably due to the fact that the prevalence of intractable epilepsy is relatively low and that the licensed medication Epidiolex is now in widespread use and is probably preferred by many health professionals.

Individual countries have their own peculiarities in prescribing for other conditions, especially for neuropathic issues such as anxiety in the case of the UK and Post-Traumatic Stress Disorder (PTSD) in the case of the US. This does not necessarily reflect a larger prevalence of these conditions in these countries but rather an artefact of the prescription practices of doctors in those countries.



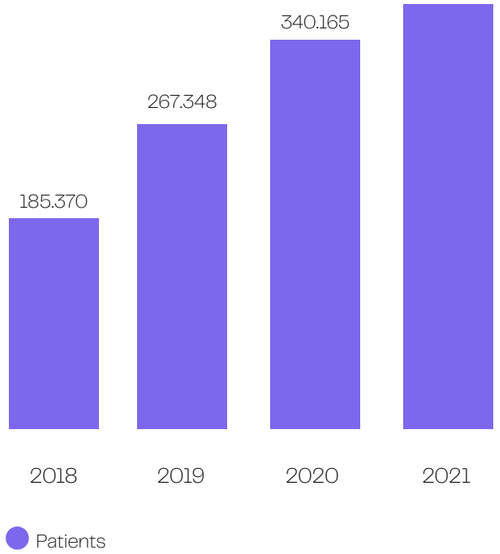
Sources and most recent period covered by data: BfArM (2020), Danish Ministry of Health (2022), SAKL (2020), Project Twenty21 (2022), Boehnke et. al (2018).

Germany

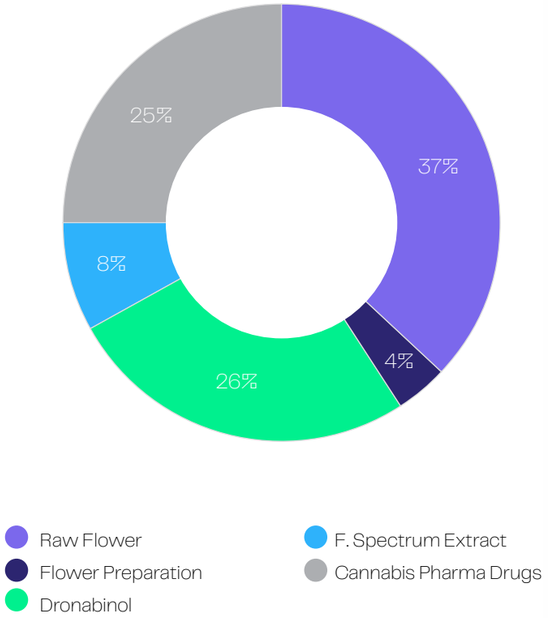
Looking at Europe, Germany is the country with the largest sales of cannabis-based medicines. Germany remains Europe's leading example for the liberation of medical cannabis on the continent. A number of regulations have helped achieve this including: mandatory reimbursement of medical cannabis from national health insurers, the ability of any doctor to prescribe medical cannabis for any condition and a relatively open policy on product approval and imports, while still complying with guidelines for EU-GMP, EU-GDP and EU-GACP.

For manufacturers of medical cannabis that are able to comply with stringent quality requirements, exporting to Germany continues to be the most obvious option. As the country depend on imports due to the limited domestic production of medical cannabis, based on the BfArM granted permits to cultivate 10.4 metric tons over four years back in 2019. Current imported quantities suggest that the domestic production contracted by the German government – which total 2,600 kilograms per year for a period of four years – will not be enough to supply the domestic market once the first harvests become fully available, meaning that Germany is going to rely on imports for many years to come.

Last year, 2021, saw the arrival of domestic production of medical cannabis, though the majority is still being imported from abroad. The use of cannabis-based medicines in Germany has increased over recent years. Between 2018 and 2021 the number of prescriptions for cannabis-based medicines increased from approximately 185,000 prescriptions to more than 370,000, where more than 70% are prescribed to pain patients.

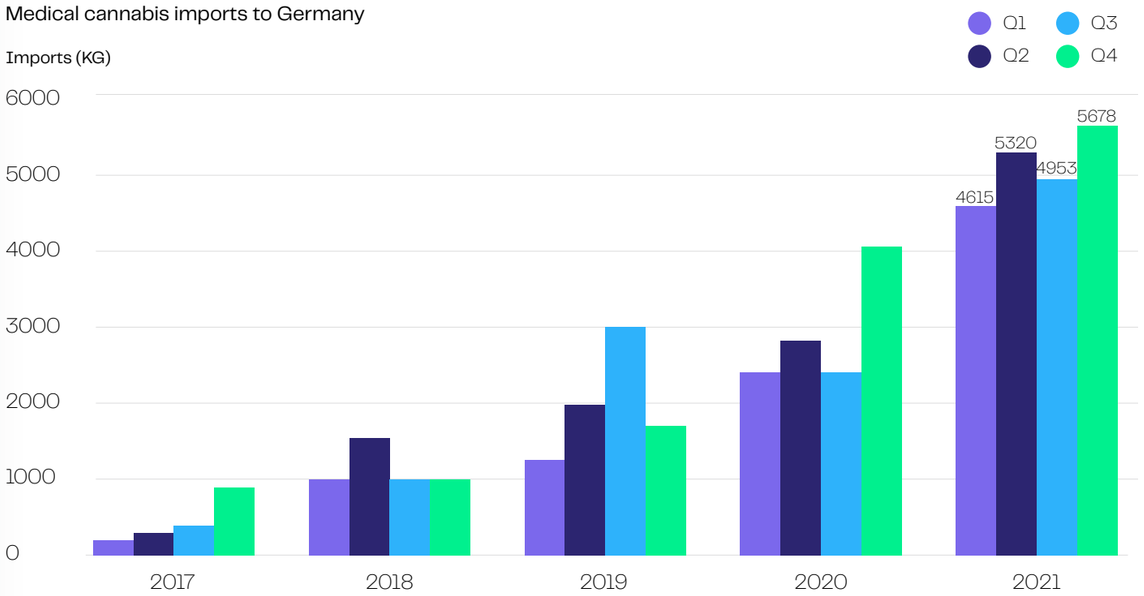


The Patient Count is the total population of patients that have been prescribed medical cannabis at some point since legalization Source: https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7932947/ and https://www.gkv-gamsi.de/media/dokumente/quartalsberichte/2021/q4_25/Bundesbericht_GAmSi_202112_konsolidiert_Sonderbeilage_Cannabis.pdf
Source: Branchenverband Cannabiswirtscha e.V. (2021)



Source: BfArM, Prohibition Partners
The sales represent the consolidation of all the public insurers, which cover 90% of the German population (10% are assumed covered by private purchase) (https://www.jdsupra.com/legalnews/overview-german-legal-regime-concerning-23613/)

Medical cannabis imports to Germany

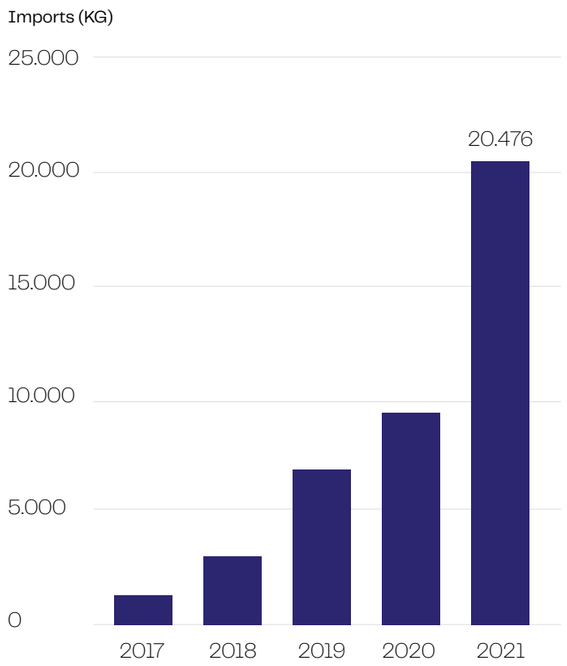


Source: BfArM, Prohibition Partners
Note: data covers both extracts and flower

The main product sold in Germany is dried cannabis flower, which in average are sold at a wholesale price of €9.52 (2021) per gram from the licensed distributors to the pharmacies. This makes up just over 1/3rd (37.8%) of the German market, as shown in the figure above. This is followed by isolates, which account for approximately 26% of the market, while authorized products and (especially) full spectrum extracts occupy more minor shares of the market.

Imports to Germany have been increasing steadily since the inception of the market in 2017, on average, almost doubling each year up to the end of 2021. The German government operates a relatively free system of licenses and product and import approvals, meaning any shortages that existed at the inception of the market have been overcome. Temporary shortages in product lines can also, in most cases, be substituted with another product of similar active ingredients and equal quality. The official statistics of the Federal Institute for Drugs and Medical Devices (BfArM) include some cannabis which is imported and subsequently re-exported but overall, it is clear that the trend is increasing.

Medical cannabis imports to Germany



BfArM & Bundestag

Denmark

The Danish market for medical cannabis is largely aimed at pain patients. It remains a small market and has been far from being able to realize its real potential – mostly due to the still very narrow and expensive product portfolio.

Medicinal cannabis in Denmark has for now reached approximately 7,560 patients with approximately 50,102 prescriptions (equal total revenue of approximately DKK 220 million) according to the reports for 2018-Q1-2022[7] . This has been covered by: The Pilot Programme; the magistrate scheme; approved medicine containing cannabis or cannabinoids, and medical cannabis medicine on a delivery permit.

In Denmark alone, approximately 1,300,000 people (over 18 year) suffer from chronic pain constantly or episodically, which is more than 20% of the total population. Examples of conditions are osteoarthritis and osteoporosis, but patients with MS (Multiple Sclerosis) and pain and nausea from chemotherapy can also count in this category. Among the 1,300,000 patients in Denmark suffering from chronic pain[8], there are at present approximately +500,000 patients being treated with strong opioids (i.e., fentanyl, morphine, and oxycodone). Medical cannabis can be used as a supplement – to reduce the use of strong opioids – to give patients a better quality of life as these strong opioids are very addictive and have strong negative side effects.

The DMA has prepared a guide for use by physicians when assessing the prescription of medical cannabis. Due to the limited knowledge of the individual products covered by the Pilot Programme, the guidance was written based on the general knowledge available on the effect of THC and CBD.

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. Neither the law nor the guidance for the Pilot Programme prevent physicians from prescribing medical cannabis to patients suffering from diseases other than those mentioned in the guide.

The indications (patient groups) have been selected by the DMA having read and evaluated the relevant scientific studies made worldwide to investigate the effect of medical cannabis. The specific products in the Pilot Programme have not necessarily been investigated, and the possible side effects in the short and long term are also not adequately mapped, which both the physician and the patient must be aware of and understand.

The relevant indications are: painful spasms due to multiple sclerosis; painful spasms due to spinal cord injury; nausea after chemotherapy, and 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 but has the right to do so.

On 1 January 2019, a special reimbursement scheme for medical cannabis was introduced under the medical cannabis Pilot Programme in Denmark. Citizens who have a terminal permit receive 100% in reimbursement. Other citizens receive 50% of the reimbursement for an annual consumption of medical cannabis that does not exceed DKK 20,000.

In addition to the already prescribed medicinal cannabis products, there are also the following data (2018) on pre-existing products (non-cannabis) sold as Rx-pharmaceuticals through the pharmacies in Denmark (patient groups covered by the Pilot Program).

In 2018, the pharmacies dispensed pharmaceuticals for approximately DKK 7.6 billion calculated in the pharmacy's purchase prices[9]. 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% of pharmacies' total Rx-pharmaceutical sales. The second most-traded group was pharmaceuticals for digestion and metabolism – including diabetes – which, with a turnover of DKK 1.3 billion, accounted for 18.9% of revenue measured.

In relation to patient groups associated with the Pilot Programme, these together represent a market value of approximately DKK 2 billion, based on Rx-pharmaceuticals sales in Denmark.

The shadow numbers

In the spring of 2019, seven patient associations[10] initiated a study aimed at mapping patients' attitudes to the use and experience of cannabis as a medicine. The report showed that the respondents were generally positive about cannabis use as a medicine. The majority states that it should only be prescribed by a physician. The report showed that the reasons for using cannabis among people who use or have used cannabis as a medicine are typically pain relief as the most frequent cause, while better sleep and being able to relax are the second and third most common cause. 78% of people who use or have used cannabis as a medicine use it daily or several times a day. The report showed that among those who use or have used cannabis as a medicine, 54% have experienced relief from pain, 44% have experienced better sleep, 40% have experienced improved calmness, while 22% have not experienced any effect. The report showed that 65% of respondents who use or have used cannabis as a medication have not experienced any negative effects. The most frequently cited negative effect of cannabis as a medicine is a dry mouth, which 10% of the respondents have experienced.

Due to the fact that the product portfolio for the Danish Pilot Programme continues to be narrow and limited, while physicians also continue to be uncooperative in relation to the prescription, due to their responsibility for side effects, and continued lack of clinical evidence for the products (medical cannabis), the report shows that among the people who use or have used cannabis as a medicine, 40% have bought it illegally on the internet and 25% have bought it illegally from a private seller. Of the respondents who use or have used cannabis as a medicine, only 21% have been prescribed (1 out of 5).

The associations behind this study believe that the most important thing for patients is safety and security, and that cannabis as a medicine is of high quality and prescribed by physicians who can follow effects and side effects. The study showed that many patients experiment on their own and use products that are purchased without a prescription and without any guarantee with respect to quality and content of potentially harmful substances. Furthermore, to support this, as a result of the lack of access to medical cannabis on prescription from a physician, people at University of Southern Denmark (SDU) and Forskerzonen (The Research Zone) have investigated the market for CBD oils and preparations (so called "dietary supplements") and alarming data have emerged, which shows that the unregulated supply is a lottery for the consumer/patient, where CBD oils sold as dietary supplements and not approved by the DMA are illegal. The investigation showed that 21 samples, corresponding to as much as 38 percent of the analyzed CBD oils, contain more than the permitted 0.2 percent THC. The table also showed that there may be a difference in the concentration of THC in the same product. It must therefore be concluded by this study that if you as a consumer or patient want to try CBD oil or CBD dietary supplements on your own body, you must be very careful. SDU's study shows that the acquisition of CBD oil is a pure lottery where you cannot be sure whether what you buy is uniform, harmful or illegal.

[7] https://www.esundhed.dk/Emner/Laegemidler/Medicinsk-Cannabis
[8] SmerteSagen (interest group)
[9] Danish Medicines Information (DLI) and calculations of The Association of Danish Pharmacies

[10] Patienters holdninger til og erfaringer med cannabis som medicin: En undersøgelse foretaget i et samarbejde mellem syv patientforeninger

The benefits with cannabis and cannabinoids

Cannabis-based medicines are increasingly being made available on a global level. There are a variety of strategies used to provide/dispense cannabis-based medicines to patients. A prescriber-pharmacy model, as opposed to 'cannabis dispensaries' or 'cannabis clinics', seems to provide patients with the highest quality of care (continuity of care and patient co-management). Given this, prescribers, pharmacists, and nurses will need to know how to engage in an effective exchange of information with their patients.

Cannabinoids have recently been introduced as a tool in the physician's 'toolbox'. Reflecting this current situation, cannabis-based medicines are currently not a first-line treatment. Indeed, often they are third-line treatments, prescribed when other options (available registered medicines) have been trialed and failed or where those medicines' side effects are unacceptable for patients.

Knowledge about the therapeutic potential of cannabinoids has greatly improved over the past decade, with an ever-increasing range of developments in human clinical applications. A growing body of scientific evidence supports the use of cannabinoid products for some therapeutic indications, whilst for others, the evidence base remains disputed.

Furthermore, cannabinoids elicit a range of clinical responses, some of which have no defined endpoint and make it difficult to measure changes in symptom control. Amongst the many publications about the usage of cannabinoids, three recent publications stand out as they thoroughly investigate the positive and negative aspects of cannabis-based medicines. These cornerstone publications include: The US National Academies of Sciences, Engineering and Medicine's (NASEM) 2017 comprehensive review on the health effects of cannabis and cannabinoids[11]; The European Pain Federation (EFIC) 2018 position paper on the appropriate use of cannabis-based medicines and medical cannabis for chronic pain management[12]; The British National Institute for Health and Clinical Excellence (NICE) 2019 guideline on cannabis based medicinal products[13].

[11] National Academies of Sciences, E., and Medicine., The health effects of cannabis and cannabinoids: The current state of evidence and recommendations for research. 2017, Washington, DC: The National Academies Press

[12] Häuser, W., et al., European Pain Federation (EFIC) position paper on appropriate use of cannabis-based medicines and medical cannabis for chronic pain management. Eur J Pain, 2018. 22(9): p. 1547-1564

[13] NICE., Cannabis-based medicinal products (NG144), in NICE guideline [NG144]. 2021, British National Institute for Health and Clinical Excellence (NICE): London. p. 1-28

Tables: summary of publications on the clinical utility of cannabis-based medicines and cannabinoids:

NASEM
The US National Academies of Sciences, Engineering and Medicine Review

NASEM concluded in 2017 there is substantial evidence that cannabis-based medicines are effective for the treatment of:

- Chronic pain in adults
- Chemotherapy-induced nausea and vomiting
- Spasticity symptoms in multiple sclerosis (patient-reported improvement)

Moderate evidence for:

- Improving short-term sleep outcomes in individuals with sleep disturbance associated with obstructive sleep apnea syndrome (OSAS)
- Fibromyalgia
- Chronic pain
- Multiple sclerosis

Limited evidence for:

- Increasing appetite and decreasing weight loss associated with HIV/AIDS
- Improving clinician-measured spasticity symptoms in multiple sclerosis
- Improving anxiety symptoms
- Improving symptoms of post-traumatic stress disorder (PTSD)

There was no evidence for: cancer therapy: cancer-associated anorexia/cachexia syndrome and anorexia nervosa; irritable bowel syndrome (IBS); epilepsy: spasticity in patients with paralysis due to spinal cord injury: amyotrophic lateral sclerosis (ALS): chorea, and certain neuropsychiatric symptoms associated with Huntington's disease; motor system symptoms associated with Parkinson's disease; dystonia; achieving abstinence in the use of addictive substances: and, mental health outcomes in individuals with schizophrenia or schizophreniform psychosis.

EFIC
The European Pain Federation

EFIC summarised the evidence in 2018 per pain diagnosis, and provides practical advice on safe prescribing, including:

- Cancer pain: nabiximols oromucosal spray (plant-derived THC/CBD) can be considered as part of an add-on individual therapeutic trial for cancer pain without sufficient relief from opioids or other established analgesics.
- Chronic neuropathic pain: cannabis-based medicines can be considered as third-line therapy for chronic neuropathic pain.
- Chronic non-neuropathic non-cancer pain: in exceptional cases, cannabis-based medicines can be considered as an individual therapeutic trial, if all established treatments have failed and after careful analyses and multidisciplinary assessment.

A pain diagnosis is summarised as chronic abdominal pain, chronic low back pain, Cohn's disease, fibromyalgia, headaches and rheumatoid arthritis. There is insufficient evidence for the use of cannabis-based medicines in non-neuropathic 'benign' pain.

NICE
The British National Institute for Health and Clinical Excellence Guideline

The NICE recommendations in 2019 focus on four fields of medicine where cannabis-based medicines are mainly prescribed:

- Intractable nausea and vomiting: consider nabilone (synthetic THC) as an add-on treatment for adults (above 18 years) with chemotherapy-induced nausea and vomiting, which persists with conventional antiemetics.
- Spasticity: offer a four-week trial of THC:CBD spray to treat moderate to severe spasticity in adults with multiple sclerosis if other pharmacological treatments are not effective. After the trial period, continue THC:CBD spray if the person has atleast a 20% reduction in spasticity related symptoms.
- Severe treatment-resistant epilepsy: canfab/dio) (CBD) with clobazam is recommended as an option for treating seizures associated with Lennx-Gastaut syndrome in patients aged 2 years and older, only if the frequency of drop seizures is checked every 6 months, and cannabidiol is stopped if the frequency has not fallen by at least 30% compared with the 6 months before starting treatment.
- Chronic pain: do not offer cannabis-based medicines (including nabilone, dronabinol, THC, THC/ CD and cannabidiol) to adult patients with chronic pain.

NICE 'allows' the prescription of cannabis-based medicines 'when there is an unmet clinical need'. In general, NICE uses strong wording around who should prescribe cannabis-based medicines: '...initial prescription of cannabis-based medicines must be issued by a doctor on the specialist register with a special interest in the condition being treated. For children and young patients, the initiating prescriber should also be a tertiary pediatric specialist.

In summary above, the three cornerstone publications conclude that cannabis-based medicines may be prescribed in spasticity due to multiple sclerosis, chemotherapy-induced nausea and vomiting, neuropathic pain conditions and treatment-resistant epilepsy with Dravet syndrome and/or Lennox-Gastaut Syndrome.

The current prescribing rates indicate cannabis-based medicine, as THC or THC:CBD, is used chiefly in the context of pain, oncology or palliative care. This is founded in that the possible clinical benefits traverse conditions as pain, nausea and vomiting, and enhance patients' well-being through appetite stimulation and sleep quality.

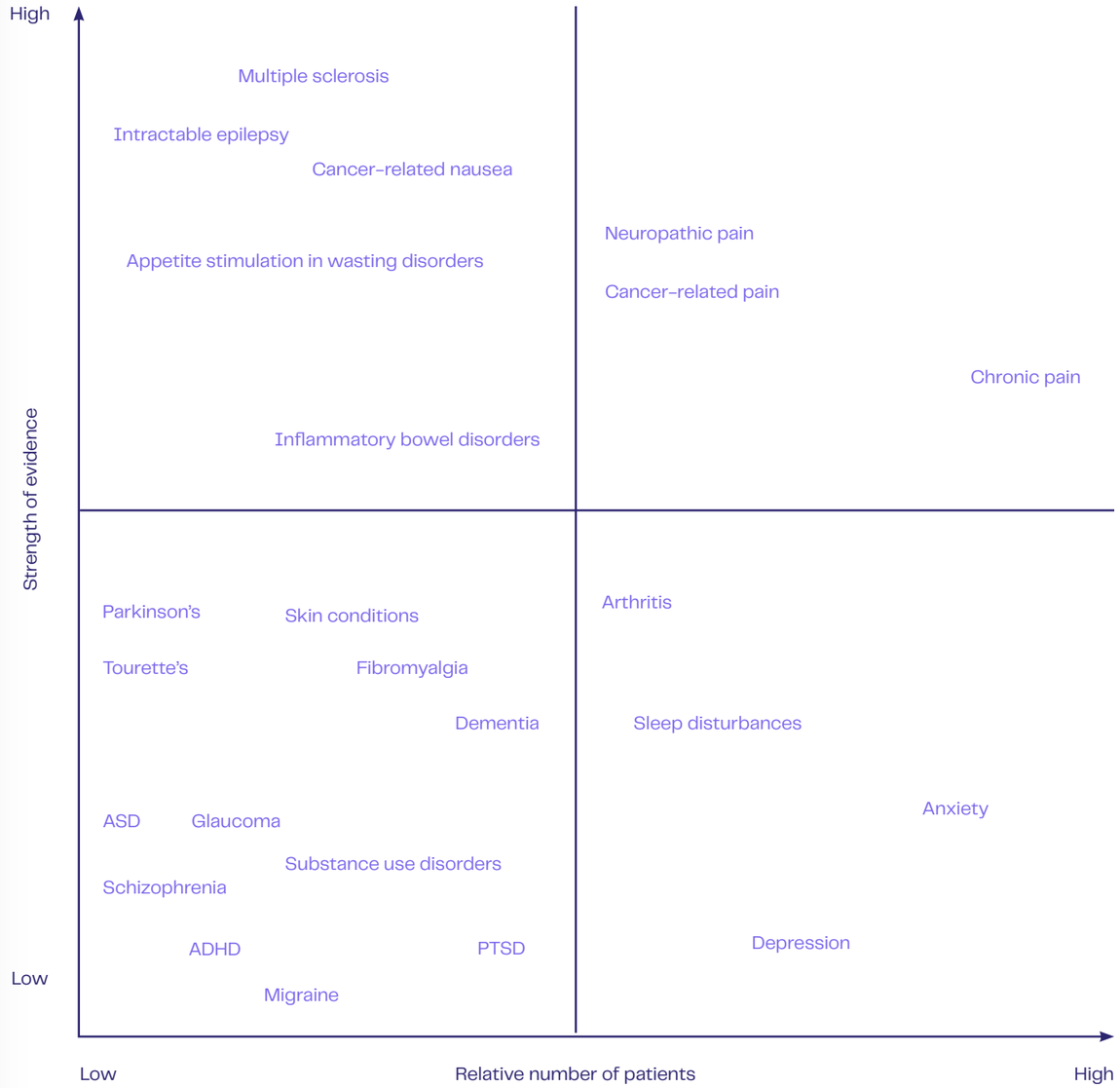
In this section below, there is provided a high-level summary of current developments using findings from recent major reviews, as well as real world evidence (RWE), including global database registries and other patient reported outcomes (PROs[14]). On the one hand, the strongest empirical data supports the use of cannabis-based medicinal products (CBMPs[15]) for conditions with relatively small patient numbers. Yet on the other hand, the conditions, where the highest patient numbers present, often have debatable clinical evidence but good RWE[16], incorporating PROs of 1000s of patients.

The discord between PROs and the respective strength of the evidence from randomized controlled trials (RCTs[17]) highlights the need for further research. The scientific literature examining the efficacy of cannabinoids for many conditions is still developing, whilst large numbers of patients globally have been successfully using medical cannabis to treat a broad range of conditions.

[14] PRO: Patient Reported Outcomes
[15] CBMP: Cannabis Based Medicinal Products
[16] Real-World Evidence (RWE) or Real-World Data (RWD)
[17] RCT: Randomised Controlled Trials

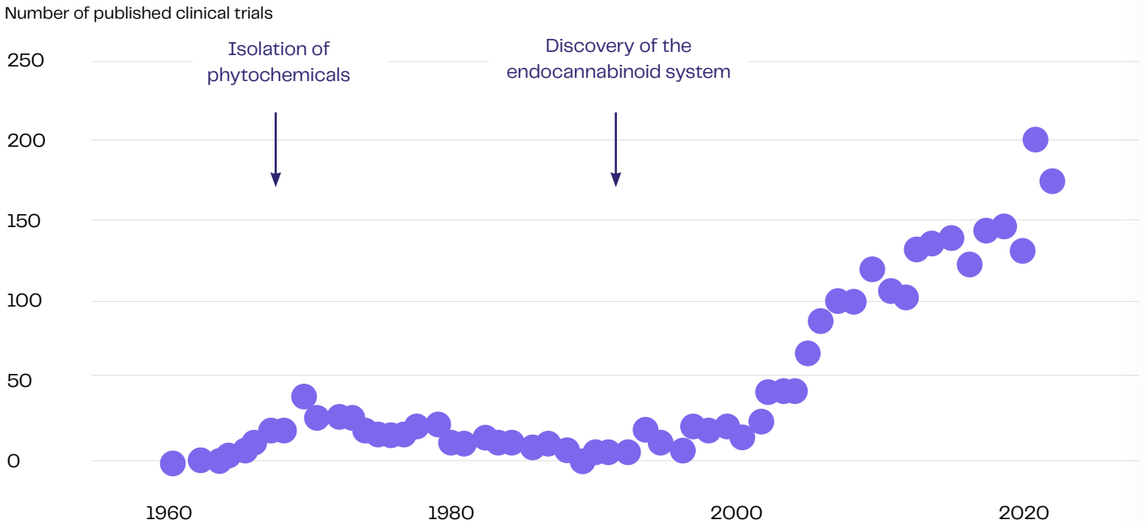
Current use of medical use of cannabis vs. evidence (patient use of medical cannabis by indication vs. level of existing evidence of efficacy from recent developments in human clinical applications and potential therapeutics):

Medical cannabis and cannabinioids



Source: Current controversies in medical cannabis: Recent developments in human clinical applications and potential therapeutics

Cannabis users have long reported therapeutic properties of the plant for a variety of conditions, some of which include the treatment of nausea, emesis, seizures, cancer, neurogenic diseases and pain control. Research has elucidated many cannabinoid pharmacodynamic and pharmacokinetic properties, expanding its potential use as a medical therapy. With the shift in legislature towards an acceptance of the medicinal use of cannabis and cannabinoids, further research has granted a better understanding of how cannabis and cannabinoids may provide therapeutic benefit to patients. Moreover, delineation of the molecular mechanisms by which these benefits are achieved has led to the ongoing development of pharmaceutical derivatives of cannabis which may offer targeted therapeutic benefit without associated adverse effects. In this relatively new field of pharmaceutical development, ongoing drug development promises benefit from an approach of targeted endocannabinoid receptor agonism for the management of chronic pain conditions.



Source: Current controversies in medical cannabis: Recent developments in human clinical applications and potential therapeutics and www.Clinicaltrials.gov

Note: The figure is based on clinical studies (phase 1 and forward) registered in the Clinical Trial database, where cannabidiol and tetrahydrocannabinol is used as an intervening medicine. The database contains both private and publicly funded clinical trials conducted worldwide. However, it should be noted that the database does not cover all clinical trials of cannabis and cannabinoids in the world.

Valuedrivers

Cannabis- and cannabinoids in therapeutic use impress in more key areas: strong growth rate, interest, and rising popularity – a strong combination for industry-related companies among the pioneers in Europe. Cannabis- and cannabinoids products are rapidly gaining acceptance in the public eye and at a federal government level.

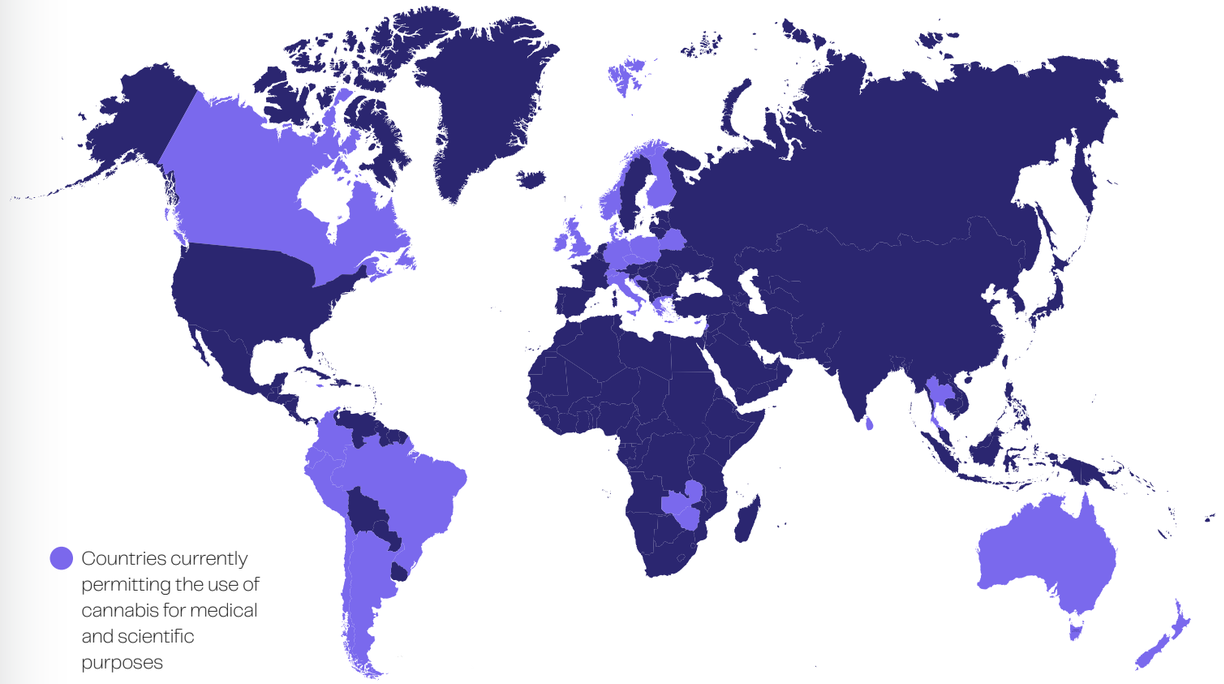
The use of cannabis and cannabinoids has been known back to our predecessors but is now experiencing more and more acceptance in the general population, both from a human perspective in the form of ordinary people as politicians, as well as opinion makers and scientists. The evidence for the use of cannabis and cannabinoids for therapeutic purposes is rapidly increasing, and so is the demand for the product, while the market is experiencing a shortage in terms of solid suppliers who can supply from batch-to-batch over time.

It is the Company's observation that if the products in the industry are to be made more accessible, it is needed to address the supply issues and obtain the data and evidence that is needed to enable the ends. This gives rise to an even greater optimism for the future of medicinal cannabis and cannabinoids. DanCann Pharma sees this new area of cannabis and cannabinoids as a great opportunity, and the Company believes it will develop and impact the future of many drugs and pharmaceuticals. Below are the three main key value drivers elaborated.

1. Demand and lack of access

Cannabis is highly stigmatized, even in 'cannabis-friendly' clinical environments. Among the medical field, there is a general perception that cannabis-based medicine became available by popular demand rather than through conventional medicine development. The recent and rapid re-introduction of cannabinoids to modern medical practice means there is still a lot to understand and discover. Nonetheless, cannabis-based medicines are now available on prescription in multiple countries. Prohibition Partners estimate that around €354 million worth of unlicensed medical cannabis will be sold in Europe 2022, and project this will grow to around €2.3 billion by 2026. In the long run, once all markets have implemented legislation and enacted an efficient market infrastructure, Prohibition Partners estimate that the European medicinal cannabis market could be worth up to €58 billion.

Countries currently permitting the use of cannabis for medical and scientific purposes



2. Data and evidence

The understanding of the endocannabinoid system, the cannabinoid receptors, endogenous and plant-derived cannabinoids continue to increase. In recent years there have been major developments in cultivation techniques, finished product quality and production controls, and safer modes of administration. Research now demonstrates that cannabinoids have therapeutic applications in certain conditions, and that cannabis-based medicines are now a potential therapeutic option.

In recent years, cannabis and cannabinoids-based pharmaceuticals have been approved for sale and made available. This has given physicians, in those countries which allow it, the option to prescribe evidence-based cannabis and cannabinoid-based pharmaceuticals. At present, the most widely (worldwide) available products are: Marinol® (AbbVie Inc) and Syndros® (Benuvia Therapeutics) which contain dronabinol, an isomer of THC; Cesamet® based on nabilone (Meda Pharmaceuticals Inc.), another synthetic cannabinoid; Sativex® (GW Pharma Ltd.), based on an ethanol extraction of cannabis sativa; and Epidiolex® (Greenwich Biosciences), which contains CBD.

In step with the increased efforts in the field of clinical evidence for cannabinoid-based treatment, Big Pharma has gradually come into force, which has otherwise acted under the radar, and recognized the promising results and that the potential exists. This we most recently saw through the acquisition where Pfizer bets on cannabinoids with the USD 6.7 billion acquisition of Arena Pharmaceuticals, and also through the agreement between Jazz Pharma and GW Pharma, where Jazz Pharma acquired GW Pharma for USD 7.2 billion, thereby adding cannabis- and cannabinoid-based drugs and pharmaceuticals to their portfolio in the form of Sativex and Epidiolex. GW Pharma's Epidiolex, the first FDA-authorized CBD medicine for treating children with Lennox-Gastaut and Dravet syndromes, generated sales of over USD 500 million for the UK-based company in 2020 prior to its acquisition in February 2021.

R&D on cannabinoids is achieving exciting results in the treatment application. For this reason, it is expected to see further involvement of pharmaceutical companies in the medicinal cannabis industry in the following years. DanCann Pharma and its management likewise expect to see more of these transactions in the future, where Big Pharma targeting the cannabinoid field, and understand its value as more and more companies are learning the benefits of cannabis and cannabinoids.

3. Change in regulations and the political climate

The world is currently experiencing a tremendously improved understanding of cannabis and cannabinoids, and an increased acceptance of it is ongoing, to the benefit of many patients. Cannabis- and cannabinoids in therapeutic use impress in more key areas: strong growth rate, interest, and rising popularity – an extremely powerful combination for industry-related companies among the pioneers in Europe, and a very strong combination that creates increased interest and makes the market significantly more attractive.

The treatment with medical cannabis has been known way back by our predecessors, but became seriously known as cannabis tinctures were widely used in Europe and the US to relieve pain in the 19th century. However, this was abruptly stopped when the "Single Convention on Narcotic Drugs" took place in 1961, which then became the end of the legal use of cannabis in signatories' countries.

Approximately 30 years later, in the 1990s, scientists discover the endocannabinoid system ("ECS") in humans and other mammals which is the kickstart of MoA[18] and PoC[19] medical and clinical research. Later in the 2010s, the world sees that scientific studies on cannabinoids are increasing, but substandard cannabis product quality, lack of dose consistency and of well powered randomized controlled clinical trial (RCT) continue to be hampered in terms of the adoption of medical cannabis by physicians and patients.
Over the next 10-15 years and in the early 2020s, the world is experiencing the first decade of prescription cannabinoids, where cannabis hits mainstream R&D with integrated drug discovery and FDA/EMA authorization, full clinical studies showing efficacy in relation to specific indications, which result in US and European Commission approval for the treatment of diseases for the first time in history.

At the end of 2021, the United Nations' commission reclassifies cannabis, no longer considered risky narcotic. 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, and furthermore, Denmark legalized its locale production of cannabis and cannabinoid products on a permanent basis, which ensures, and states, that the Danish governmental institution defines this a thing and business for the future.

Later, the world has seen further regulation take place, and not only in a perspective of therapeutic measures, but also on a more recreational basis. Among other things, including Germany's intention to legalize cannabis, which is considered to be a game changer for Europe. The intention from the new government of Germany is to legalize controlled sales of cannabis for adults for recreational purposes. The German government estimates that the state can earn EUR 4.7 billion annually on a legalization. Measured by population, Germany will be the largest country in the world to legalize cannabis – but not the first. Canada started a legalization process in 2018, and 18 states in the United States, as well as Uruguay have already legalized the sale and use of cannabis for recreational purposes.

The structure above addresses to the public interest in a mix of the political system and science that ultimately pushes for the right investments in the market, which enables a future market, that among other things, covers a European market worth up to EUR 58 billion, once all markets have implemented legislation and enacted an efficient market infrastructure, Prohibition Partners states. Cannabis and cannabinoids can potentially disrupt many diseases, and on a global level, where DanCann Pharma mainly has its focus on pain patients, which today is manly treated with opioids, counts a market value of USD 25.4 billion in 2018. The world is ready for a new treatment paradigm.

[18] MoA means "Mechanism of Action". In pharmacology, the term mechanism of action (MOA) refers to the specific biochemical interaction through which a drug substance produces its pharmacological effect. A mechanism of action usually includes mention of the specific molecular targets to which the drug binds, such as an enzyme or receptor.
[19] PoC means "Proof of Concept". PoC clinical studies are an early stage of clinical drug development, when a compound has shown potential for human therapeutic use, after preclinical animal models and early safety testing. This step often links Phase I (first in human) and dose-ranging Phase-II studies.

Competition

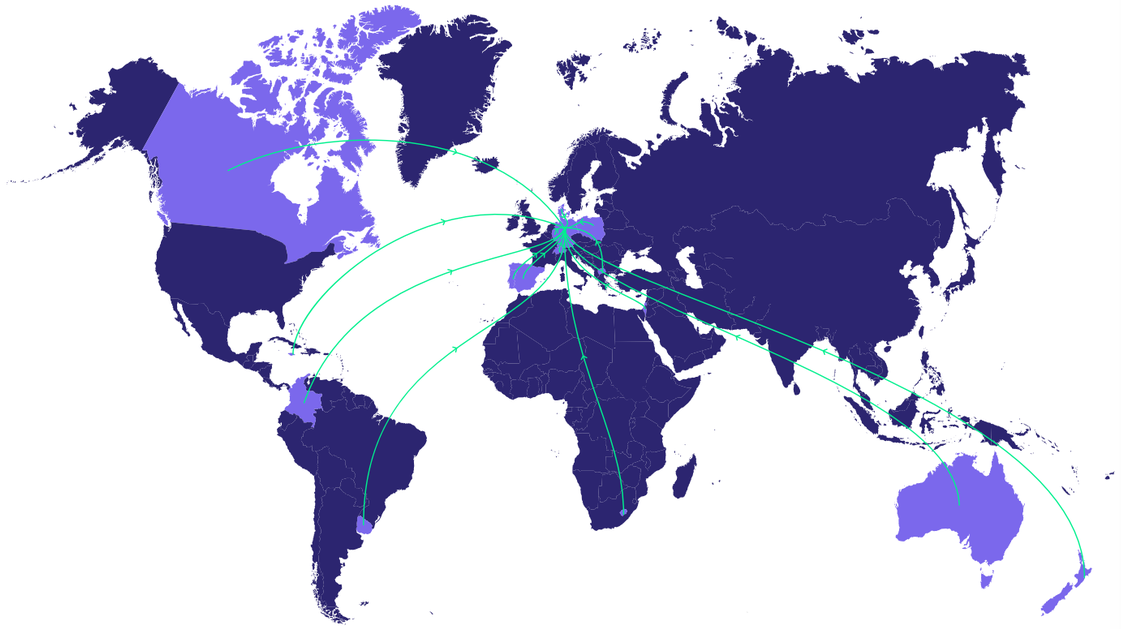
Since the establishment of the industry in Denmark back in late 2017, several companies across the country (DK) have been approved to cultivate and handle medical cannabis in Denmark (the Development Scheme), and hence, also under the Pilot Programme.

There is a significant difference between the capabilities, financial strengths, and strategy of the contenders. However, competition will emerge, and the market will mature and proliferate over the coming years. This is natural and positive.

When evaluating the competitive situation from a DanCann Pharma perspective, it is necessary to understand where and how each company defines its key focus. Most competitors are solely within the cultivation area that require significant capital investments.

Focusing on Germany, there is global competition, mainly dominated by Canada and Germany.

German imports of medical cannabis H1 2021



	Oil	Flower (KG)
Canda	116	2882
Netherlands	–	1989
Denmark	2	1730
Portugal	426	1157
Australia	262	485
Uruguay	–	358

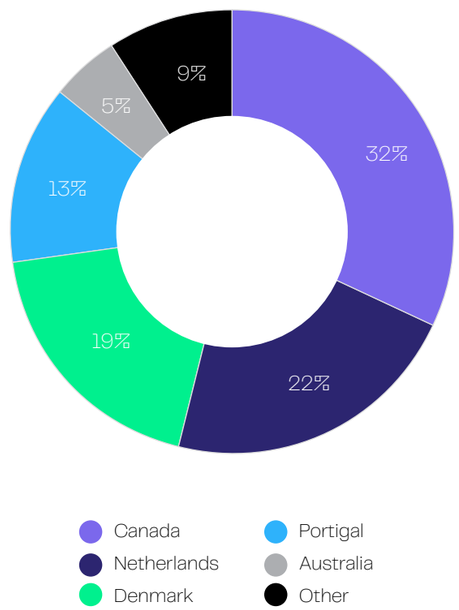
	Oil	Flower (KG)
Spain	13	165
Austria	–	142
Colombia	97	–
Irael	58	–
Poland	–	50
Jamaica, N. Macedonia, Malta, Switzerland, Lesotho, New Zealand	6	7

Source: German Ministry of Health, Prohibition Partners

Operators from an increasing number of countries around the world are now exporting to Germany and elsewhere in Europe. This includes locations as disparate as Uruguay, Australia and Denmark. In September 2021, the Health Ministry of Germany released data pertaining to the imports of medical cannabis per country. This showed, for the first time, the number of countries importing to Germany and the quantities of each. Seventeen countries are recorded as having exported medical cannabis to Germany throughout the course of the first half of 2021. While several countries only exported small quantities in these six months, the data still shows that the link in the supply network has been established and can be expected to grow in most cases. All medical cannabis in Germany must be EU-GMP compliant which legislates for a high standard for production and the testing of medicines. It takes time to construct the capabilities to produce at this level, and longer to obtain the certification via an inspector from the European Union (EU) or a proxy from domestic regulators.

Germany relies on imports of large volumes of medical cannabis products as there is a limitation on the amount national companies may produce. A large share of the products sold on the German market are imported from other European countries. Cannabis flowers produced by Danish companies make up 19% of German imports of cannabis flowers, as shown in the figure below.

German import of cannabis flowers



Source: Cannabis Business Industry Association e.V. (2021)

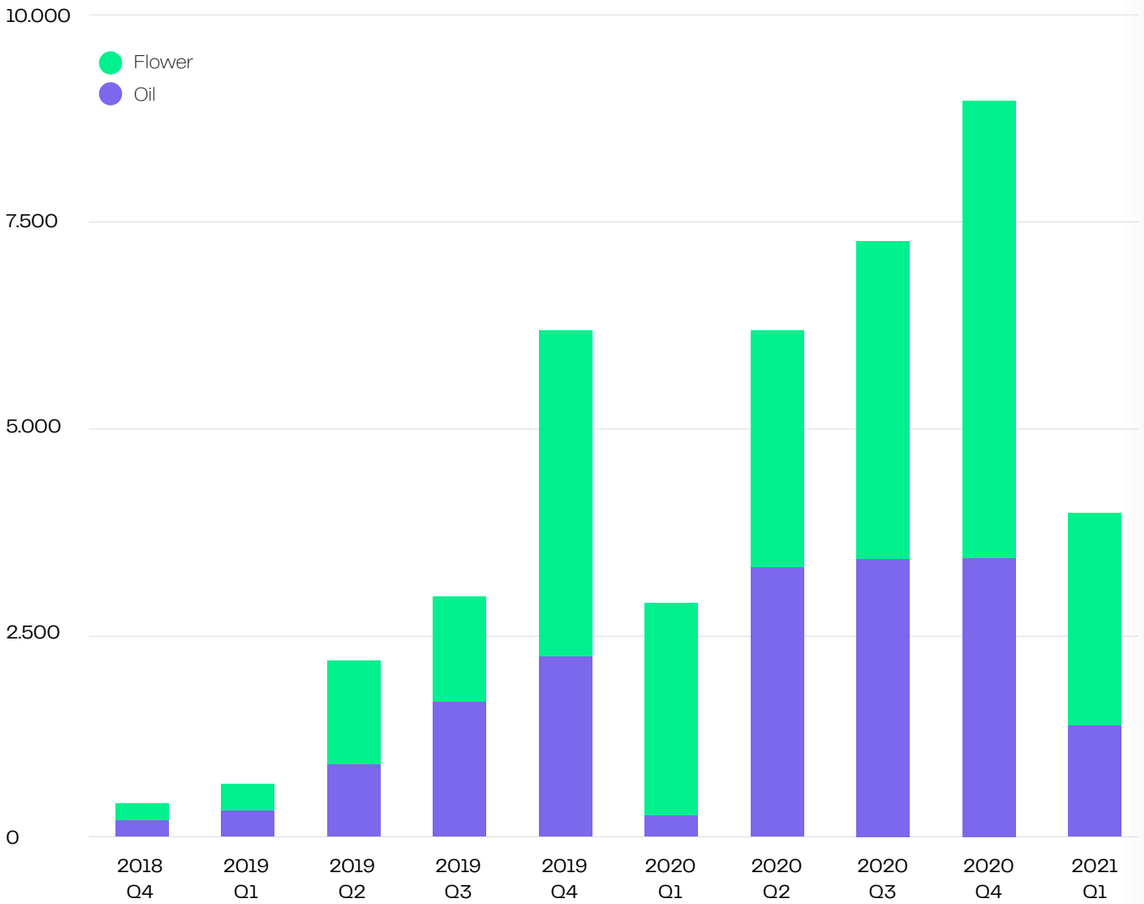
Canada

In 2021, there was the continuation of the decline of the duopoly over cannabis production held by Canada and the Netherlands, with the effects being visible in Europe more than anywhere else. These two countries were able to establish dominance in medical cannabis distribution mostly by virtue of having legalized medical cannabis a decade or so before other competing regions. This meant that producers like Tilray in Canada and the sole producer in the Netherlands, Bedrocan, had the opportunity to develop robust production systems. Aspects of these systems include producing consistent genotypes and phenotypes in proprietary plant strains; large-scale production sites with efficient and compliant procedures and the reputation with regulators that comes from repeated passing of audits and spot tests.

However, medical cannabis is now legal in many more countries around the world, and the lessons learned in early markets are being passed on to the new markets to enable producers to achieve scaled and compliant production in shorter and shorter time periods.

Canada is the single largest exporter of medical cannabis in the world and will remain so for the foreseeable future. Canada operates a free-market model for licensing and production in the country. Many states in the United States operate similarly open policies to production licensing for medical cannabis, but the illicit status of cannabis at the federal level means none can be exported in the same way that Canadian production can.

Exports (KG)



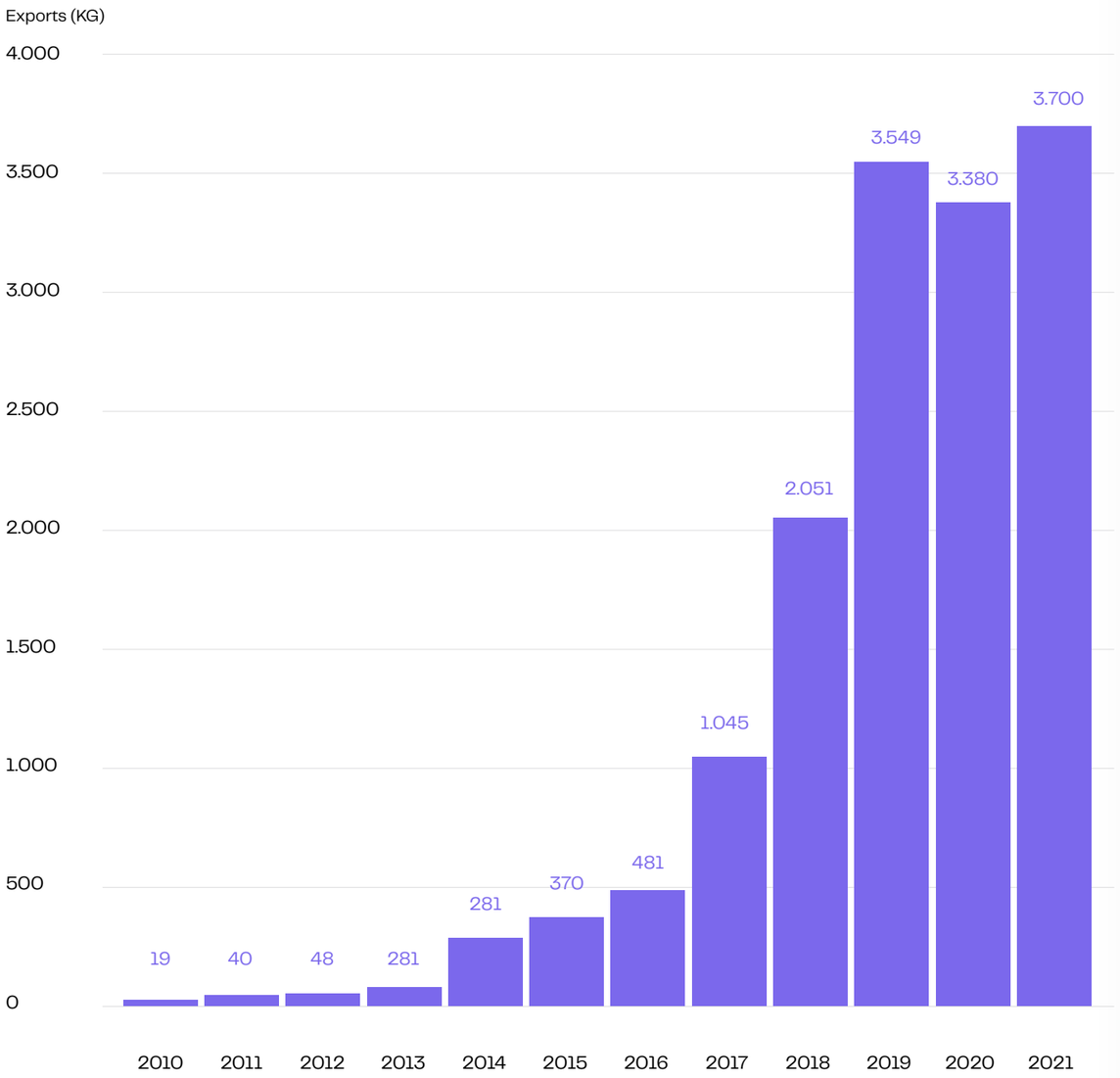
Source: Health Canada, Prohibition Partners

We work passionately to improve the quality of life for patients with challenges and their relatives.

Netherlands, Bedrocan

However, similar to the Netherlands, the threat of foreign production and the increasing trend for domestic production means that the growth seen up to 2021 may not continue. Already, 2021 was a slow quarter for the export of medical cannabis.

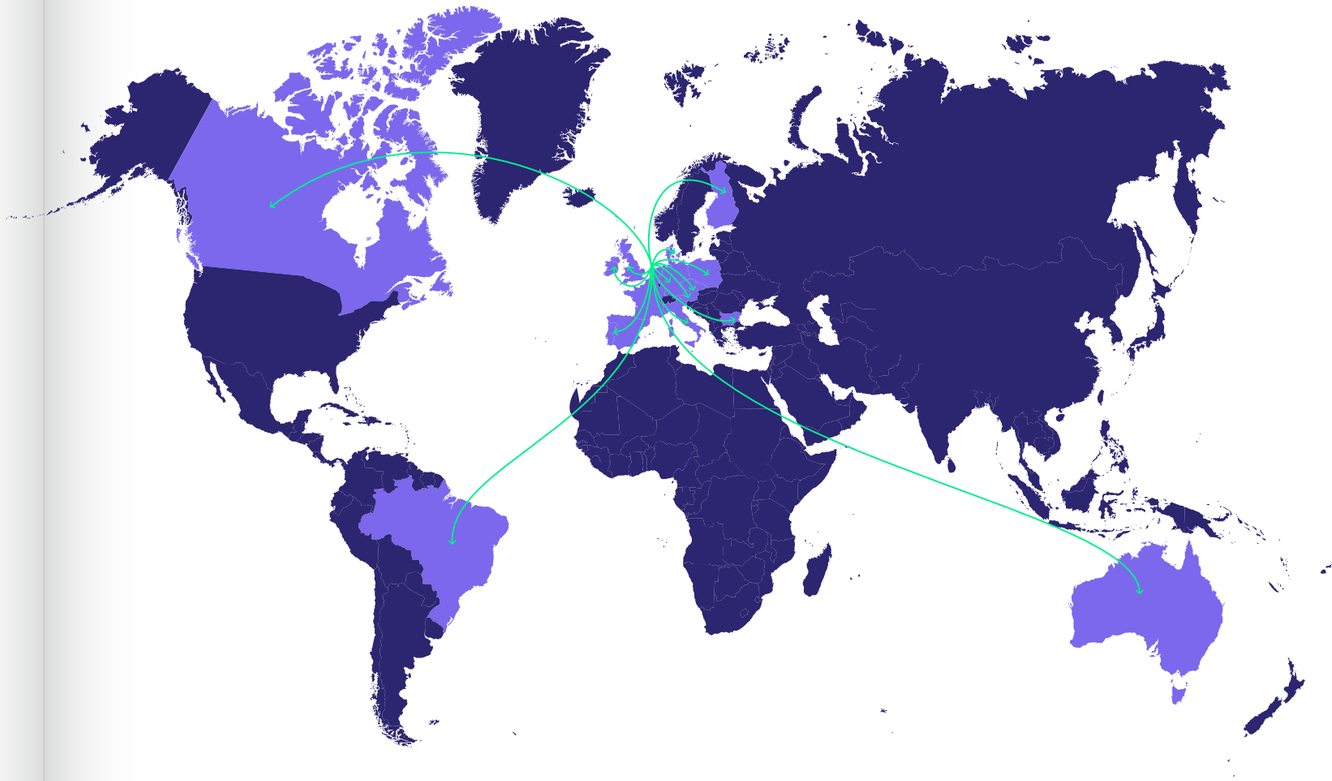
Exports of Dutch medical cannabis flower:



Source: OMC, Prohibition Partners

For now, the Netherlands remains the second most prolific exporter of medical cannabis in the world behind Canada, exporting to at least 14 countries as of mid-2021, with smaller shipments to many other countries for individual patients and research purposes. In 2020, 65% of exported Dutch flower was sent to Germany, with the possibility that more was sent via other countries.

Location of medical cannabis exports from the Netherlands as of 2021:



Source: Dutch Parliament (2021), Prohibition Partners

Risk factors

Several risk factors can have a potential effect on the operations of DanCann Pharma. There are risks pertaining to the specific, as well as risks with no specific connection with DanCann Pharma, but that may impact the industry and market in which the Company operates. Therefore, it is of great importance to consider the material risks associated with the future development of the Company and its shares. Material risk factors are described below without claiming to be exhaustive. For natural reasons, it is not possible to assess all risk factors without a combined evaluation of other information in the Prospectus, along with a general assessment. The risk factors include an assessment of the probability of the occurrence of the risk and the extent of its negative impact on the Company listed as high, moderate to low. For each category, the most significant risks are mentioned first in accordance with the Company's assessment, taking into account the extent of the negative impact on the Company and the likelihood of the risks occurring.

RISKS SPECIFIC AND MATERIAL TO THE COMPANY'S OPERATIONS

Clinical trials and studies

Clinical trials and the pharmaceutical industry are associated with uncertainty. Since cannabis and cannabinoids is a new medical field with a history of previous stigmatization, there is a lack of previous adequate data and research in the area. This fact makes it difficult to predict the outcome of clinical trials and studies as well as the likelihood of success.

The uncertainty is largely connected to the risks related to delays in certain processes and the outcome of the results. There is a risk that the results from DanCann Pharma's partners and its clinical trials do not match the results in more extensive ongoing trials of the productWW portfolio and pipeline, which thus indicates insufficient safety and efficiency. This could affect the Company's ability to launch its pharmaceutical products. In addition, it could lead to delayed launches of the Company's products, which would affect DanCann Pharma's ability to generate income and thereby harming the financial position of the Company for a period of time. Therefore, there is a risk that the potential outcome of the clinical trials could be undesirable, which could mean that DanCann Pharma and its partners need to reconsider the formulation and design of the products.

A part of DanCann Pharma's business is to conduct the clinical trials and studies through partnership. As for now, DanCann Pharma has two candidates in phase two studies and there is a risk that these candidates will not make it through all trial phases. The Company invests money and time in these clinical trials and studies and if the candidates are not finally approved, they will mainly constitute a cost for the Company and consequently not contribute to DanCann Pharma's ability to generate income in the future.

DanCann Pharma assesses the likelihood of the risk occurring as medium. If the risk should materialise, DanCann Pharma considers the potential negative impact to be high.

Financing and capital needs

DanCann Pharma is not profitable and has incurred losses every year since its formation and the financial year 2021 was the first year the Company had revenue. DanCann Pharma's future plans carry significant costs for DanCann Pharma. If DanCann Pharma does not receive at least approximately DKK 12 million in the Issue of Units (approximately 42 percent of the Offer) and all alternative financing opportunities fail, there is a risk that DanCann Pharma will have to revise the development plans significantly, which consequently may delay or temporarily halt the developments of DanCann Pharma's operation.

There is a risk that delays in DanCann Pharma's clinical trials, controlled studies, and/or or product developments, will result in a delayed market breakthrough and consequently cash flow being generated later than expected. Delaying market breakthroughs in emerging markets could result in lower revenue for the Company, which may mean that the Company's breakeven will be generated later than planned. Consequently, there is a risk that DanCann Pharma's targets regarding the market penetration and sales will not be achieved within the determined timeframe and that it takes longer than planned to reach the determined milestones.

DanCann Pharma may have a need for additional capital in the future and there is a risk that such capital cannot be raised (please see the section "Working capital statement"). In the long run, there is a risk that, if all financing options fail, the Company goes bankrupt. Thus, there is a risk that investors lose their entire investment in the Company in the event that the Company goes bankrupt.

DanCann Pharma assesses the likelihood of the risk occurring as medium. If the risk should materialise, DanCann Pharma considers the potential negative impact to be high.

DANCANN PHARMA PROSPECTUS OCTOBER 2022

Revolutionizing health and quality of life for patients and relatives.

DanCann Pharma

Final permission(s) and approval(s) from the DanishMedicine Agency

Due to the date of the Prospectus approval, DanCann Pharma does not have all the necessary licenses needed to realize its business. To be able to promote and sell medical cannabis, permissions must be obtained from the Danish Medicine Agency (DMA). DanCann Pharma is licensed under the Development Scheme (please see the definition under the section "Definitions"), from which DanCann Pharma can develop its production facilities, procedures, and its cultivation and production of medical cannabis. However, in order to import and/or produce medical cannabis that will be available for prescription, DanCann Pharma must be licensed under the Pilot Programme (please see the definition under the section "Definitions").

DanCann Pharma intends to obtain license under the Pilot Programme and to develop its business with facilities for manufacturing of medical cannabis. Further, DanCann Pharma's manufactured products must undergo an approval process by the DMA before sales and/or exports can begin. There is a risk that DanCann Pharma will not receive the necessary permits from the DMA without adjusting the application and/or the Company's manufactured products. If adjustments are needed, it will mean that the permit process will be delayed and become more expensive. This poses a risk to Company's ability to generate revenue, which would adversely affect the Company's earnings and financial position. In a worst case scenario, the Company may not receive the necessary permissions and approvals, which would have material negative effect on the Company's ability to generate revenue and could lead to the Company being unable to conduct its planned operations.
DanCann Pharma assesses the likelihood of the risk occurring as low. If the risk should materialise, DanCann Pharma considers the potential negative impact to be high.

Market growth, market penetration and marketing

DanCann Pharma is planning to expand strongly over the coming years, firstly by increasing market shares in the Company's domestic country (Denmark), and secondly by establishing itself in new countries and regions. The planned expansion is strongly linked with the Company's planned focus on retrieving market shares through marketing activities in new countries and regions. Also, and in accordance with the Company's strategy of expanding its market shares, the Company aims to finalize distributor agreements outside of Denmark.

In order to achieve these ambitions, the Company is relying on generating an increase in demand for the Company's products. The increase in demand is connected to a successful marketing strategy. However, there is no guarantee that any of the Company's marketing activities will generate an increase in demand and if the achieved market shares are not in line with the Company's expectations, this may result in a lower degree of market penetration, which in turn can result in lower revenues than expected. In such a scenario, the following establishments in other countries and regions may be delayed and thereby result in a loss of income.

An establishment in new countries may lead to problems and risks that are difficult to predict, for example, unforeseen costs. To establish the Company in other countries, various permits will be required to be allowed to sell, distribute, and market its products. There is a risk that DanCann Pharma will not receive the necessary permits or that the process of obtaining these permits will be delayed, which will mean that the establishments may be delayed and thus lead to a drop in revenue as well as a delayed market penetration in the country in question.

Rapid growth may also mean that DanCann Pharma makes acquisitions of other companies. Lack of synergies and less successful integration work of acquired companies can adversely affect DanCann Pharma's operations and profit. Rapid growth can also lead to problems at the organizational level. In addition, it may be difficult to recruit enough competent staff as the business grows and it can also be difficult to achieve a successful integration of new staff in the Company's organisation.

There is also a risk that the expected European market growth for medical cannabis will not materialise, which affects DanCann Pharma's revenue opportunities, as the medical cannabis growth projection constitutes a significant percentage of the total predicted European expenditure for medicines.

DanCann Pharma assesses the likelihood of the risk occurring as medium. If the risk should materialise, DanCann Pharma considers the potential negative impact to be medium.

Competitors

Some of DanCann Pharma's competitors and potential future competitors are multinational companies with large financial resources. There is a risk that there is widespread investment and product development from one or more competitors, which could result in a deterioration in sales or a deterioration in revenue opportunities for DanCann Pharma, as competitors can develop products that outperform the Company's products and thereby gain market share. In addition, companies with global activities currently operating in nearby areas may decide to establish businesses within DanCann Pharma's business area.

Companies that compete with DanCann Pharma is, among others, Aurora Nordic Cannabis ApS, Little Green Pharma Denmark ApS, and StenoCare A/S. These competitors are licensed under the Pilot Programme. The competitors are comparable to DanCann Pharma, since they produce, sell, and export medical cannabis products to the European market.

An increase in demand for products containing cannabinoids can also generate a greater number of market players, i.e., future competitors for the Company. There is a risk that increased competition will lead to negative sales and revenue as well as consequences for DanCann Pharma in case competitors develop products with better function and/or better quality.

DanCann Pharma assesses the likelihood of the risk occurring as medium. If the risk should materialise, DanCann Pharma considers the potential negative impact to be medium.

Prices

DanCann Pharma's products are based on cannabis flowers and the price of the cannabis flowers is determined based on supply and demand in a fluctuating market and the price of cannabis flowers affects the Company's product margins. If the demand for cannabis flowers increases, or the supply decreases, there is a risk that DanCann Pharma's margins will decrease if the Company is not able to compensate through adjustment of prices towards purchasers of the Company's products.

Market prices of medical cannabis are expected to fall over time as the supply increases due to, for example, (i) the legalization of the manufacturing process or (ii) sale and/or export of medical cannabis in other countries, especially in countries where it would be less expensive to produce medical cannabis. There is risk that this development is realized faster than anticipated with decreasing margins for DanCann Pharma as a result. Ultimately, this might negatively affect DanCann Pharma's profitability and revenues.

Since DanCann Pharma operates in a new and emerging new market (medical cannabis), there is a risk that initial higher margins cannot be sustained over time.

DanCann Pharma assesses the likelihood of the risk occurring as medium. If the risk should materialise, DanCann Pharma considers the potential negative impact to be medium.

Changes in the regulations and the political climate

DanCann Pharma operates within the new pharmaceutical area of cannabis and cannabinoids, which may be considered unknown and controversial. The potential controversial aspects of this business area come with a constant risk of changes in the political climate and associated regulations. In recent years, the acceptance of cannabis and cannabinoids within the pharmaceutical area has increased in Europe and other parts of the world, but this could change.

In Denmark there is currently a legal and political acceptance of cannabis and cannabinoids within the pharmaceutical area, given the Development Scheme and the Pilot Program. However, there is a risk that such acceptance significantly decreases due to various reasons, e.g., swings in the public opinion causing a demand for political interference. This could result in the Development Scheme and the Pilot Program being abandoned or the requirements for such scheme/program being substantially increased. A similar risk aspect could be applied to the market worldwide.

Furthermore, the Pilot Programme for prescription is once again on a 4-year trial period and is still to be made permanent. If the Pilot Programme for prescription are not extended or made permanent, DanCann Pharma's possibility of continuing/initiating parts of its business will decrease materially, and there is a material risk that DanCann Pharma's earnings and financial position will be adversely affected.

Regulatory reforms or changes in the political situation and standpoint regarding cannabinoids, either in Denmark, within the EU, or globally, may therefore affect the operations of the Company. In a worst-case scenario, the manufacturing, sale and/or export of medical cannabis is prohibited due to changed political views. This could in its turn lead to the Company not being able to continue its operations.

Since cannabis and cannabinoids is new medical field, there may be changes to the regulatory requirements placed on the Company and its partners as the field develops and more research is conducted. Such changes will likely affect the Company's ability to meet regulatory requirements in the future. Thus, there is also a risk that DanCann Pharma, directly or via its collaborative partners, will not receive the necessary permits and registrations with the governmental authorities due to changed regulatory requirements. Thus, there is a risk that DanCann Pharma, directly or through partners, will need to adjust its business to meet new requirements, which will entail costs for the Company.

In the event DanCann Pharma, directly or via collaborative partners, fails to obtain the requisite permits and registrations from the governmental authorities, there is a risk that the Company's ability to generate revenue will be inhibited and its financial position be adversely affected. There is also a risk that observations and feedback on the Company's partners proposed plans for planned upcoming studies and clinical trials will result in delays and/or increased costs for the Company hereby.

DanCann Pharma assesses the likelihood of the risk occurring as low. If the risk should materialise, DanCann Pharma considers the potential negative impact to be medium.

Covid-19 and potential future pandemics

There is a risk that DanCann Pharma's ongoing or future clinical trials, development, and/or production of already existing and future products may not be possible to conduct or will be delayed due to covid-19 and potential future pandemics, which may lead to a failure in achieving the Company's financial and operational objectives. Any delays, effect on product demands, and/or social interference may result in increased costs for the Company or loss of revenue, which by extension may adversely affect the Company's earnings, capital, and financial position.

During certain stages of the covid-19 pandemic when restrictions applied, it was difficult for DanCann Pharma and its partners to recruit test patients for their clinical trials and to carry out the studies as such. At various stages of the covid-19 pandemic, it was also difficult for DanCann Pharma to conduct parts of its business due to the restrictions. The covid-19 pandemic also meant that deliveries to and from the Company were significantly delayed. In the event restrictions are introduced again due to covid-19 or another pandemic, it would entail a risk that DanCann Pharma would be exposed to similar or worse challenges than those now mentioned.

DanCann Pharma assesses the likelihood of the risk occurring as low. If the risk should materialise, DanCann Pharma considers the potential negative impact to be medium.

Key employees and employees

DanCann Pharma relies on key people to execute its business plan and maintain permits. As of the Prospectus Date, DanCann Pharma's key employees consist of the Chief Executive Officer Jeppe Krog Rasmussen, the Chief Executive Officer of CannGros Louise Conradsen, and the Chief Operating Officer Sarah Mai Lykke-Kjeldsen. There is a risk that a loss of one or more key employees would have adverse consequences for DanCann Pharma's business operations and its financial results. There is a risk that DanCann Pharma will need to recruit staff to replace key employees, which could be a costly process, both in terms of time and money. There is a risk that DanCann Pharma's costs will increase as a result hereof.

There is also a risk that DanCann Pharma will not be able to replace staff, since production of Medical Cannabis requires a particular set of skills and knowledge, which would affect the Company's business operations.

DanCann Pharma assesses the likelihood of the risk occurring as low. If the risk should materialise, DanCann Pharma considers the potential negative impact to be medium.

Partners

DanCann Pharma currently has, and will in the future have, the intention to enter into additional partnerships. Partnerships are essential for DanCann Pharma, as well as in the medical cannabis industry generally, in terms of sales, new

products, pipeline, market penetration, etc. There is a risk that one or more partners will choose to end their partnership with DanCann Pharma, which could have a negative impact on the Company's business. There is also a risk that partners of DanCann Pharma do not fully meet the quality or regulatory requirements imposed by DanCann Pharma or the legislator. Lack of quality in service information to customers could lead to decreased trust in the Company and thus lost opportunities for selling the products and generating revenues. In addition, the establishment of new partnerships can be more expensive and/or may take longer than DanCann Pharma estimates.

DanCann Pharma assesses the likelihood of the risk occurring as low. If the risk should materialise, DanCann Pharma considers the potential negative impact to be medium.

Unauthorized disclosure of know-how

The risk of unauthorized disclosure of information is present in the medical industry, which involve a risk that competitors may receive information about DanCann Pharma's developed know-how. There is a risk that DanCann Pharma's competitors could use such information to further develop their own products and DanCann Pharma could therefore face increased competition, which may adversely affect DanCann Pharma's business activities, financial position, and results.

DanCann Pharma assesses the likelihood of the risk occurring as low. If the risk should materialise, DanCann Pharma considers the potential negative impact to be medium.

RISKS SPECIFIC AND MATERIAL TO THE COMPANY'S SECURITIES AND THE ISSUE

Share price development, volatility, and liquidity

Existing and prospective shareholders should consider that an investment in DanCann Pharma is associated with risks and that it cannot be predicted whether the share price will have a positive development. This entails a risk that an investor may lose all or part of their invested capital in the Company. DanCann Pharma's share price has historically been volatile and may continue to fluctuate as a result of, among other things, revenues variations in the Company's quarterly reports, the general economic situation, and changes in the stock market's interest in DanCann Pharma and its shares. Limited liquidity in the shares can also contribute to amplify such fluctuations in the share price.

Average turnover per trading day in DanCann Pharma's share during the period 1 January – 31 August 2022 amounted to 315,142.2 DKK. Average closing price per trading day in DanCann Pharma's share during the same period amounted to 3,45 DKK per share, with the lowest closing price amounting to 1.00 DKK per share and the highest closing price amounting to 6.78 DKK per share.

The share price may be affected by factors that are wholly or partly outside DanCann Pharma's control. An investment in DanCann Pharma should therefore be preceded by a careful analysis of the Company, its competitors, general information about the industry, the general economic situation, and other relevant information. There is a risk that shares in the Company cannot be sold to a price acceptable to the shareholder at any given time.

DanCann Pharma assesses the likelihood of the risk occurring as high. If the risk should materialise, DanCann Pharma considers the potential negative impact to be medium.

Warrants

In the Issue of Units, the instrument consists of so-called units, each of which consists of ten (10) New Shares and six (6) New Warrants. Each New Warrant entails a right to subscribe for a newly issued share in the Company at a predetermined price under a certain period in the future. The New Warrants can be transferred and are intended to be admitted to trading on Spotlight.

The price development of the Company's shares may affect the trading with the New Warrants. The New Warrants only have a value if the subscription price for the newly issued shares in the future is less than the market price of the Company's shares at the time of subscription. This means that the probability that the New Warrants may lose their entire value is greater than, for example, shares in the Company. There is thus a risk that the New Warrants will not increase in value or that they do not represent a value at the time they expire. There is also a risk that the liquidity in the trading of these New Warrants is not good enough for them to be sold on terms satisfactory to the holders.

If the subscription price exceeds the market price of the Company's shares at the time of subscription, there is a risk that the New Warrants will not be exercised, which would mean that the DanCann Pharma will not receive additional capital and would affect the Company's financial situation.

DanCann Pharma assesses the likelihood of the risk occurring as medium. If the risk should materialise, DanCann Pharma considers the potential negative impact to be high.

Psychological factors

There is a risk that the securities market is affected by physical factors, such as trends, rumours, and reactions to news and events, which are not directly related to the business of the Company. Since DanCann Pharma is operating in the field of medical cannabis, that, in some cases, are affected by relatively large number of factors, such as political, ethical, and regulatory, the Company may be exposed to a greater degree of risk and thus becoming a victim of trends and rumours that may potentially generate greater psychological vulnerability for the Company. In other words, there is a risk that DanCann Pharma is more exposed to peoples' general line of opinion, trends, and rumours than companies operating in more traditional business areas.

There is a risk that psychological factors and its subsequent effects on price developments will adversely affect the market price of the DanCann Pharma's Shares. A lower share price may cause difficulties for the Company to raise additional capital on favourable terms in the future.

The Company's share price may thus be increasingly affected to a greater extent due psychological factors than securities in companies that are also admitted to trading but operates in more traditional business areas.

DanCann Pharma assesses the likelihood of the risk occurring as high. If the risk should materialise, DanCann Pharma considers the potential negative impact to be medium.

Future issues of new shares and stock dilution

In the future, DanCann Pharma may raise additional capital by deciding on an issue of new shares or other securities. Issues of new shares may have a negative effect on the shares' market price. Additional issues may also risk decrease the shareholders' ownership percentage in the Company (stock dilution).

In the event that an issue is carried out with preferential rights for Existing Shareholders, shareholders are given the opportunity to defend themselves against stock dilution by subscribing for additional securities, which, however, presupposes additional investment in the Company. However, there is a risk that an issue is made without preferential rights for Existing Shareholders, which means that the shareholders have no opportunity to protect themselves against stock dilution.

The Company may finance its planned expansion with issues of new shares, either carried out with or without preferential rights for Existing Shareholder. This entails a risk of stock dilution in the same way as described above.

DanCann Pharma assesses the likelihood of the risk occurring as medium. If the risk should materialise, DanCann Pharma considers the potential negative impact to be medium.

Sales of shares from executive management

The Chief Executive Officer of DanCann Pharma has indirectly through his holding company Xignotus Capital ApS undertaken, through a lock-up commitment, not to sell any shares in the Company up to and including 31 December 2024, more described under the section "Lock-up agreements". In the long term, there is a risk that the Chief Executive Officer sell part or all of his shares after the lock-up period. Any such sale may have a negative impact on DanCann Pharma's share price. DanCann Pharma assesses the likelihood of the risk occurring as low. If the risk should materialise, DanCann Pharma considers the potential negative impact to be high.

Terms and conditions for the securities

Issuer

DanCann Pharma with the corporate registration number (In Danish CVR-no) 39 42 60 05 and LEI code 549300KLXQ6I-C2YUUB58.

Resolutions, authorisations, and approvals

On 21st October 2022, the Board of Directors resolved, based on an authorization from the Extraordinary General Meeting on 20th September, to carry out the Issue of Units consisting of maximum 4,774,714 units with preferential rights for Existing Shareholders. Each Unit consisting of ten (10) New Shares and six (6) New Warrants.

Information concerning the securities to be offered

In this Prospectus, the Company offers units, each consisting of ten (10) New Shares and six (6) New Warrants in the Company. The Offer consists of a maximum 4,744,714 units with a price of DKK 6.00 per unit. The Offer consists of a maximum of 28,468,284 New Warrants, each granting the right to subscribe for one (1) share in the Company. All shares belong to the same share class and carry the same rights. With a subscription of the maximum number of units in the Offer, the Company's share capital will increase from DKK 1,067,560.8375 to DKK 2,846,828.5875, and the number of shares will increase from 28,468,289 to 76,915,429. With a subscription of the maximum number of units in the Offer, the issue proceeds to be received by the Company (excluding any costs in relation to the Offer) will amount to approximately DKK 1–34.2 million. If all the New Warrants are exercised, the share capital will increase with an additional DKK 1,067,560.65.

The New Shares will, just as all Existing Shares, be traded under the International Security Identification Number (ISIN DK0061410487 on Spotlight under the code/ticker "DANCAN". The shares will have CFI code ESVUFN and FISN code DanCann Pharma AS/-. The New Warrants will be traded under the International Security Identification Number (ISIN) DK0061927266 on Spotlight under "DanCann Pharma A/S Warrant", and the warrants will have CFI code RWSTCB and FISN code DanCann Pharma A/S Warrant.

The New Shares and the New Warrants are issued according to the Danish Companies Act (no. 763 of 23/07/2019) and the Company's Articles of Association as of the date of this Prospectus. The Company is, moreover, subject to general Danish legislation, including Regulation (EU) 2017/1129 and the Danish Act on Capital Markets (no. 377 of 02/04- 2020). Due to its listing on Spotlight, the Company is also bound to the obligations set out in the applicable Spotlight Regulations, including its Danish Supplement. Such obligations include, but are not limited to, complying with disclosure and information requirements on the Swedish Securities market and the Danish Securities market. Through its listing on Spotlight, the Company may also be subject to Swedish self-regulation, which implies takeover rules and recommendations on

directed issues, while the Swedish Securities Council may, on request, decide whether a measure by the Company or its shareholders is consistent with the body of the Swedish self-regulating system issuing rulings, advice and inform good practice on the Swedish stock market.

The shares are registered by name (in Danish: "navneaktier"), and the shares and warrants are registered electronically (by name) in VP Securities A/S (in Danish: "Værdipapircentralen"), Weidekamp- sgade 14, 2300 København S, Denmark. The New Shares and the New Warrants are issued in Danish Kroner (DKK).

Distribution of profit and voting rights etc.

The New Shares will have identical rights as the Existing Shares. These include voting rights, the right to receive a dividend, the right to participate in the proceeds in case of a dissolution or liquidation of the Company, and pre-emptive rights in connection with capital increases. The New Shares will carry these rights as from the date of registration of the New Shares with the Danish Business Authority, meanwhile the New Warrants do not give its holders such rights (until these are exercised and the resulting shares are issued).

All shares in the Company carry an equal right to dividends. Dividend on New Shares that are newly issued in the Issue of Units as described in this Prospectus will be paid on the record day for the dividend that may occur after the registration of the shares in the share register kept by VP Securities A/S. The right to a dividend applies to investors who are registered as shareholders in the Company on the record day for the distribution of dividends. There are no existing restrictions on dividends or special procedures for shareholders resident outside of Denmark, and payment of any distribution of dividend is intended to take place via VP Securities A/S in the same manner as for shareholders resident in Denmark. Dividends accrue to the Company if it has not been claimed by the shareholder within three (3) years from the time of the declaration of the dividends.

As of the Prospectus Date, the Company has not yet distributed any dividend, as the Company has not made any profit yet. The Company does not have a formalized dividend policy, and the Company is currently expanding its business and carries out investments to this effect, so the Company does not expect to the distribute dividend for the financial years 2022 and 2023. In the long view, the Company's Board of directors intends to propose to distribute dividend, to the extent allowed by the Company's finances and taking into concern, among other things, the following matters: future earnings, financial position, capital requirements, investments in the Company, macroeconomic matters, legal requirements, and other matters deemed relevant by the Board of Directors with respect to this matter. In order to avoid ambiguities, what has just been stated is only an indication from the Board of directors of how future dividends may be handled and not a formally adopted dividends policy. The dividend of the Company is non-cumulative.

All shares in the Company carry an equal right to profit/surplus in the event of a liquidation or a dissolution of the Company. In the event of liquidation or a dissolution of the Company, the shareholders of the Company will receive any profit/surplus in proportion to their share of ownership after payment of the Company's creditors.

All shares of the Company possess equal rights to any surplus in the event of bankruptcy. In the event of insolvency proceedings of the Company, the Company's creditors will be satisfied in accordance with the Danish Insolvency Act, and only if all creditors are paid in full, any excessive surplus are divided to the shareholders pro rata in accordance with the shareholders' share of ownership.

At General Meetings, each share has one vote, and each shareholder can vote for its full number of shares without limitation. All shares provide shareholders with equal rights to the number of shares they own. The rights of the shareholders can only be changed per the procedures specified in the Danish Companies Act.

Under the Danish Companies Act, a single shareholder who holds more than 90 percent of the share capital in a company has the right to redeem the remaining shares from the other shareholders in the Company. Correspondingly, a shareholder whose shares can be redeemed is entitled to such redemption by a single shareholder holding more than 90 percent of the share capital in a company. The shares that are newly issued in the Issue of Units as described in this Prospectus are not subject to an offer that is made because of a bid obligation, redemption, or resolution obligation.

None of the shares of the Company carry conversion rights or any other special rights.

Takeover rules

There are no Danish laws applicable to the Issuer which regulates takeover situations. However, the Issuer is obliged to adhere to the following provisions of the Danish Companies Act and the "takeover rules" of the Swedish Corporate Governance Board respectively.

The Shares can be redeemed pursuant to the procedures and requirements in the Danish Companies Act. According to the Companies Act Section 70, any shareholder owning more than 9/10 of the shares in a company can decide that the remaining shareholders' shares shall be redeemed (in Danish: "tvangsindløse") by the majority shareholder. This procedure requires that the shareholders are provided a four (4) weeks' notice to transfer their shares to the redeeming shareholder. Likewise, the minority shareholders owning less than 1/10 of the shares can require to be redeemed by a shareholder owning more than 9/10 of the share capital pursuant to the Danish Companies Act Section 73.

The Swedish Corporate Governance Board has issued the "takeover rules" for certain trading platforms, which are essentially equivalent to the rules that apply to companies for which shares are admitted to trading on a regulated market. The takeover rules will be applied to public takeover offers for companies in which shares are traded on Spotlight. This means that, in their entirety, the rules will apply not only in cases in which the shares are traded exclusively on Spotlight but also in cases in which the shares are traded on both Spotlight and a foreign marketplace. It follows from point II.21 (defensive measures) and section III (bid obligation) in the takeover rules issued by The Swedish Corporate Governance Board that these takeover rules do not apply to the Company, as they only apply to target companies that are Swedish limited liability companies. The takeover rules in the Danish Act on Capital Markets do not apply to the Company as Spotlight is not a regulated market.

The securities' transferability

There are no restrictions on the transferability of the Existing Shares, the New Shares or the New Warrants, except for the lock-up described under section "Lock-up agreements" below.

Tax considerations

An investment in the Issue of Units described in this Prospectus may result in tax consequences for the investor. DanCann Pharma is a Danish registered company that has an unlimited tax liability in Denmark. The Company's shares (including the New Shares) and the New Warrants will be traded on Spotlight, a multilateral trading platform (MTF). The tax legislation in the investor's home country and Sweden may influence any income received from the Issue of Units described in this Prospectus. Taxation of any dividend, as well as capital gains tax and rules regarding capital losses on the sale of securities, depends on the individual investors' specific situation. Shareholders may need to consult their accountant or tax adviser for a closer assessment of tax consequences, including the applicability and effect of foreign tax rules and tax treaties when being a shareholder in the Company.

Lock-up agreements

DanCann Pharma's Chief Executive Officer (CEO) and founder, Jeppe Krog Rasmussen, has indirectly through his holding company Xignotus Capital ApS entered into a lock-up agreement, which is effective from 1 January 2022 up to and including 31 December 2024. The agreement is subject to Jeppe Krog Rasmussen retaining his position in DanCann Pharma as CEO, unless any other agreement is reached, and thus the agreement will be terminated upon a complete takeover of the Company. According to the agreement, Jeppe Krog Rasmussen is allowed to sell, under certain conditions, a very limited extent of his holding if certain milestones are reached.

Parties that have committed in a lock-up agreement and their respective holdings prior to the Issue of Units

Party	Number of shares	Percentage of the votes and capital (%)	Expiration date
Jeppe Krog Rasmussen through Xignotus Capital ApS	5,747,023	20.19	31 December 2024
Total	**5,747,023**	**20.19**	

Terms and conditions for the offer

The offer

Existing shareholders, the public, and professional investors in Sweden and Denmark are hereby invited to subscribe for units in the Company during the period from 31st October 2022 to 11th November 2022. The Board of Directors of the Company resolved on 21st October2022, based on an authorization from the Extraordinary General Meeting on 20th September 2022, to carry out the Issue of Units and to increase the share capital by a maximum of DKK 1,779,267.750 through a new issue of a maximum of 47,447,140 New Shares, each with a nominal value of DKK 0.0375 and also issue a maximum of 28,468,284 New Warrants. The maximum proceeds of the Issue of Units amount to a maximum of approximately DKK 28.5 million. The cost of the initial Issue of Units amounts to approximately DKK 6 million. The cost of full exercise of the New Warrants amounts to approximately DKK 0.15–1.9 million.

A maximum of 4,744,714 units will be issued and the subscription price in the issue will be DKK 6.00 per unit. One (1) unit consists of ten (10) New Shares and six (6) New Warrants, issued free of payment. One (1) New Warrant gives the right to subscribe for one (1) share in the Company for the Warrant Exercise Price during the Warrant Exercise Period.

Subscription ratio, subscription price and allocation of pre-emptive rights including action required to apply for the offer, etc.

Each holder of Existing Shares registered with Euronext Securities on 27th October 2022 at 5:59 p.m. CET as a shareholder in the Company will be allocated one (1) pre-emptive right for each Existing Share. For six (6) pre-emptive rights, the holder is entitled to subscribe for one unit at a subscription price of DKK 6.00 per unit. The rights trading period commences on 31st October 2022 at 9:00 a.m. CET and closes on 9th November 2022 2022 at 5:00 p.m. CET. The subscription period for units commences31st October 2022 at 9:00 a.m. CET and closes on 11th November 2022 at 5:00 p.m. CET. Any pre-emptive rights not exercised during the subscription period of the units will lapse with no value, and the holder of such pre-emptive rights will not be entitled to compensation. Once a holder of pre-emptive rights has exercised such rights and subscribed for units, such subscription cannot be withdrawn or modified by the holder.

The pre-emptive rights have been approved for trading and official listing on Spotlight to the effect that they can be traded on Spotlight during the rights trading period in the temporary ISIN code DK0061926961. The pre-emptive rights, the temporary units and the units, following automatic conversion from temporary units, will be delivered in book-entry form through allocation to accounts with Euronext Securities.

Completion of the Offer and registration of the units with the Danish Business Authority is expected to take place on 18th November 2022. The Company's register of shareholders is kept by Euronext Securities.

Existing Shares traded from 26th October 2022 at 9:00 a.m. CET will be traded without pre-emptive rights, provided that the Existing Shares are traded with customary two-day settlement.

The temporary units have been approved for trading and official listing on Spotlight to the effect that they can be traded on Spotlight during the period 31st October 2022 up to and including 24th November 2022. The temporary units will be issued under the temporary ISIN code DK0061927183. Registration of the units with the Danish Business Authority will take place following completion of the Offer, expected to take place on 18th November 2022.

As soon as possible after registration of the units, the temporary ISIN code of the temporary units, DK0061927183, will be merged with the ISIN code of the Existing Shares DK0061410487 and existing warrants, and the temporary units will automatically be converted into New Shares and New Warrants, expected to take place on 25th November 2022.

Payments and delivery of the pre-emptive rights

Upon exercise of the pre-emptive rights, the holder must pay an amount equal to the subscription price multiplied by the number of units subscribed for. Payment for the units shall be made in DKK and shall be made upon subscription against registration of the units in the transferee's account with Euronext Securities no later than 18th November 2022 at 5:00 p.m. CET. Holders of pre-emptive rights shall adhere to the account agreement with their own Danish custodian institution or other financial intermediary, through which they hold Existing Shares. Financial intermediaries through which a holder holds pre-emptive rights may require payment on an earlier date.

New warrants

One (1) New Warrant entitles to subscription of one (1) newly issued share in the Company during the exercise period 16 May 2023 to and including 31 May 2023. The exercise price for the New Warrants will be 70 percent of the volume-weighted average price during the period of ten trading days up to, but not including the second trading day before the first day of the exercise period of the New Warrants. However, the exercise price for the New Warrants cannot be below the quota value, i.e., DKK 0.0375, or exceed DKK 1.20 per share. The full set of terms applicable to the issue and exercise of the New Warrants and the related potential capital increase are set out in the new Schedule 6.6.1 of the Company's Articles of Association, which can be found on: https://www.dancann.com/investor-relations.

If all New Warrants are exercised during this period, the Company will receive additional funds of approximately DKK 1–34.2 million before issue costs. Assuming that the Issue of Units and that the attached free of charge New Warrants are used to the full, the Company´ s share capital will increase by an additional DKK 1,067,560.65.

The warrant will be subject to trading from the time the conversion of the temporary unit has taken place in VP Securities' system up to and including 29th May 2023 and will be traded in DKK. The warrants have ISIN code DK0061927266.

Subscription period

Subscription period of units will commence on31st October 2022 at 9:00 a.m. CET and will close on 11th November 2022 at 5:00 p.m. CET.

Reduction of subscription

Reduction of subscription is not applicable in connection with the Issue of Units. The subscription is binding.

Minimum and maximum subscription amounts

In connection with the Offer, the minimum number of units that a holder of pre-emptive rights may subscribe for will be one (1) unit, requiring the exercise of six (6) pre-emptive rights and the payment of the subscription price. The number of units that a holder of pre-emptive rights may subscribe for is not capped. However, the number is limited to the number of units that may be subscribed for through the exercise of the pre-emptive rights held or acquired.
SUBSCRIPTION ABOVE EUR 15,000

If the subscription amounts to, or exceeds, EUR 15,000.00 a money laundering form shall be completed and sent to Nordic Issuing in accordance with the Swedish Act (2017:630) on measures against money laundering and terrorist financing. Please observe that Nordic Issuing cannot distribute any securities, even if payment have been received, before the money laundering form has been received by Nordic Issuing.

Subscription for remaining units

The general public and Existing Shareholders can subscribe for any remaining units. Existing Shareholders have preferential rights to subscribe for remaining units. The general public will not subscribe for remaining units by exercising unexercised pre-emptive rights (which will have lapsed). Such remaining units will be subscribed for at the subscription price. Subscription shall be made on a subscription form, which is available on the Company's website. The subscription shall be filled out and submitted to the account holders own bank according to their respective instructions.

In case of oversubscription of remaining units in connection with the Offer, such remaining units will be allocated according to apportionment keys determined by the Board of Directors.

If the subscriptions for remaining units do not exceed the number of remaining units, the Company will issue the number of remaining units subscribed for.

Payments and delivery for remaining units

Upon subscription of the Remaining Units, the holder must pay an amount equal to the subscription price multiplied by the number of units allocated. Payment for remaining units will be made via a delivery versus payment transfer through the subscriber's own bank and will be withdrawn from the account by the subscribers own account holding bank or broker.

Announcements of the results of the offer

The results of the Offer will be communicated in a company announcement expected to be published through Spotlight no later than three trading days after the expiry of the subscription period and therefore expected to be announced on 16th November 2022.

Withdrawal or suspension of the offer

The Offer may be withdrawn by the Company subject to certain conditions before registration of the capital increase relating to the units with the Danish Business Authority. If the Offer is withdrawn, any exercise of pre-emptive rights that has already taken place will be cancelled automatically. The subscription amount for the units will be refunded (less any transaction costs) to the last registered owner of the temporary units as at the date of such withdrawal. All pre-emptive rights will lapse, and no units will be issued. Trades of pre-emptive rights executed during the rights trading period will, however, not be affected. Consequently, investors who have acquired pre-emptive rights will incur a loss corresponding to the purchase price of the pre-emptive rights and any transaction costs. Trades in Existing Shares and temporary units will also not be affected if the Offer does not complete, and shareholders and investors that have acquired temporary units will receive a refund of the subscription amount for the units (less any transaction costs). As a result, shareholders and investors that have acquired temporary units will incur a loss corresponding to the difference between the purchase price of the temporary units and the subscription price paid for the units and any transaction costs.

The Company is entitled to withdraw the Offer (a) if the Company decides not to pursue with the Offer, (b) the admission is withdrawn by Spotlight, (c) the registration of the New Shares is refused by the Danish Business Authority.

The Company is not liable for any losses that investors may suffer as a result of withdrawal of the Offer including but not limited to, any transaction costs or lost interest. A withdrawal of the Offer will be announced as a company announcement through a press release.

The Company is not authorized to close the Offer on an earlier date than the last subscription date.

Procedure for the exercise of and trading in pre-emptive rights

The pre-emptive rights have been approved for trading and official listing on Spotlight under the ISIN code DK0061926961 and will be traded in the ISIN code under the symbol "DANCAN TR". Holders of pre-emptive rights wishing to subscribe for units must do so through their own custodian institution, in accordance with the rules of such institution. The deadline for notification of exercise depends on the holder's agreement with, and the rules and procedures of, the relevant custodian institution or other financial intermediary and may be earlier than the end of the subscription period. Once a holder has exercised its pre-emptive rights, the exercise may not be revoked or modified. During the rights trading period, holders of pre-emptive rights who do not wish to exercise their pre-emptive rights to subscribe for units may sell their pre-emptive rights on Spotlight, and a purchaser may use the acquired pre-emptive rights to subscribe for units. Holders wishing to sell their pre-emptive rights should instruct their custodian institution or other financial intermediary accordingly. Any holders of pre-emptive rights that exercise any of their pre-emptive rights shall be deemed to have represented that they have complied with all applicable laws. Custodian banks exercising pre-emptive rights on behalf of beneficial holders shall be deemed to have represented that they have complied with the offering procedures set forth in this Prospectus.
Upon exercise of pre-emptive rights and payment of the subscription price, the temporary units will be delivered through Euronext Securities by being recorded on subscribers for units accounts with Euronext Securities. The temporary units will be issued under a temporary ISIN code DK0061927183. The temporary units will be admitted to trading and official listing on Spotlight. The temporary units are registered in Euronext Securities for the subscription of the units. Upon expiry of the subscription period, any pre-emptive rights not exercised will lapse without value, and the holders of lapsed pre-emptive rights will not be entitled to any compensation.

Jurisdictions in which the offer will be announced and restrictions applicable to the offer

The distribution of this Prospectus and the Offer is restricted by law in certain jurisdictions, and this Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

Due to restrictions in applicable law in the United States, Canada, Australia, Hong Kong, Singapore, South Africa, Russia, Belarus, Switzerland, New Zealand, Japan, or other countries where participation requires further prospectuses, registrations, or actions other than those under Swedish and Danish law, the offer to subscribe for units is not directed at persons or others with registered address in any of these countries.

Withdrawal of applications of subscription

Instructions to exercise pre-emptive rights or subscriptions of remaining units related to the units are irrevocable.

Plan of distribution and allotment and process for notifying applicants

There is no pre-allotment of units. The units may be subscribed for by the Existing Shareholders of the Company according to the pre-emptive rights allocated. Units which have not been subscribed for by the Existing Shareholders before the expiry of the subscription period will be allocated to subscriptions made by the general public. The subscribers will be notified the number of units allotted, by their own bank.

Subscription price and amount of any expenses and taxes charged

The units are offered at the subscription price of DKK 6.00 per unit (excluding fees, if any, from the investor's own custodian bank or brokers). The amount of any expenses and taxes the investor can be charged is in accordance with current legislation, including any applicable double taxation agreements.

Completion of the offer

The Offer will only be completed if and when the units subscribed for are issued by the Company upon registration with the Danish Business Authority, which is expected to take place around 18th November 2022. A company announcement concerning the results of the Offer is expected to be disclosed no later than on 16th November2022.

Dilution

As per the Prospectus Date, the Company's registered share capital had a nominal value of DKK 1,067,560.8375 divided into 28,468,289 Existing Shares with a nominal value of DKK 0.037500. All Existing Shares are issued and fully paid up, and each Existing Share represents 1 vote. Upon issue of the units, the percentage of ownership of the Existing Shareholders may be reduced. If the Existing Shareholders refrain from exercising pre-emptive rights allocated to them in connection with the Offer, each Existing Shareholder's ownership will be diluted by approximately 62.50 percent. If the Existing Shareholders elect to partly exercise the pre-emptive rights allocated to them, the rate of dilution will be between 0 to 62.5 percent depending on the exercise. If the Existing Shareholders exercise their pre-emptive rights in full, they will not be diluted.

Pre-subscription commitments and guarantee commitments

DanCann Pharma has, in August 2022, received pre-subscription commitments and guarantee commitments of approximately DKK 21.9 million, which corresponds to approximately 77 percent of the initial issue volume, of which approximately DKK 2.3 million is made up of pre-subscription commitments and approximately DKK 19.6 million are made up of guarantee commitments.

The parties that have entered into pre-subscription commitments and guarantee commitments are listed in the tables below.

All parties that have entered subscription commitments or guarantee commitments can be reached via the Company's address.

Pre-subscription commitments

All subscription commitments were agreed to in writing in August 2022. The subscription commitments have not been secured via a pre-transaction, bank guarantee, or the like. However, if the subscriber fails to fulfil the subscription commitment, the subscriber must pay a fine to the Company amounting to 100 percent of the subscription commitment. The parties that have submitted subscription commitments are presented below.

Name	Corporate registration number	Address	Subscription commitment (DKK)	% of the Issue
Jeppe Krog Rasmussen indirectly through Xignotus Capital ApS	40235132	Smaragdvej, Vejle 7100, Denmark	100,002	0.35
Christian Carlsen indirectly through Carlsen Holdin ApS	39545578	Margrethehol-msvej 37, 1432 Copenhagen, Denmark	250,002	0.88
Tue Østergaard		Rugvænget 5, 6823 Ansager, Denmark	500,004	1.76
Carsten Trads indirectly through C-Plus Consult	37277835	Grydergade 4, 6800 Varde, Den-mark	100,002	0.35
Magnus Dahlmann		Rugvænget 5, 6823 Ansager, Denmark	50,004	0.18
Per Wester			50,004	0.18
Louise Conradsen, indirectly through L Conradsen Holding ApS	38440810	Langelinie 4, 5230 Odense, Denmark	200,004	0.7
Sarah Mai Lykke-Kjeldsen		Rugvænget 5, 6823 Ansager, Denmark	25,002	0.09
Daniel Skovsbo Erichsen		Rugvænget 5, 6823 Ansager, Denmark	25,002	0.09
JSJ Holding København ApS		Skovbogaards Alle 6, 2500 Vallby, Denmark	1,000,002	3.51
		Total:	**2,300,028**	**8.08**

Guarantee commitments

There are two different types of guarantee commitments called bottom guarantees and top guarantees respectively. Further information on the commitments can be found below.

The guarantee commitments entail the right to compensation of 12 or 15 percent of the guaranteed amount. The guarantee compensation for the guarantees provided amounts to a total of approximately DKK 2.4 million. All guarantee commitments were entered into in August 2022.

The guarantee commitments have not been secured via a pre-transaction, bank guarantee, or the like. However, if the guarantor fails to fulfil the guarantee commitment, the guarantor must pay a fine to the Company amounting to 100 percent of the guaranteed amount.

The parties who have entered into guarantee commitments are listed in the tables below, of which the guarantors who undertook to subscribe for more than two (2) percent of the Offer is specified by name and scope. Other commitments are stated jointly.

Guarantee commitments – bottom guarantees

In case the Issue of Units is subscribed for less than 70 percent, each guarantor below has committed to subscribe for units for a maximum of the guaranteed amount specified in the table below. The guarantee commitments entail the right to compensation of 12 percent of the guaranteed amount.

Name	Corporate registration number	Address	Guarantee (DKK)	% of the Issue
JSJ Holding København ApS	31159393	Skovbogaards Alle 6, 2500 Valby	2,000,004	7.03
Ylber Rexhepi		Rugvænget 5, 6823 Ansager, Denmark	1,040,004	3.65
Alexander Fällström		Rugvænget 5, 6823 Ansager, Denmark	1,037,658	3.64
Bernhard Von Der Ostersacken		Rugvænget 5, 6823 Ansager, Denmark	1,000,002	3.51
Charlotta Kinnander		Rugvænget 5, 6823 Ansager, Denmark	1,000,002	3.51
Daniel Frändberg		Rugvænget 5, 6823 Ansager, Denmark	700,002	2.46
Other (32 persons)		Rugvænget 5, 6823 Ansager, Denmark	11,550,108	40.57
		Total:	**17,627,778**	**61.92**

Guarantee commitments – top guarantees

In case the Issue of Units is subscribed for less than 77 percent, each guarantor has committed to subscribe for units for a maximum of the guaranteed amount specified in the table below. The guarantee commitments entail the right to compensation of 15 percent of the guaranteed amount.

Name	Corporate registration number	Address	Issue guarantee (DKK)	% of the Issue of Units
Modelio Equity AB	559078-4848	Ingmar Bergmans gata 2, 114 34, Stockholm, Sweden	1,400,004	4.92
Gerhard Dal		Rugvænget 5, 6823 Ansager, Denmark	600,000	2.11
		Total:	**2,000,004**	**7.03**

Right to dividend

The New Shares entitle the shareholder to a dividend the first time after the new Issue of Units has been registered with the Danish Business Authority. Any dividends are paid in DKK and are decided at the Annual General Meeting. The payment is provided by VP or for nominee registered holdings in accordance with the respective trustee's routines. The dividend is paid to the person who on the record day of the shareholders' meeting was registered as a shareholder in the share register held by the VP.

Shareholder's rights

Shareholders' rights regarding the distribution of profits, voting rights, pre-emption rights for a subscription of shares, etc. are governed by the Company's Articles of Association, which are available through the Company's website as well as by the Danish Companies Act.

Applicable law

The New Shares and the New Warrants are subject to the Danish Companies Act (Selskabsloven) (equivalent to the Swedish Companies Act) and governed by Danish law. However, under Swedish law, the Company is entitled, in relevant respects, directly attributable to Spotlight's listing agreement and Swedish stock exchange regulations.

Shareholder's register

The Company is a VP-based affiliated company. The Company's share register with information about shareholders is handled and accounted for by VP Securities A/S, Weidekampsgade 14, 2300 København S, Denmark.

Shareholder's report obligation

All shareholders in the Company must comply with the reporting rules to the Danish "Public Ownership Register". The registration of holdings shall be made to the Company within 14 days after the registration obligation has been actualized (when the holding amounts to or exceeds five percent in the Company and/or passes some other thresholds).

Tax registration for danish subscribers

Purchase of units in the Company in connection with the listing are not automatically reported to the Danish tax authorities. A Danish investor must actively report its subscription of units to the Danish tax authorities.

Additional information

All shares and warrants that are offered through this new Issue of Units will be newly issued. There are no natural or legal persons offering to sell or loan shares or warrants in this new Issue of Units.

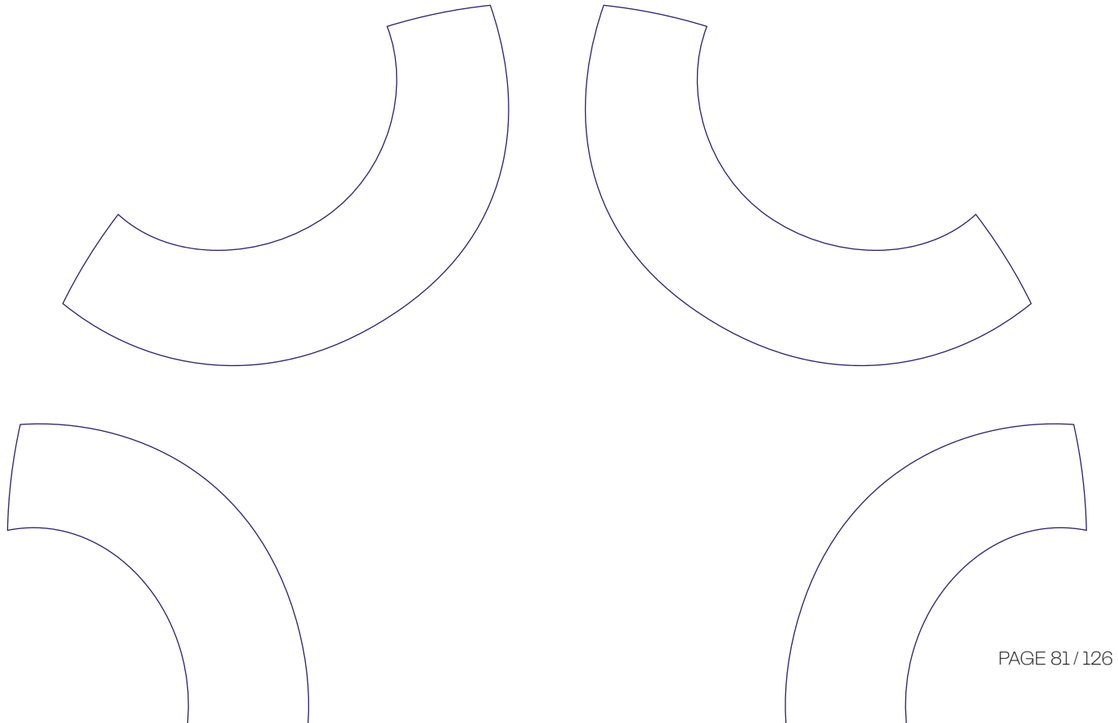
Financial adviser and issuing agent

Corpura acts as financial adviser in connection with the rights issue, Nordic Issuing provides issuing services to DanCann Pharma, and Euronext Securities A/S is the Company's issuing agent. The parties can be reached at the following addresses.

Corpura Fondkommission
Artillerigatan 42
114 45 Stockholm
Sweden

Nordic Issuing
Stortorget 3
211 22 Malmö
Sweden

Euronext Securities
Nicolai Eigtveds Gade 8
1402 Copenhagen
Denmark



CORPORATE GOVERNANCE

Board of directors

According to clause 10.1 of DanCann Pharma's Articles of Association, the Board of Directors shall consist of at least three (3) and no more than eight (8) members elected by the General Meeting. As of the date of this Prospectus, the Board of Directors consists of five (5) members elected by the Annual General Meeting held on 27 April 2022 for the period until the end of the next Annual General Meeting. All members of the Board of Directors may be contacted at the Company's address Rugvænget 5, 6823 Ansager, Denmark. The table below contains information about the members of the Board of Directors, their year of birth, each member's position, the year they were elected as board members for the first time, and whether they are independent to the Company and its executive management, and Major Shareholders. The table is followed by individual information regarding each board member as well as their shareholdings and potential warrants of the incentive program in the Company as of the date of this Prospectus.

Name	Year of birth	Position	Member of the Board since	The Company and its executive management	Major share-holders
Carsten Trads	1955	Chairman	2020	Yes	Yes
Christian Carlsen	1984	Vice-chairman	2021	No	Yes
Tue Østergaard	1971	Member	2022	Yes	Yes
Jeppe Krog Rasmussen	1995	Member	2022	No	No
Alexander Schoeneck	1983	Member	2022	Yes	Yes

Carsten Trads

Born 1955. Chairman since 2022 and board member since 2020.

Carsten Trads holds a Master of Science from Copenhagen Business School, complemented by management training from INSEAD and Harvard Business School. Carsten Trads 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 start-ups. Carsten Trads has previously been chairman of the Board of Directors of Vestmedia A/S as well as board member of Brainreader A/S and Profil Optik A/S.

Other ongoing assignments: Founder and Chief Executive Officer of C-Plus Consult.

Shareholding in the Company: 75,631 shares through a wholly owned company.

Warrants: 75,000 warrants issued on 28 April 2021.

Christian Carlsen

Born 1984. Vice-chairman since 2021.

Christian Carlsen holds an executive Master of Business Administration from Henley Business School and have attended the Executive Board Programme and the Advance Board Programme at INSEAD. 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. Christian has a long track record of starting, developing and transforming life science and tech companies both in a start-up and corporate environment.

Other ongoing assignments: Chairman of the Board of Directors of QNTM Ventures ApS, QNTM Labs ApS, ProSave ApS, and Knowledge Gate Group ApS. Member of the Board of Directors of Høyrup & Clemmensen A/S, Fibona Accustics ApS, TeamsToWork ApS, and Techvolver ApS. Managing Partner of Volvér ApS.

Shareholding in the Company: 37,500 shares.

Warrants: 75,000 warrants issued on 28 April 2021.

Tue Østergaard

Born 1977. Board member since 2022.

Tue Østergaard is an experienced investment profile, who is CEO of the fast-growing HC Andersen Capital. He has engaged himself as an investor, founder, advisor, mentor and board member in a number of companies. With his many years of experience in executive leadership and board membership roles in companies such as HC Andersen Capital, Green Mobility A/S, ABG Sundal Collier and Nordea, Tue Østergaard has the expertise needed to contribute to the further development of DanCann Pharma's business.

Other ongoing assignments: Chairman of the Board of Directors of GreenMobility A/S and Solitwork A/S. Member of the Board of Directors of Curo Capital Fondsmæglerselskab A/S. Chief Executive Officer at HC Andersen Capital.

Shareholding in the Company: None.

Warrants: 75,000 warrants issued on 27 April 2022 (ii).

Jeppe Krog Rasmussen

Born 1995. Board member since 2022.

Jeppe Krog Rasmussen, founder and CEO at DanCann Pharma since its formation in 2018. Jeppe Krog Rasmussen has been a part of the whole DanCann Pharma journey since its beginning back in March 2018, when he founded the Company. Jeppe Krog Rasmussen was previously a member of the Board of Directors of DanCann Pharma during the years 2020–2022 (April) and re-elected in September 2022. Jeppe Krog Rasmussen is responsible for the strategic direction and operational execution of all processes relevant to DanCann Pharma. Jeppe Krog Rasmussen is a serial entrepreneur with strong experience from starting and building companies as well as working and investing in complex industries such as Biotech, Pharma, Medtech and the Tech industry, with specialties within corporate finance, investor relations, marketing, strategy, and business development. In addition to DanCann Pharma Jeppe Krog Rasmussen runs his investment company, XIGNOTUS CAPITAL ApS, where he manages his investment portfolio.

Other ongoing assignments: Chairman of the Board of Directors in FOOTBALL CLUB MUNKEBJERG ApS and member of the Board of Directors in Foreningen af Børsnoterede Vækstvirkomheder (FBV). Chief Executive Officer at XIGNOTUS CAPITAL ApS.

Shareholding in the Company: 5,747,023 shares through a wholly owned company.

Warrants: 254,286 warrants issued on 6 April 2021.

Alexander Schoeneck

Born 1983. Board member since 2022.

Alexander Schoeneck has been a part of DanCann Pharma's journey from the beginning and has always worked as an advisor to and for the founder, CEO and member of the Board of Directors Jeppe Krog Rasmussen. Alexander Schoeneck has great experience when it comes to the financial markets, corporate finance, and investor relations. Alexander Schoeneck has for the past seven years worked as a full-time professional investor with focus on growth companies.

Other ongoing assignments: Member of the Board of Directors and CEO of JJV Invest AB. Chairman of the Board of Directors of ELLWEE EV AB, JEQ Capital AB, and JEQ Capital Holding AB. Member of the Board of Directors of ELLWEE AB (publ), ELLWEE Distribution AB, Corpura Fondkommission AB, Corpura Holding AB, BA Camping Holding AB, Glassaparken AB, and AB MAvatar. Deputy director of the Board of Directors of Campingstugan Invest AB, Black Lion Media Group AB, and BESC Invest AB.

Shareholding in the Company: Alexander Schoeneck has no shareholding in the Company.

Warrants: Alexander Schoeneck has no warrants in the Company.

Executive management

According to clause 10.9 of DanCann Pharma's Articles of Association, the executive management shall consist of at least one (1) and no more than eight (8) persons. As of the date of this Prospectus, the executive management in the Company consists of three (3) persons appointed by the Board of Directors. All persons discharging managerial responsibilities in DanCann Pharma may be contacted at the Company's address, Rugvænget 5, 6823 Ansager, Denmark. The table below contains information about the executive management of DanCann Pharma, their year of birth, current position, and the year the person became a member of the executive management. The table is followed by individual information regarding each person as well as their shareholdings and potential stock options in the Company as of the date of this Prospectus.

Name	Year of birth	Position	Member of executive management since
Jeppe Krog Rasmussen	1995	Chief Executive Officer (CEO)	2018
Martin Vedel Ernst	1991	Chief Financial Officer (CFO)	2022
Sarah Mai Lykke-Kjeldsen	1987	Chief Operating Officer (COO)	2022
Louise Conradsen	1978	Chief Executive Officer (CEO) of CannGros	2022

Jeppe Krog Rasmussen

Born 1995. Chief Executive Officer (CEO) since 2018.

Jeppe Krog Rasmussen is also a member of the Board of Directors of DanCann Pharma and the presentation of Jeppe Krog Rasmussen can be found in the section "Board of Directors" above.

Martin Vedel Ernst

Born 1991. Chief Financial Officer (CFO) since 2022.
Martin Vedel Ernst works for DanCann Pharma as consultant through Atlab A/S.

Martin Vedel Ernst has a Master of Science in business economics and auditing from Copenhagen Business School. His contribution to the executive management team will benefit from enhanced business experiences from executive positions at Deloitte and as Group Financial Controller at Vestas Wind Systems A/S.

Other ongoing assignments: Martin Vedel Ernst is senior manager of Atlab A/S. Martin Vedel Ernst is also finance consultant to Orphazyme A/S.

Shareholding in the Company: Martin Vedel Ernst has no shareholding in the Company.

Warrants: Martin Vedel Ernst has no warrants in the Company.

Sarah Mai Lykke-Kjeldsen

Born 1987. Chief Operating Officer (COO) since 2022.

Sarah Mai Lykke-Kjeldsen has a Master of Science in Economics and Business Administration from the University of Southern Denmark in Kolding and has her strengths in areas such as management/ change management, organizational development, and project management. She has a broad management experience from positions as Business Development Lead at Education Esbjerg and as head of various departments at Norlys.

Other ongoing assignments: Sarah Mai Lykke-Kjeldsen has no other ongoing assignments.

Shareholding in the Company: Sarah Mai Lykke-Kjeldsen has no shareholding in the Company.

Warrants: 254,287 warrants issued on 27 April 2022 (i).

Louise Conradsen

Born 1978. Chief Executive Officer (CEO) in CannGros since 2022.

Louise Conradsen has a Mini-Master of Business Administration in leadership and management, and has a Certificate in Business Administration (CBA) from Probana Business School. She has also study management and leadership. Louise Conradsen has more than eighteen years of experience from the pharmaceuticals industry. She has previously worked as, among other things, vice president for purchase and portfolio as well as vice president for purchase and supply chain at Abacus Medicine.

Other ongoing assignments: Louise Conradsen has no other ongoing assignments.

Shareholding in the Company: Louise Conradsen has no shareholding in the Company.

Warrants: 254,287 warrants issued on 27 April 2022 (i).

Additional information about the board of directors and the executive management

All members of the Board of Directors are elected until the following Annual General Meeting. Members of the Board of Directors may resign from their position at any time. Meanwhile the executive management is appointed by the Board of Directors. The executive management is in charge of the day-to-day management of the Company and must follow the guidelines and directions of the Board of Directors. The Company is not obligated to follow the Danish or the Swedish Code of Corporate Governance and has not voluntarily pledged to follow this.

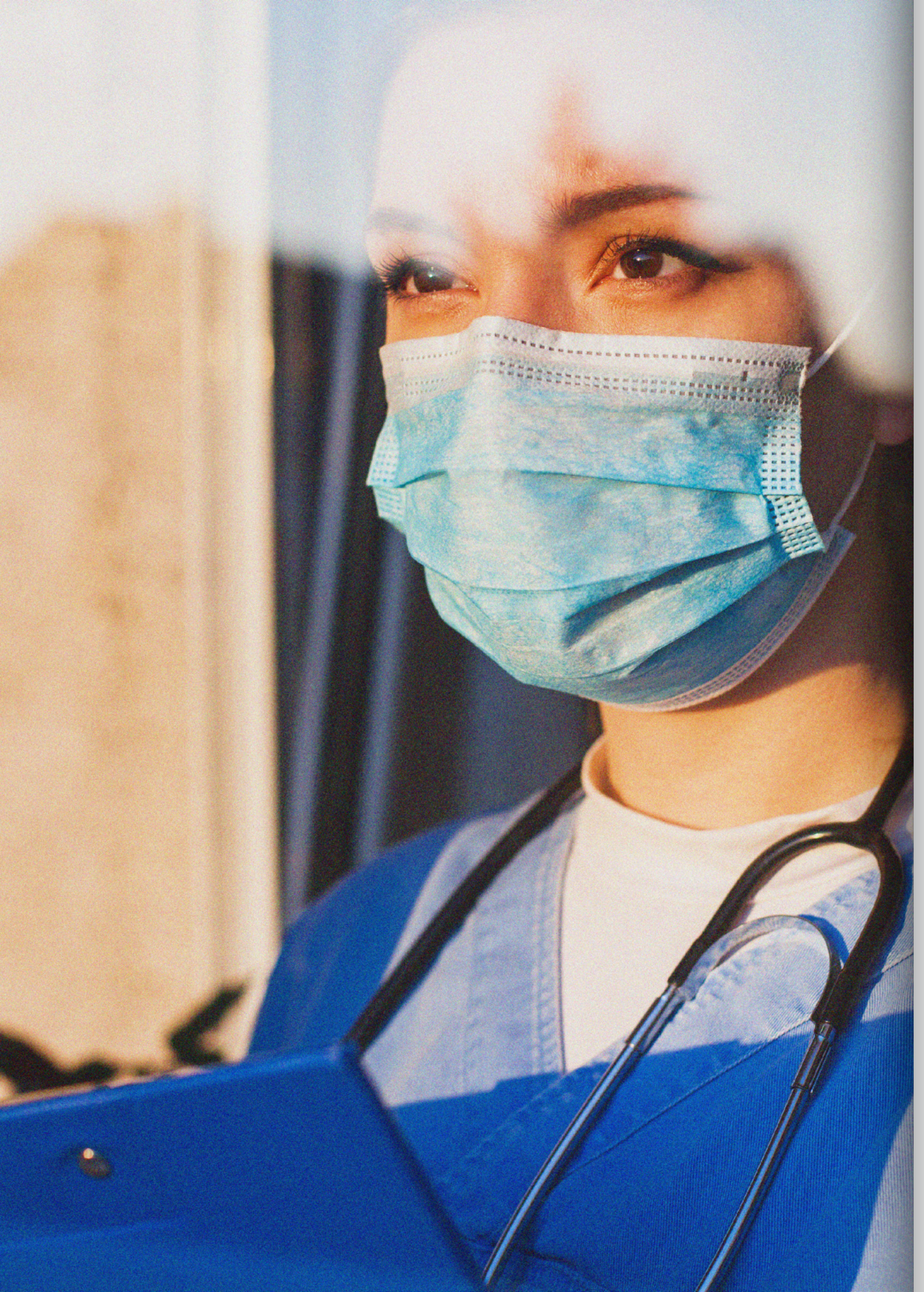
No member of the Board of Directors or the executive management has, during the past five years, been convicted in any fraud-related case, nor been subject to any prohibition of engaging in commercial activities. There exist no sanctions or allegations from the competent authorities (including approved professional bodies) against these persons and no member of the Board of Directors or the executive management has, in the past five years, been disqualified by a court from holding a position on an administrative, management or supervisory body or from holding an executive or senior position at a company. In addition to what is stated below, no member of the Board of Directors or the executive management has, during the past five years, been declared bankrupt or in liquidation, nor been involved in any bankruptcy or mandatory liquidation proceedings concerning companies they have represented in the past five years.

Christian Carlsen was member of the Board of Directors of Constructa Roskilde A/S, Constructa Denmark A/S, Constructa Silkeborg A/S, and CUD A/S, all related companies in the same structure, between the years 2021–2022. The companies were declared bankrupt on 25 May 2022 and as the date of the Prospectus the bankruptcy has not been finalized. At the time when the companies were declared bankrupt Christian Carlsen was member of the Board of Directors.

Furthermore, there are no family ties between any of the members of the Board of Directors or executive management. No member of the Board of Directors or executive management has any conflicts of interest in which private interests would conflict with the Company's interests. Further, no member of the Board of Directors or the executive management has entered into any agreement with the Company that would entitle to post-employment benefits, other than what is outlined in this Prospectus. However, certain members of the Board of Directors and the executive management have financial interests in the Company due to them holding shares.

Name	Basic salary	Board fee	Variable remuneration	Pension costs
Carsten Trads	–	130,000	–	–
Christian Carlsen	–	65,000	–	–
Tue Østergaard[20]	–	–	–	–
Jeppe Krog Rasmussen	772,837	31,875	60,000	98,400
Alexander Schoeneck[21]	–	–	–	–
Martin Vedel Ernst[22]	–	–	–	–
Sarah Mai Lykke-Kjeldsen[23]	–	–	–	–
Louise Conradsen[24]	–	–	–	–
Total:	**772,837**	**356,875**	**60,000**	**98,400**

[20] Tue Østergaard did not receive any remuneration during the financial year 2021 since he was elected as a member of the Board of Directors during the financial year 2022.
[21] Alexander Schoeneck did not receive any remuneration during the financial year 2021 since he was elected as a member of the Board of Directors during the financial year 2022.
[22] Martin Vedel Ernst did not receive any remuneration during the financial year 2021 since he was hired as an executive of DanCann Pharma during the financial year 2022.
[23] Sarah Mai Lykke-Kjeldsen did not receive any remuneration during the financial year 2021 since she was hired as an executive of DanCann Pharma during the financial year 2022.
[24] Louise Conradsen did not receive any remuneration during the financial year 2021 since she was hired as an executive of DanCann Pharma during the financial year 2022.



SELECTED FINANCIAL INFORMATION

Presentation of financial information

DanCann Pharma is part of a group and has one fully owned subsidiary, CannGros. Therefore, the financial information of this Prospectus applies to the group. The financial overview presents accounts taken from the group's audited annual reports for the last two years, 1st of January 2020 to 31st of December 2020 and 1st of January 2021 to 31st of December 2021, which are incorporated by reference. In addition, information is also included for the interim period 1st of January 2021 to 30th of June 2021 and 1st of January 2022 to 30th of June 2022, which is unaudited and incorporated by reference.

The annual reports and the interim financial statements have been prepared following the Danish Financial Statements Act governing enterprises of reporting class C, medium-size enterprises. The Company's as well as the group's functional currency is DKK.

Herewith is an explanation of the accounting policies used, as well as a table of which notes are required for accounting class C, medium-size enterprises. The Danish Financial Statements Act has largely been prepared following the same accounting principles as IFRS. However, there are more lenient requirements for medium-sized companies.

Financial information incorporated by reference

The information in this section should be read together with the Company's audited annual financial reports for the period 1st of January 2020 to 31st of December 2020 and 1st of January 2021 to 31st of December 2021, including notes, unaudited interim financial reports for the period 1st of January 2021 to 30th of June 2021 and 1st of January 2022 to 30th of June 2022, including notes, which has been incorporated in this Prospectus by reference (see section "Documents incorporated by reference").

Income statement for the group

DKK 1.000	01/01/22 – 30/06/22	01/01/21– 30/06/21	01/01/21– 31/12/21	01/01/20– 31/12/20
INCOME STATEMENT NET REVENUE	2,037	–	874	–
Raw materials and consumables used	698	648	-616	–
Own work, recognised under assets	-1,653	–	1,431	1,995
Other external expenses	-5,102	-3,557	-8,183	-4,830
GROSS LOSS	-4,020	-2,909	-6,494	-2,835
Staff costs	-4,177	-3,223	-7,124	-2,942
Depreciation, amortisation and impairment losses	-1,107	-230	-890	-94
OPERATING LOSS	-9,304	-6,362	-14,508	-5,871
Income from investments in subsidiaries	–	–	–	–
Other financial income	821	11	578	24
Other financial expenses	-1,632	-48	1,255	-140
LOSS BEFORE TAX	-10,115	-6,399	-15,185	-5,987
Tax on profit/loss for the year	2,295	1,813	3,435	1,732
LOSS FOR THE YEAR	-7,820	-4,586	-11,750	-4,255

Balance sheet for the group

DKK 1,000	AT 30,06,22	AT 30,06,21	AT 31,12,21	AT 31,12,20
BALANCE SHEET				
Goodwill	11,860		12,497	–
Distribution rights	821			
Development projects in progress and prepayments	32,320	23,995	28,954	15,683
Intangible assets	45,001	23,995	41,451	15,683
Other plant, machinery, tools and equipment	2,940	2,377	3,038	1,756
Leasehold improvements	3,344	3,012	3,210	270
Tangible fixed assets in progress and prepay,	3,346	2,272	3,322	1,953
Tangible fixed assets	9,630	7,661	9,570	3,979
Fixed assets	52,631	31,656	51,021	19,662
Investments in subsidiaries	–		–	–
Rent deposit and other receivables	322	322	322	322
Financial non-current assets	322	322	322	322
NON-CURRENT ASSETS	54,953	31,978	51,343	19,984
Raw materials and consumables	10	10	10	10
Finished good and doods for resale	–	–	25	–
Prepayments	–	–	236	–
Inventories	10	10	271	10
Trade receivables	269	–	530	–
Other receivables	1,715	1,558	2,475	4,325
Corporation tax receivables	4,046	5,070	6,161	3,242
Deferred tax	621	–		
Joint tax contribution receivable	–	–	–	–
Prepayments	574	464	478	658
Receivables	7,225	7,092	9,644	8,225
Cash and cash equivalents	5,803	5,798	7,736	21,332
CURRENT ASSETS	13,038	12,899	17,651	29,567
ASSETS	67,991	44,877	68,994	49,551
Share capital	1,068	777	995	777
Share Premium account	32,320	18,716	22,584	12,234
Retained profit	20,998	20,246	29,791	31,314
EQUITY	54,386	39,739	53,370	44,325
Provision for deferred tax		1,352	974	1,337
PROVISION	–	1,352	974	1,337
Other non-current liabilities			–	24
NON-CURRENT LIABILITIES	–	–	–	24
Lease liabilities		163	–	185
Trade payables	1,238	2,044	2,915	2,821
Corporation tax payable	338	–	352	–
Other liabilities	12,029	1,579	11,383	859
Current liabilities	13,605	3,786	14,650	3,865
LIABILITIES	13,605	3,786	14,650	3,889
EQUITY AND LIABILITIES	67,991	44,877	68,994	49,551

Cash flow statement for the group

DKK 1,000	01/01/22 – 30/06/22	01/01/21 – 30/06/21	01/01/21 – 31/12/21	01/01/20 – 31/12/20
CASH FLOW STATEMENT				
Profit/loss for the year	-7,820	-4,586	-11,750	-4,255
Depreciation and amortisation, reversed	470	230	890	94
Profit/loss from subsidiaries	637	-	-	-
Cash from purchase, Canngros ApS			277	-
Net equity purchase, Canngros ApS			-237	-
Tax profit/loss, reversed	-2,295	-1,813	-3,435	-1,732
Corporation tax received	2,801		206	-
Change in inventories	269		-36	-10
Change in receivables	918	3,123	1,780	-4,866
Change in current liabilities	-1,744	240	344	3,083
Other cash flows from operating activities	-		-24	24
CASH FLOWS FROM OPERATING ACTIVITY	**-6,764**	**-3,286**	**-11,985**	**-7,662**
Purchase of intangible assets	-4,188	-8,312	-26,033	-14,735
Purchase of property, plant and equipment	-529	-3,911	-6,370	-4,015
Sale of property, plant and equipment			155	-
Purchase of financial assets			-	-332
CASH FLOWS FROM INVESTING ACTIVITY	**-4,717**	**-12,223**	**-32,248**	**-19,072**
Loan from majority owner			-	-549
Increase loans	714		10,027	-955
Increase leasing debt		-23	-185	185
Other capital items – capital raising costs	-465		-668	-4,669
Share capital payments	9,299		21,463	53,875
CASH FLOWS FROM FINANCING ACTIVITIES	**9,548**	**23**	**30,637**	**47,887**
CHANGE IN CASH AND CASH EQUIVALENTS	**-1,933**	**-15,532**	**-13,596**	**21,332**
Cash and cash equivalents at beginning	7,736	21,330	21,322	179
CASH AND CASH EQUIVALENTS AT END	**5,803**	**5,798**	**7,736**	**21,332**
Specification of cash and cash equivalents at 30.06				
Cash and cash equivalents	5,803	5,798	7,736	21,332
CASH AND CASH EQUIVALENTS, NET DEBT	**5,803**	**5,798**	**7,736**	**21,332**

We are not afraid of setting bold targets for our purpose, and we want our brand to deliver on our grand ambitions for ourselves and the world around us.

COMMENTS TO THE FINANCIAL DEVELOPMENT

Working capital

According to the Company's assessment, the existing working capital intended to finance the 12- month development of the operations and the Company's growth plan is not sufficient for the current needs as of the Prospectus Date. The deficit amounts to approximately DKK 15 million. Working capital requirements are expected to arise in December 2022. To provide the Company with working capital, DanCann Pharma is carrying out an Issue of Units, which can provide the Company with a maximum of DKK 28.5 million (after compensation to bridge financiers and issue costs but including bridge financing of approximately DKK 15.2 million). In the event that the forthcoming Offer is fully subscribed, the Company assesses that the proceeds will finance DanCann Pharma's growth plan until December 2023.

If all warrants of the New Warrants are to be exercised, an additional approximately DKK 1–34.2 million (before transaction-related costs of approximately DKK 0.2–1.9 million) can be provided to the Company. The proceeds from the New Warrants series are dependent on the fact if these are in the money at the point of execution. In other words, if the share price during the period trades at a lower value than the strike price for the New Warrants, the New Warrants will not be expected to generate any sufficient funds for the Company. Thus, any future proceeds from the New Warrants exercise are not guaranteed.

In order to raise sufficient working capital to be able to run its operations at a desirable pace for at least twelve months ahead, it is required that the Company is provided with at least approximately DKK 12 million through the Initial issue of Units described in this Prospectus. DanCann Pharma has as of the Prospectus date, secured a total of approximately DKK 21.9 million (before transaction-related costs) through pre-subscription commitments and guarantee commitments, which corresponds to approximately 77 percent of the initial issue volume and therefore securing enough working capital beyond the upcoming 12-months. If the Company does not raise the above-mentioned capital after financing issue costs, the Company will investigate alternative financing options such as additional capital raising, grants, or financing together with one or more partners or conduct the business at a lower rate than expected, until additional capital can be raised. In the long run, there is a risk that, if all financing opportunities and sales fail, the Company will file for bankruptcy.

Future capital requirements

In the event that the Issue of Units is fully subscribed, it is the Company's assessment that the proceeds will finance DanCann Pharma's growth plan until the Company has sufficient cash flow to sustain its continuous investments, which is estimated to occur during 2023 assuming the underlaying expectations. If the result of the forthcoming Issue of Units ends in the low range, i.e., the Company is only provided the minimum limit of DKK 21.8 million (before issue costs), DanCann Pharma may roll out the business plan and the continued development and growth at a lower pace to stretch the financial resources and/or adjust its business model in order to reduce Group costs.

Employees

As of the date of this Prospectus, the number of employees in DanCann Pharma was fifteen (15).

Auditing of financial information

Notes to the financial statements can be found in the audited financial statements for the financial periods 1st of January 2021 – 31st of December 2021 and 1st of January 2020 – 31st of December 2020, which have been incorporated into the Prospectus by reference, see page 5 (section "Documents incorporated by reference").

The annual reports have been audited by the Company's auditor, Deloitte Statsautoriseret Revisionsaktieselskab, without negative observations or comments. Unless otherwise stated, no other information in the Prospectus has been audited or reviewed by DanCann Pharma's auditor.

Significant changes in financial position

Since 30 June 2022, being the latest balance date financials prepared in this Prospectus, no significant change has occurred in DanCann Pharma's financial position.

Dividend policy

The Company does not have a dividend policy. The Board of Directors currently intends to use its available financial resources and free cash flow to invest in the further development of the business including product development and business development. As a consequence, the Board of Directors does not expect to declare dividends for the financial years 2022 and 2023.

Any future dividends, and the amount of such, are dependent on, among other things, the Company's future earnings, financial condition, working capital requirements and liquidity. Dividends are decided by the Annual General Meeting based on a proposal from the Board of Directors.

DANCANN PHARMA PROSPECTUS OCTOBER 2022

LEGAL ISSUES, OWNERSHIP STRUCTURE, AND ADDITIONAL INFORMATION

SHARE INFORMATION

As if 1 January 2021, the share capital in the Company amounted to DKK 777.405 divided among 20,730,800 shares, and at the end of the financial year 2021, the Company's share capital amounted to DKK 995,663.1750 divided among 26,551,018 shares. As of the date of this Prospectus, the Company's registered share capital amounts to DKK 1,067,560.8375 divided among 28,468,289 shares. There is only one class of shares, and the nominal value of each share is DKK 0.0375. According to DanCann Pharma's Articles of Association, adopted by the Annual General Meeting on 27 April 2022, the authorized share capital of the Company is DKK 1,067,560.8375 divided into 28,468,289 shares. DanCann Pharma's shares have been issued according to Danish law and are denominated in DKK. The shares have been fully paid and are freely transferrable.

The imminent Issue of Units, upon registration and a subscription of the maximum number of units in the Offer, will result in the Company's share capital increasing from DKK 1,067,560.8375 to DKK 2,846,828.5875 and the number of shares increasing from 28,468,289 shares to 76,915,429 shares. The dilution after the initial Issue of Units (if it is fully subscribed) is approximately 62.5 percent. The dilution after exercise of the New Warrants (provided that all New Warrants are exercised) is approximately 27.27 percent. Provided that the Issue of Units is fully subscribed, and all New Warrants are exercised, the total dilution is approximately 73.1 percent.

OWNERSHIP STRUCTURE

The table below sets forth information about the shareholders of DanCann Pharma as of the date of this Prospectus. There is only one class of shares and each share carries one (1) vote at general meetings. As of the date of this Prospectus, the Board of Directors is not aware of any agreements that can change the control of the Company. Except for what is presented in the table below, there are no, according to the Company's knowledge, natural or legal persons owning more than five (5) percent of the votes and capital.

Part	Number of shares	Percentage of votes and capital (%)
Jeppe Krog Rasmussen (through Xignotus Capital ApS, a wholly owned company)	5,747,023	20.19
Total	**5,757,023**	**20.19**

INTRESTS AND CONFLICT OF INTERESTS

Alexander Schoeneck, member of the Board of Directors of DanCann Pharma, is also a member of the Board of Directors of Corpura.

No member of the Board of Directors or executive management has any private interests which might conflict with the Company's interests. However, certain members of the Board of Directors and executive management have financial interests in DanCann Pharma because of their direct or indirect shareholdings in the Company, see section "Board of Directors and executive management" in this Prospectus.

SIGNIFICANT AGREEMENTS

In addition to the agreements described below, DanCann Pharma has not, with the exception of agreements that are part of the normal course of business, entered into any agreement of major importance for a period of one year, immediately prior to the publication of this Prospectus.

Supply agreement with WEECO Pharma

DanCann Pharma entered into a supply agreement for the German market with WEECO Pharma GmbH ("**WEECO Pharma**") in august 2022. According to the agreement DanCann Pharma will sell and export flower products, with mainly focus on the Tetrahydrocannabinol genetics and candidates, while WEECP Pharma will purchase, import, package, market and distribute the products to the European medicinal cannabis marketplace. The agreement is non-exclusive for the products and is term for 36 months with a binding commitment of approximately DKK 40 million for the period, i.e., 2023 to 2025.

Letter of Intent with Aureum Pharma AB

DanCann Pharmas entered into a letter of intent with Aureum Pharma AB ("Aureum Pharma") for exclusive rights over the Company's products in Sweden in May 2022. The companies aims to enter into a binding supply and distribution agreement whereby DanCann Pharma will sell and export flower and granular products, while Aureum Pharma purchase, import, repackage, market and distribute the products to the Swedish medical cannabis marketplace. The terms of the definitive agreement will be 36 months from the execution date of the agreement, with a minimum commitment of SEK 37 million. DanCann Pharma and Aureum Pharma will have mutual options to extend the agreement for 12 months per option.

OUTSTANDING WARRANTS AND CONVERTIBLES

As of the date of the Prospectus, DanCann Pharma has four outstanding incentive programs in favour of members of the Board of Directors, key employees and/or employees with the aim of ensuring consistent incentives between the shareholders and the persons operating in the Company and which are described in more detail below under the section "Incentive program". In addition to the following warrants, as of the date of the Prospectus, DanCann Pharma has no other outstanding warrants, convertibles, or similar financial instruments that may entitle to subscribe for shares or otherwise affect the share capital in the Company.

Incentive programs

Warrants issued on 6 April 2021

In April 2021, the Board of Directors resolved, based on an authorization from the Extraordinary General Meeting in July 2020, on an incentive warrant program. The Company has issued 1,017,147 warrants, but in September 2021 254,287 issued warrants lapsed and in May 2022 254,287 warrants lapsed, and therefore, as of the end of May 2022, a total of 508,573 warrants have been issued. Taking into account the number of issued warrants as of the end of May 2022, the share capital may increase by a maximum of nominally DKK 19,071.4875 in the event of exercise of all issued warrants. When exercising all issued warrants, this means an issue of 508,573 shares, the total number of shares thus amounting to 28,976,862[25]. This means a maximum dilution rate of approximately 1.76 percent in relation to the current shareholders' holdings of the Company.

[25] Without taking into account the number of shares that can be subscribed for with the other outstanding warrants.

The warrants have been issued to executive management and key employees of the Company. The issued warrants will be vested over a 3-year period as from the subscription date, which means that 1/3 is vested every year on 6 April during the vesting period. There are customary provisions that regulate the legal rights in case of an exit in the Company and in the event of termination of employment or position. In case of capital changes in the Company, the subscription price and/or the number of warrants shall be adjusted under certain conditions.

The warrant holders can subscribe for shares in the Company at a subscription price of DKK 3.3327 and the warrants can be exercised during a four-year period from the subscription date. During the exercise period, vested warrants can be exercised twice every year in a three-week exercise window, starting on the date of the disclosure of the DanCann Pharma's quarterly report Q1 and quarterly report Q3. Each warrant entitles the holder to subscribe for one (1) new share in the Company. As of the date of the Prospectus, none of the warrants have been exercised, which means there is 508,573 outstanding warrants. For more information about holders of warrants, see the section "Board of Directors and executive management".

Warrants issued on 28 April 2021

In April 2021, the Board of Directors resolved, based on an authorization from the Annual General Meeting in April 2021, on an incentive warrant program. The Company has issued 300,000 warrants, which in the event of full subscription and exercise of all warrants may increase the share capital by a maximum of nominally DKK 11,250. When exercising all warrants, this means an issue of 300,000 shares, the total number of shares thus amounting to 28,768,289[26]. This means a maximum dilution rate of approximately 1.04 percent in relation to the current shareholders' holdings of the Company.

The warrants have been issued to members of the Board of Directors of the Company. The issued warrants will be vested over a 3-year period as from the subscription date, which means that 1/3 is vested every year on the day before the Annual General Meeting of the Company. There are customary provisions that regulate the legal rights in case of an exit in the Company and in the event of termination of directorship. In case of capital changes in the Company, the subscription price and/or the number of warrants shall be adjusted under certain conditions.

The warrant holders can subscribe for shares in the Company at a subscription price of DKK 3.8993, and the warrants can be exercised during a four-year period from the subscription date. During the exercise period, vested warrants can be exercised twice every year in a three-week exercise window, starting on the date of the disclosure of the DanCann Pharma's quarterly report Q1 and quarterly report Q3. Each warrant entitles the holder to subscribe for one (1) new share in the Company. As of the date of the Prospectus, none of the warrants have been exercised, which means there is 300,000 outstanding warrants. For more information about holders of warrants, see the section "Board of Directors and executive management".

Warrants issued on 27 April 2022 (i)

In April 2022, the Annual General Meeting resolved on an incentive warrant program. The Company has issued 508,574 warrants, which in the event of full subscription and exercise of all warrants may increase the share capital by a maximum of nominally DKK 19,071.525. When exercising all warrants, this means an issue of 508,574 shares, the total number of shares thus amounting to 28,976,863[27]. This means a maximum dilution rate of approximately 1.76 percent in relation to the current shareholders' holdings of the Company.

The warrants have been issued to two employees of the Company. The issued warrants will be vested over a 3-year period as from the subscription date, which means that 1/3 is vested every year on 27 April during the vesting period. There are customary provisions that regulate the legal rights in case of an exit in the Company and in the event of termination of employment or position. In case of capital changes in the Company, the subscription price and/or the number of warrants shall be adjusted under certain conditions.

The warrant holders can subscribe for shares in the Company at a subscription price of DKK 3.102, and the warrants can be exercised during a four-year period from the issue date. During the exercise period, vested warrants can be exercised twice every year in a three-week exercise window, starting

[26] Without taking into account the number of shares that can be subscribed for with the other outstanding warrants.
[27] Without taking into account the number of shares that can be subscribed for with the other outstanding warrants.

on the date of the disclosure of the DanCann Pharma's quarterly report Q1 and quarterly report Q3. Each warrant entitles the holder to subscribe for one (1) new share in the Company. As of the date of the Prospectus, none of the warrants have been exercised, which means there is 508,574 outstanding warrants. For more information about holders of warrants, see the section "Board of Directors and executive management".

Warrants issued on 27 April 2022 (ii)

In April 2022, the Annual General Meeting resolved on an incentive warrant program. The Company has issued 75,000 warrants, which in the event of full subscription and exercise of all warrants may increase the share capital by a maximum of nominally DKK 2,812.50. When exercising all warrants, this means an issue of 75,000 shares, the total number of shares thus amounting to 28,543,289[28]. This means a maximum dilution rate of approximately 0.26 percent in relation to the current shareholders' holdings of the Company.

The warrants have been issued to one member of the Board of Directors of the Company. The issued warrants will be vested over a 3-year period as from the subscription date, which means that 1/3 is vested every year on the day before the Annual General Meeting of the Company. There are customary provisions that regulate the legal rights in case of an exit in the Company and in the event of termination of employment or position. In case of capital changes in the Company, the subscription price and/or the number of warrants shall be adjusted under certain conditions.

The warrant holders can subscribe for shares in the Company at a subscription price of DKK 3.102, and the warrants can be exercised during a four-year period from the issue date. During the exercise period, vested warrants can be exercised twice every year in a three-week exercise window, starting on the date of the disclosure of the DanCann Pharma's quarterly report Q1 and quarterly report Q3. Each warrant entitles the holder to subscribe for one (1) new share in the Company. As of the date of the Prospectus, none of the warrants have been exercised, which means there is 75,000 outstanding warrants. For more information about holders of warrants, see the section "Board of Directors and executive management".

TRANSACTIONS WITH RELATED PARTIES

The Company's related parties include the Company's Board of Directors, the Executive Management, the Management Team, affiliates to the mentioned parties, and Major Shareholders. Related parties also include companies in which these persons and shareholders have significant influence.

No transactions between the Company and related parties exist, except as stated in the following:

Advisory service agreement

Christian Carlsen has since 2021 provided DanCann Pharma with advisory services under an advisory agreement entered into between the Company and Volvér ApS ("Volvér"). Volvér is a company wholly owned by Christian Carlsen, who is also the Managing Partner of Volvér. According to the agreement, Volvér, through Christian Carlsen, provides medical cannabis advisory services to DanCann Pharma, where the detailed advisory areas are coordinated between Jeppe Krog Rasmussen, chief executive officer of the Company, and Christian Carlsen. As of the date of the Prospectus, the service consists of advice related to the industry to the management and key employees of the Company as well as one-on-one guidance/deliberations with Chief Executive Officer of DanCann Pharma. During the financial year 2021, the remuneration for the advisory services was DKK 718,888 including value added tax. During the financial year 2022 (until the date of the Prospectus), the remuneration for the advisory services amounts to DKK 1,680,491 including value added tax.

Consultant agreement

Martin Vedel Ernst has since May 2022 worked at DanCann Pharma as a consultant under a consultant agreement between the Company and Atlab A/S. The consulting services consist of Martin Vedel Ernst acting as Chief Financial Officer (CFO) in the Company. According to the Agreement Martin Vedel Ernst shall support executive management with financial management, financial reporting and oversight, manage and support the day-to-day operational accounting matters, as well as being responsible for the DanCann Pharma's financial reporting. The roles and responsibilities are coordinated and agreed between Martin Vedel Ernst and the Chief Executive Officer Jeppe Krog Rasmussen. The time consumption varies and Atlab A/S invoice monthly for the time spent. During the financial year 2022 (until the date of the Prospectus), the remuneration for the advisory services amounts to DKK 453,851.25.

[28] Without taking into account the number of shares that can be subscribed for with the other outstanding warrants.

AUTHORITY PROCEEDINGS, LEGAL PROCEEDINGS, AND ARBITRATION

DanCann Pharma has not been a party to any legal, arbitration, or governmental proceedings (including pending cases or such that the Company is aware may arise), during a period covering at least the previous twelve months, that has had or could have significant effects on the Company's financial position or profitability. Nor has the Company been informed of claims that could lead to DanCann Pharma becoming a party to such a process or arbitration. Also, there are no other arrangements, known to the issuer, which may at a subsequent date result in or prevent a change in control of the issuer.

MISCELLANEOUS

There exist no provision of the issuer's articles of association, statutes, charter, or bylaws that would have an effect of delaying, deferring, or preventing a change in control of the issuer.

INFORMATION FROM THIRD PARTIES

The Board of Directors confirms that information obtained from third parties in this Prospectus has been correctly reproduced and that, as far as the Board of Directors knows and can ascertain from the information published by these third parties, no factual circumstances have been omitted that would render the information reproduced incorrect or misleading. The statements in this Prospectus are based on the assessment of the Board of Directors and executive management if no other grounds are stated. Apart from DanCann Pharma's audited financial statements for the financial years 2021 and 2020, no information in the Prospectus has been reviewed or audited by the Company's auditor. No statement or report attributed to a person as an expert is included in this Prospectus.

REFERENCES

Altinget

Altinget is an independently owned public service news provider and the leading political news site in Denmark. Source: https://www.altinget.dk/

eSundhed

eSundhed is a source of statistical knowledge about Danes' health. On eSundhed, patients, students, researchers or healthcare professionals can find public health data at regional, municipal and hospital levels. The site is operated by The Danish Health Authority and The Danish Health Data Authority. All information on eHealth is available to the public. Source: https://www.esundhed.dk/

Forskerzonen (The Research Zone):

Forskerzonen is the place where the researchers themselves speak directly. Here they write about their research and field of research, bring relevant knowledge into the public debate and disseminate it to a wide audience. Forskerzonen is supported by the Lundbeck Foundation.
Source: https://videnskab.dk/forskerzonen

German National Association of Statutory Health

Insurance Funds (GKV-Spitzenverband)
The German National Association of Statutory Health Inusrance Funds (GKV-Spitzenverband) represents all statutory healthcare and long-term care insurance funds in Germany and, thus, the interests of more than 70 million insured persons and contribution payers when dealing with politics and healthcare providers. Source: https://www.gkv-spitzenverband.de/english/english.jsp

MarketWatch

MarketWatch is a website that provides financial information, business news, analysis, and stock market data. Source: https://www.marketwatch.com/

Prohibition Partners

Prohibition Partners unlocks the potential of cannabis through data, intelligence and strategy.

Prohibition Partners enables its clients to make better business decisions that deliver transformational growth and disrupt mainstream verticals.

Prohibition Partners work with the industry's most influential stakeholders, some of the world's best-known brands and an unrivalled network of analysts, innovators and advisors.
Source: https://prohibitionpartners.com/

Pro.medicin.dk

Pro.medicin.dk is a website and database containing information about medicines and treatment instructions for Physicians, pharmacists and other health professionals.
Source: https://pro.medicin.dk/

The Association of Danish Pharmacies

The Association of Danish Pharmacies is the employer and professional organisation of the pharmacies in Denmark. The 214 members of the association are all proprietor pharmacists in Denmark.

The Danish Cancer Society

One in every three Danes contract cancer at some point in their lives. Two in three have a relative suffering from cancer. Faced with these figures, the Danish Cancer Society aims to unite the Danish population in a strong, active effort against cancer.
Source: https://www.cancer.dk/international/about-the-danish-cancer-society/

The Danish Epilepsy Association

The Danish Epilepsy Association is a national, non-profit membership association founded in 1962 and with approximately 5 500 members. The association depends to a great extent on the voluntary activities of its members who are organized in 12 regional associations. The main objective of the Association is to improve life conditions and life quality of people living with epilepsy.

The aims of the Danish Epilepsy Association can be summarized as follows:

To raise public and professional awareness of epilepsy, treatment of epilepsy, to find causes to epilepsy and to understand both social, psychological and health-related consequences of having epilepsy. Source: https://www.epilepsiforeningen.dk/in-english/

The Danish Fibromyalgia Association

The Danish Fibromyalgia Association is the patient association for fibromyalgia patients and their families. Source: https://www.fibromyalgi.dk/om-dff/english-information/

The Danish Health Authority

The Danish Health Authority has a national responsibility for health issues and works to ensure good public health and uniform healthcare services of high professional quality across Denmark, including effective health emergency management. Source: https://www.sst.dk/en/English

The Danish Health Data Authority

The task of The Danish Health Data Authority is to create coherent health data and digital solutions for the benefit of patients and clinicians, as well as research and administrative purposes in the healthcare system. Source: https://sundhedsdatastyrelsen.dk/da

The Danish Health Data Authority was established on 1 November 2015 and is part of the Ministry of Health in Denmark. The Danish Health Data Authority translate health policy goals into concrete solutions that promote a healthier Denmark.
Source: https://sundhedsdatastyrelsen.dk/da

The Danish Medicines Agency (DMA)

The Danish Medicines Agency is the supreme pharmaceutical authority in Denmark. The Danish Medicines Agency (DMA) is responsible for the oversight and regulation of the healthcare and pharmaceutical industries within Denmark. Source: https://laegemiddelstyrelsen.dk/en/

The Danish Medicines Information (DLI A/S)

DLI A/S is the organization behind leading information providers about medicines in Denmark: Product information and treatment guides, drug education, counseling and market intelligence regarding sales and marketing of drugs. Source: https://dli.dk/Pages/welcome.aspx

The Danish Multiple Sclerosis Society

The Danish Multiple Sclerosis Society has over 60 years of experience in making a difference by leading the way in research, patient support and providing information on Multiple Sclerosis.
Source: https://www.scleroseforeningen.dk/viden-og-nyt/om-os/about-us

The Danish Rheumatism Association

The Danish Rheumatism Association is a national NGO with 80 000 members. About 500 of these are voluntary representatives in 22 local constituencies across the country. Source: https://www.gigtforeningen.dk/for-forskere/the-danish-rheumatism-association/

The Danish Society of Polio and Accident Victims

The Danish Society of Polio and Accident Victims works for the integration and equal opportunities of people suffering mobility disabilities as a result of polio, injuries to the spinal cord, whiplash and other injuries resulting from traffic and other accidents. Source: https://www.ptu.dk/

The Danish Spinal Cord Injuries Association

The Danish Spinal Cord Injuries Association is a nationwide self-advocacy organisation for people living with a spinal cord injury and their families, together with SCI healthcare professionals and others who have an interest in the area of SCI. The association, which has its own statutes, forms a special-interest group within the Danish Association for the Disabled.
Source: http://www.ryk.dk/presentations-english

The National Patient Register (LPR)

The National Patient Register (LPR) contains information about the times that a person has been in contact with the Danish hospital service as part of e.g. examinations or treatment which is all collated as data in the National Patient Register (LPR) administered by the Danish Health Data Authority.
Source: https://www.danishhealthdata.com/find-health-data/Landspatientregisteret

The Register of Medicinal Products Statistics (The Danish National Prescription Registry)

Individual-level data on all prescription drugs sold in Danish community pharmacies has since 1994 been recorded in the Register of Medicinal Products Statistics of the DMA.

SmerteSagen

SmerteSagen is an interest organization, which, under the name SmerteDanmark, was established at the Annual General Meeting on February 7, 2013.
SmerteSagen is actively working to improve the framework conditions for the over 1,300,000 Danes over the age of 18 years who suffer from chronic pain affecting relevant agencies, authorities and others which can support efforts to prevent and / or alleviate the major consequences of pain for individuals and for society. Source: http://smertesagen.dk/

University of Southern Denmark

The University of Southern Denmark (Danish: Syddansk Universitet, SDU) is a university in Denmark that has campuses located in Southern Denmark and on Zealand.

As a national institution the University of Southern Denmark (SDU) comprises five faculties – Humanities, Science, Engineering, Social Sciences and Health Sciences totaling 32 departments and 11 research centers.

DEFINITIONS

The following terms with an initial capital shall have the following meanings ascribed to them in this Prospectus:

Adult-use or recreational cannabis means or refers to the use of cannabis for reasons other than medicinal, i.e., recreational purposes.

AIP means the Pharmacy Purchase Price (in Danish: Apotekets Indkøbspris).

API means Active Pharmaceutical Ingredient (API), also called Active Substance Starting Material (ASSM), is a commodity or intermediate used in the manufacture of a drug which forms an essential part of the structure of the biologically active substance in the drug.

Auditor means the Company's independent auditor, Deloitte Statsautoriseret Revisionsaktieselskab.
BfArM means Federal Institute for Drugs and Medical Devices.

Big Pharma means major multinational pharmaceutical companies collectively as a sector of industry.

Biotech Pharm1 (BP1) means the Company's facility for manufacturing of cannabis ingredients.

Board of Directors means the board of directors of DanCann Pharma, consisting of Carsten Trads (chairman), Christian Carlsen, Magnus Østergaard Dahlmann, Per Wester, and Tue Østergaard.

CannGros means the CannGros ApS, CVR no. 39 03 94 51, Jens Grøns Vej 21, DK-7100 Vejle, subsidiary of DanCann Pharma.

CBD means Cannabidiol. Cannabidiol (CBD) is one of identified cannabinoids in cannabis.

CBG means Cannabigerol. Cannabigerol is one of identified cannabinoids in cannabis.

CBMPs means cannabis based medicinal products.

CBN means Cannabinol. Cannabinol is one of identified cannabinoids in cannabis.

CDMO or **CMO** means Contract Development and Manufacturing Organization. A Contract Manufacturing Organization (CMO), sometimes called a Contract Development and Manufacturing Organization (CDMO), is a company that serves other companies in the pharmaceutical industry on a contract basis to provide comprehensive services from drug development through drug manufacturing.

Conventional medicine means the type of medicine that is generally used (the usual practices of the past).

COVID-19 (also **SARS-CoV-2**) means the infectious disease caused by the most recently discovered coronavirus (Pandemic).

CVR no. means the registration number of a Danish company.

DanCann Pharma means the DanCann Pharma A/S, CVR no. 39 42 60 05, Rugvænget 5, DK-6823 Ansager, and its subsidiaries in the group structure.

Development Scheme (in Danish: Udviklingsordning) means the scheme for companies that allows to develop medicinal cannabis that cannot be dispensed to patients, but according to which the company can cultivate, develop and test medicinal cannabis.

DFSA means the Danish Financial Supervisory Authority (in Danish: "Finanstilsynet").

DMA means the Danish Medicines Agency (in Danish: LMST: Lægemiddelstyrensen). The Danish Medicines Agency is the supreme pharmaceutical authority in Denmark. The Danish Medicines Agency (DMA) is responsible for the oversight and regulation of the healthcare and pharmaceutical industries within Denmark.

EER means Energy Efficiency Ratio. EER values are commonly used when looking at the energy efficiency.

EMA means European Medicines Agency. The European Medicines Agency (EMA) is an agency of the European Union (EU) in charge of the evaluation and supervision of medicinal products.

EU means European Union. The European Union (EU) is a political and economic union of 28 member states that are located primarily in Europe.

Executive Management means the executive management of DanCann Pharma, consisting of Jeppe Krog Rasmussen, Martin Vedel Ernst, and Sarah Mai Lykke-Kjeldsen.

Existing Shareholders means those Shareholders in DanCann Pharma as of the Prospectus Date.

Existing Shares means Shares issued in DanCann Pharma as of the Prospectus Date, consisting of a share capital of a nominal value of DKK 1,067,560.8375, divided into 28,468,289 Shares.

FDA means The Food and Drug Administration (FDA or USFDA) is a federal agency of the United States. The FDA is responsible for protecting and promoting public health through the control and supervision of food safety, tobacco products, dietary supplements, prescription and over-the-counter pharmaceutical drugs (medications), vaccines, biopharmaceuticals, blood transfusions, medical devices, electromagnetic radiation emitting devices (ERED), cosmetics, animal foods & feed and veterinary products.

GACP means Good Agricultural and Collection Practice. GACP (Good Agricultural and Collection Practice) is a set of guidelines covering areas of cultivation (from seeds and propagation material), collection, harvest, processing, packaging, personnel, equipment, documentation and others for the sake of satisfying the minimum required quality assurance in plant cultivation.

GDP means Good Distribution Practice, which is the minimum standards that a wholesale distributor must meet to ensure that the quality and integrity of medicines is maintained throughout the supply chain.

GMP means Good Manufacturing Practice. Good manufacturing practice (GMP) describes the minimum standard that a medicines manufacturer must meet in their production processes. The European Medicines Agency (EMA) coordinates inspections to verify compliance with these standards and plays a key role in harmonizing GMP activities at European Union (EU) level.

GTM means Go-To-Market. A Go-To-Market strategy (GTM strategy) is an action plan that specifies how a company will reach target customers and achieve competitive advantage.

IP means Intellectual Property. Intellectual property (IP) refers to creations of the mind, such as inventions; literary and artistic works; designs; and symbols, names and images used in commerce.

IPO means (Initial Public Offering) the admission of DanCann Pharma's Shares and Warrants to trading on Spotlight Stock Market.

LOI means letter of intent and is a document outlining the understanding between two or more parties which understanding they intend to formalize in a legally binding agreement.

Major Shareholder means a Shareholder in the DanCann Pharma who, to the Company's knowledge, has an interest in the Company's capital or voting rights, which is equal to or above 5% of the Company's share capital or total voting rights.

Medical cannabis means the term for cannabinoid-based medicine not holding marketing authorization and therefore, sold as an unlicensed medicine that is supplied through health systems and prescribed by a doctor; or Active Pharmaceutical Ingredient (API) to be manipulated and/or compounded by a magistral pharmacy in order to prepare a cannabinoid-based medicine without marketing authorization (unlicensed).

Medicinal cannabis means the term used to indicate all cannabinoid-based therapeutic products (medical and pharmaceutical).

MoA means "Mechanism of Action". In pharmacology, the term mechanism of action (MOA) refers to the specific biochemical interaction through which a drug substance produces its pharmacological effect. A mechanism of action usually includes mention of the specific molecular targets to which the drug binds, such as an enzyme or receptor.

MS means Multiple Sclerosis. Multiple Sclerosis (MS) is a potentially disabling disease of the brain and spinal cord (central nervous system). In MS, the immune system attacks the protective sheath (myelin) that covers nerve fibers and causes communication problems between your brain and the rest of your body.

New Shares means the Shares offered in this Prospectus, consisting of maximum 44,447,140 Shares, each of a nominal value of DKK 0.0375.

New Warrants means the warrants offered in this Prospectus as part of the Unit (each Unit consists of ten (10) Shares and six (6) Warrants).

NGO means Non-Governmental Organizations. NGOs are a subgroup of organizations founded by citizens, which include clubs and associations which provide services to its members and others. They are usually nonprofit.

NICE means the National Institute for Care Excellence.

Offer means the DanCann Pharma's offer of the Units in this Prospectus.

OMC means the Office of Medical Cannabis

OTC-pharmaceutical means medicines sold directly to a patient without the need for a prescription from a healthcare professional, as opposed to prescription drugs, which are supplied only to patients possessing a valid prescription.

Pandemic means an outbreak of a disease that occurs over a wide geographic area and affects an exceptionally high proportion of the population.

Pharmaceutical cannabis means the term for formulated, processed or synthetic cannabis sold as a finished product, which has undergone full medical trials, and holds (in one or more geographical areas) a medical marketing authorization e.g., Cesamet®, Marinol®, Syndros®, Sativex®, Epidiolex® and any derived generic medicines (such as dronabinol).

Physician means a professional who practices medicine, which is concerned with promoting, maintaining, or restoring health through the study, diagnosis, prognosis and treatment of disease, injury, and other physical and mental impairments.

Pilot Programme (in Danish: Forsøgsordning) means the Danish four-year medical cannabis Pilot Programme that allow Physicians to prescribe a new type of cannabis product which, until now, was not legal in Denmark. The purpose of the Pilot Programme is to offer patients a lawful way of testing treatment with medicinal cannabis if they have not benefitted from authorized medicines. The Pilot Programme has also opened markets for companies for cultivation, manufacturing and distribution of medical cannabis in Denmark and exports.

PoC means "Proof of Concept". PoC clinical studies are an early stage of clinical drug development, when a compound has shown potential for human therapeutic use, after preclinical animal models and early safety testing. This step often links Phase I (first in human) and dose-ranging Phase-II studies.

Pre-IPO means Pre-Initial Public Offering. A Pre-IPO is capital raised by a company in the lead up to its planned IPO.

Private Placement means a sale of stock shares to pre-selected investors and institutions.

Prospectus means this prospectus.

Prospectus Date means 21st of October 2022, on which date the Prospectus was published.

PTSD means Post-Traumatic Stress Disorder.

QA means Quality Assurance. Quality assurance (QA) is a way of preventing mistakes and defects in manufactured products and avoiding problems when delivering products or services to customers.

RA means regulatory affairs.

RCTs means randomized controlled trials.

Reimbursement means the act of compensating someone for an out-of-pocket expense by giving them an amount of money equal to what was spent.
RWE means real world evidence.

Rx-pharmaceutical means A prescription pharmaceutical. A prescription, often abbreviated or Rx, is a health care program implemented by a Physician or other qualified health care practitioner in the form of instructions that govern the plan of care for an individual patient. The term often refers to a health care provider's written authorization for a patient to purchase a prescription drug from a pharmacist.

R&D means research and development and includes activities that the Company undertake to innovate and introduce new products and services. It is the first stage in the development process.

SAKL means the State Institute for Drug Control.

SCI means Spinal Cord Injury. A Spinal Cord Injury (SCI) is damage to the spinal cord that causes temporary or permanent changes in its function.

SDU means University of Southern Denmark.

Shareholder means a shareholder in the DanCann Pharma, including the Existing Shareholders and the new shareholders.

Shares means shares in the DanCann Pharma, including the Existing Shares and the New Shares.

Spotlight Stock Market means Spotlight Stock Market, Org. no. 556736-8195, that operates a multilateral trading facility (MTF).

Subscription Period means the period from 31st October 2022 to 11th November 2022 where the Offer is open for subscription.

THC means Tetrahydrocannabinol. Tetrahydrocannabinol (THC) is one of the cannabinoids identified in cannabis. THC is the principal psychoactive constituent of cannabis.

The Company means DanCann Pharma A/S, CVR no. 39 42 60 05, Rugvænget 5, DK-6823 Ansager, and its subsidiaries in the group structure.

THCV means Tetrahydrocannabivarin. Tetrahydrocannabivarin (THCV) is one of identified cannabinoids in cannabis.

Units means the units offered in this Prospectus, each consisting of 5 Shares and 2 Warrants.

VP means VP Securities A/S, Weidekampsgade 14, DK-2300 København S.

Warrant Exercise Period means the period from 16 May 2023 until and including 31 May 2023 where the New Warrants can be exercised.

Warrant Exercise Price means 70 percent of the volume-weighted average price (VWAP) on Spotlight Stock Market during the period of ten trading days ending one banking day before the first day of the Warrant Exercise Period, which cannot be below the quota value, i.e., DKK 0.0375, or exceed DKK 1.20 per share.

AVAILABLE DOCUMENTS

The below documents are available in electronic form on the Company's website www.dancann.com. Printed copies of the documents are also available during ordinary office hours at DanCann Pharma's office Rugvænget 5, DK-6823 Ansager, Denmark, during the period of validity of this Prospectus

- Articles of Association (Corporate Bylaws) (https://www.dancann.com/investor-relations#Corporate-Governance)
- Terms and conditions for the New Warrants (https://www.dancann.com/investor-relations)

APPENDIX A
Swedish translation of the summary

AVSNITT 1 – Inledning		
1.1	Värdepapperens namn och internationella identifieringsnummer för värdepapper (ISIN-nummer)	Emissionen av Units består av units i DanCann Pharma A/S. Aktie: ISIN-kod DK0061410487, Ticker DANCAN. Teckningsoption TO2: ISIN-kod DK0061927266, Ticker DanCann Pharma A/S Warrant
1.2	Namn och kontaktuppgifter till emittenten	DanCann Pharma A/S, organisationsnummer 39 42 60 05, och LEI-kod 549300KLXQ6IC2YUUB58. Representanter för DanCann Pharma kan nås på telefon +45 29 63 69 20 och via e-post info@dancann.com. Bolagets besöksadress är Rugvænget 5, DK-6823 Ansager, Danmark och webbplatsen är www.dancann.com.
1.3	Namn och kontaktuppgifter till den relevanta myndighet som har godkänt detta prospekt	Den danska finansinspektionen (Dk. Finanstilsynet) ("DFSA") är den behöriga myndighet som ansvarar för godkännandet av Prospektet. Besöksadressen till DFSA är Strandgade 29, 1401 Köpenhamn, Danmark, och webbplatsen är www.finanstilsynet.dk. DFSA kan också nås på telefon på +45 33 55 82 82 och e-post finanstilsynet@ftnet.dk.
1.4	Datum för godkännande	EU-tillväxtprospektet godkändes av den danska finansinspektionen den [21] oktober 2022.
1.5	Varning	Denna sammanfattning ska läsas som en introduktion till EU-tillväxtprospektet. Alla beslut att investera i värdepapperen bör baseras på en bedömning av hela Prospektet från investerarens sida. Investeraren kan förlora hela eller delar av sitt investerade kapital. Om ett krav relaterat till information i EU-tillväxtprospektet görs i domstol kan investeraren som gör anspråk enligt nationell lagstiftning i medlemsstaten behöva betala kostnaden för att översätta EU-tillväxtprospektet innan det rättsliga förfarandet inleds. Civilrättsligt ansvar omfattar endast de personer som har presenterat sammanfattningen, inklusive översättningar av denna, men endast om sammanfattningen är vilseledande, felaktig eller oförenlig med övriga delar av EU-tillväxtprospektet eller om den tillsammans med andra delar av EU-tillväxtprospektet inte tillhandahåller den nyckelinformation som investerare behöver när de beslutar om de ska investera i de berörda värdepapperen.

AVSNITT 2 – Nyckelinformation om emittenten		
2.1	Vem är emittenten av värdepapperen?	DanCann Pharma, bildades som ett entreprenöriellt aktiebolag (ELC) enligt dansk lag den 20 mars 2018. Bolaget omregistrerades till ett privat aktiebolag den 26 juni 2020 och DanCann Pharma ombildades till publikt aktiebolag den 6 juli 2020. Bolagets besöksadress är Rugvænget 5, DK-6823 Ansager, Danmark. Styrelsen har sitt säte i Ansager, Danmark. Bolagets VD är Jeppe Krog Rasmussen sedan 2018. DanCann Pharma är ett danskt biofarmaceutiskt företag som drivs av cannabinoider. DanCann Pharma är ett vertikalt integrerat, licensierat produktions- och distributionsbolag. Företaget fokuserar på att upptäcka, utveckla, tillverka och kommersialisera nya terapeutiska cannabinoider inom ett brett spektrum av sjukdomsområden, dedikerade till kommersialisering av innovativa receptbelagda produkter riktade mot den europeiska marknaden. DanCann Pharma kontrolleras varken direkt eller indirekt av någon eller några aktieägare. Följande tabell illustrerar Bolagets huvudägare. Styrelsen informerar om att det inte finns några aktieägaravtal eller andra avtal mellan Bolagets aktieägare som syftar till att ha gemensamt inflytande över Bolaget.

Part	Antal aktier	Andel röster och kapital (%)
Jeppe Krog Rasmussen (genom Xignotus Capital ApS, ett helägt bolag)	5 747 023	20.19
Totalt	**5 747 023**	**20.19**
Andra aktieägare (mindre än 5 % vardera)	22 721 266	79.81
Totalt	**28 468 289**	**100**

AVSNITT 2 – Nyckelinformation om emittenten

2.2 **Vilken är den viktigaste finansiella informationen om emittenten?**

Den finansiella information som införlivas i detta Prospekt genom hänvisning inkluderar koncernredovisningarna för räkenskapsåren 2020 och 2021 och delårsrapporter avseende räkenskapsperioden 1 januari 2022 till 30 juni 2022, med jämförande konton för perioden 1 januari 2021 till 30 juni 2021, vilka har upprättats i enlighet med bestämmelserna i den danska årsredovisningslagen som reglerar företag av rapporteringsklass C.

Koncernens resultaträkning

DKK 1 000	2022-01-01 – 2022-06-30 Unaudited	2021-01-01 – 2021-06-30 Unaudited	2021-01-01 – 2021-12-31 Audited	2020-01-01 – 2020-12-31 Audited
Nettointäkter	2 037	–	874	–
Bruttoförlust	4 020	2 909	6 494	2 835
Rörelseförlust	**9 304**	**6 362**	**14 508**	**5 871**

Koncernens balansräkning

DKK 1 000	2022-06-30 Unaudited	2021-06-30 Unaudited	2021-12-31 Audited	2020-12-31 Audited
Anläggningstillgångar	54 953	31 978	51 343	19 984
Omsättningstillgångar	13 038	12 899	17 651	29 567
Tillgångar totalt	**67 991**	**44 877**	**68 994**	**49 551**
Eget kapital	54 386	39 739	53 370	44 325
Skulder	13 605	3 786	14 650	3 889
Eget kapital &skulder totalt	**67 991**	**44 877**	**68 944**	**49 551**

Koncernens kassaflödesanalys

DKK 1 000	2022-01-01 – 2022-06-30 Unaudited	2021-01-01 – 2021-06-30 Unaudited	2021-01-01 – 2021-12-31 Audited	2020-01-01 – 2020-12-31 Audited
Kassaflöde från den löpande verksamheten	–6 764	–3 286	–11 985	–7 662
Kassaflöde från investeringsverksamheten	–4 717	–12 223	–32 248	–19 072
Kassaflöde från finansieringsverksamheten	9 548	23	30 637	47 997
Förändringar i likvida medel	**–1 933**	**–15 532**	**–13 596**	**21 332**

2.3 **Vilka är de viktigaste riskerna som är specifika för emittenten?**

Kliniska prövningar och studier
Kliniska prövningar och läkemedelsindustrin är förknippade med en stor osäkerhet. Eftersom cannabis och cannabinoider är ett nytt medicinskt område och tidigare varit stigmatiserat finns det otillräckliga data och forskning på området, vilket gör det svårare att förutsäga resultatet av kliniska prövningar och studier samt sannolikheten för framgång.

Osäkerheten är till stor del kopplad till riskerna relaterade till förseningar i vissa processer och utfallet av resultaten. Det finns en risk att resultaten från DanCann Pharmas partners och dess kliniska prövningar inte matchar resultaten i mer omfattande pågående studier av produktportföljen och pipelinen, vilket därmed indikerar otillräcklig säkerhet och effektivitet. Detta kan påverka Bolagets förmåga att lansera sina läkemedelsprodukter. Därutöver kan det leda till försenade lanseringar av Bolagets produkter, vilket skulle påverka DanCann Pharmas förmåga att generera intäkter och därmed skada Bolagets finansiella ställning under en period. Det finns därför en risk att det potentiella utfallet av de kliniska prövningarna kan bli oönskat, vilket kan innebära att DanCann Pharma och dess partners behöver ompröva formuleringarna och utformningen av produkterna.

En del av DanCann Pharmas verksamhet är att genomföra de kliniska prövningarna och studierna genom partnerskap. För närvarande har DanCann Pharma två kandidater i steg två och det finns en risk att dessa två inte kommer att klara hela processen. Bolaget investerar pengar och tid i dessa kliniska prövningar och studier och om kandidaterna inte tar sig igenom hela processen kommer de endast att vara som kostnad för Bolaget och kommer följaktligen inte att bidra till DanCann Pharmas förmåga att generera intäkter i framtiden.

DanCann Pharma bedömer sannolikheten för att risken uppstår som medelhög. Om risken skulle realiseras bedömer DanCann Pharma att den potentiella negativa påverkan är hög.

Finansiering och kapitalbehov
DanCann Pharma är inte lönsamt och har ådragit sig förluster varje år sedan starten och räkenskapsåret 2021 var det första året bolaget hade intäkter. DanCann Pharmas framtidsplaner medför betydande kostnader för DanCann Pharma. Om DanCann Pharma inte tillförs minst cirka 12 miljoner DKK i Unitemissionen (cirka 42 procent av Erbjudandet) och samtliga alternativa finansieringsmöjligheter uteblir finns det en risk att DanCann Pharma måste revidera utvecklingsplanerna väsentligt, vilket följaktligen kan försena eller tillfälligt stoppa utvecklingen av DanCann Pharmas verksamhet.

Det finns en risk att förseningar i DanCann Pharmas kliniska prövningar, kontrollerade studier och/eller produktutveckling kommer att resultera i ett försenat marknadsgenombrott och därmed kassaflöde genereras senare än väntat. Att fördröja marknadsgenombrott på tillväxtmarknader kan leda till lägre intäkter för Bolaget, vilket kan innebära att Bolaget når ett nollresultat senare än planerat. Det finns därför en risk att DanCann Pharmas mål avseende marknadspenetration och försäljning inte uppnås inom den fastställda tidsramen och att det tar längre tid än planerat att nå de fastställda milstolparna.

DanCann Pharma kan komma att behöva ytterligare kapital i framtiden och det finns en risk att sådant kapital inte kan anskaffas (se avsnittet "Working capital statement"). På sikt finns det en risk att Bolaget går i konkurs om samtliga finansieringsalternativ misslyckas. Det finns således en risk att investerare förlorar hela sin investering i Bolaget om Bolaget går i konkurs.

DanCann Pharma bedömer sannolikheten för att risken uppstår som medelhög. Om risken skulle realiseras bedömer DanCann Pharma att den potentiella negativa påverkan är hög.

Slutliga tillstånd och godkännanden från danska läkemedelsmyndigheten
På grund av datumet för godkännandet av Prospektet har DanCann Pharma inte alla nödvändiga licenser som behövs för att genomföra sin verksamhet. För att kunna marknadsföra och sälja medicinsk cannabis måste tillstånd erhållas från danska läkemedelsverket (DMA). DanCann Pharma är licensierat enligt utvecklingsprogrammet (se definitionen under avsnittet "Definitions"), från vilket DanCann Pharma kan utveckla sina produktionsanläggningar, procedurer och dess odling och produktion av medicinsk cannabis. För att kunna importera och/eller producera medicinsk cannabis som kommer att finnas tillgänglig för recept måste DanCann Pharma dock vara licensierat enligt pilotprogrammet (se definitionen under avsnittet "Definitions").

DanCann Pharma avser att erhålla licens enligt pilotprogrammet och att utveckla sin verksamhet med anläggningar för tillverkning av medicinsk cannabis. Vidare måste DanCann Pharmas tillverkade produkter genomgå en godkännandeprocess av DMA innan försäljning och/eller export kan påbörjas. Det finns en risk att DanCann Pharma inte erhåller nödvändiga tillstånd från DMA utan att göra justeringar i ansökan och/eller Bolagets tillverkade produkter. Om justeringar behövs kommer det att innebära att tillståndsprocessen försenas och blir dyrare. Detta utgör en risk för Bolagets förmåga att generera intäkter tillfälligt, vilket skulle påverka Bolagets resultat och finansiella ställning negativt. I värsta fall är det fastställt att Bolaget inte kommer att kunna erhålla nödvändiga tillstånd, vilket skulle påverka Bolagets förmåga att generera intäkter permanent och innebära att Bolaget inte kan bedriva sin planerade verksamhet.

DanCann Pharma bedömer sannolikheten för att risken uppstår som låg. Om risken skulle realiseras bedömer DanCann Pharma att den potentiella negativa påverkan är hög.

AVSNITT 3 – Nyckelinformation om värdepapperen

3.1	Vilka är huvuddragen i värdepapperen?	**Värdepapperens typ, kategori och isin** DanCann Pharmas Nya Aktier och Nya Teckningsoptioner i Unitemissionen tas upp till handel på Spotlight. Det finns endast ett aktieslag i DanCann Pharma. En (1) Unit består av tio (10) Nya Aktier och sex (sex) Teckningsoptioner av serie TO2. ISIN-koden för aktierna är DK0061410487 och ISIN-koden för de Nya Teckningsoptionerna är DK0061927266. **Valuta, nominellt värde och antal aktier** DanCann Pharma har endast ett aktieslag och samtliga utestående aktier är fullt betalda. De Nya Aktierna och De Nya Teckningsoptionerna är denominerade i DKK. Före Emissionen av Units uppgår DanCann Pharmas registrerade aktiekapital till 1 067 560,8375 DKK fördelat på 28 468 289 aktier. Varje aktie har ett nominellt värde på 0,0375 DKK. De Nya Aktierna i Bolaget emitteras enligt dansk lag. **Rättigheter som är knutna till värdepapperen** Alla rättigheter som är knutna till de Nya Aktierna läggs till den som är registrerad i aktieboken som förs av VP Securities A/S ("VP"). De Nya Aktierna kommer att ha samma rättigheter som De Befintliga Aktierna. Rösträtterna innefattar rösträtt, rätt att erhålla utdelning, rätt att ta del av likviden vid upplösning eller likvidation av Bolaget samt företrädesrätt i samband med emission av nya/tillkommande teckningsoptioner, konvertibler och aktier genom kontantinsats. DanCann Pharma är ett tillväxtbolag och har sedan bildandet inte lämnat utdelning till aktieägarna. Bolaget har inte heller någon utdelningspolicy. Styrelsen i DanCann Pharma avser att finansiera utveckling, verksamhet och tillväxt med möjliga vinster. Eventuella framtida utdelningar, och storleken på sådana, är bland annat beroende av Bolagets framtida resultat, finansiella ställning, rörelsekapitalbehov och likviditet. Vid utdelning medför samtliga aktier i Bolaget lika stor rätt till utdelning. Utdelning på de Nya Aktier som nyemitteras i Emissionen av Units enligt beskrivningen i detta Prospekt kommer att utbetalas på avstämningsdagen för den utdelning som kan inträffa efter registreringen av de Nya Aktierna i den av VP förda aktieboken. Utdelningen är inte av ackumulerad karaktär. Rätt till utdelning gäller för investerare som är registrerade som aktieägare i DanCann Pharma på avstämningsdagen för utdelning. Det finns inga befintliga restriktioner för utdelning eller särskilda förfaranden för aktieägare bosatta utanför Danmark, och utbetalning av eventuell utdelning är avsedd att ske via VP på samma sätt som för aktieägare bosatta i Danmark. Utdelning tillfaller DanCann Pharma, om den inte har begärts av Aktieägaren inom tio år efter utdelningsbeskedet. I händelse av bolagets insolvens, likvidation eller upplösning har de nya aktierna samma företräde som de befintliga aktierna, inklusive med avseende på eventuellt överskott. I händelse av insolvens, likvidation eller upplösningsförfaranden i bolaget kommer bolagets borgenärer att tillgodoses i enlighet med den danska insolvenslagen, och endast om alla borgenärer betalas i sin helhet delas eventuellt alltför stort överskott till aktieägarna pro rata i enlighet med aktieägarnas ägarandel. **Värdepapperens överlåtbarhe**t Det finns inga begränsningar för överlåtelse av aktierna eller teckningsoptionerna, förutom det lock-up-avtal som beskrivs under avsnittet "Lock-up-avtal".
3.2	Var kommer värdepapperen att handlas?	Aktierna i DanCann Pharma handlas på Spotlight, en multilateral handelsplattform (MTF). De Nya Aktierna och De Nya Teckningsoptionerna kommer att tas upp till handel på Spotlight vid registrering av Unitemissionen.
3.3	Finns det någon garanti kopplad till värdepapperen?	Säkerheterna täcks inte av garantier.

3.4	Vilka är de viktigaste riskerna som är specifika för värdepapperen?	**Aktiekursutveckling, volatilitet och likviditet** Befintliga och presumtiva aktieägare bör överväga att en investering i DanCann Pharma är förenat med risker och att det inte kan förutsägas om aktiekursen kommer att ha en positiv utveckling. Detta medför en risk för att en investerare kan förlora hela eller delar av sitt investerade kapital i Bolaget. DanCann Pharmas aktiekurs har historiskt varit volatil och kan komma att fortsätta fluktuera till följd av bland annat intäktsvariationer i Bolagets kvartalsrapporter, det allmänna ekonomiska läget och förändringar i aktiemarknadens intresse för DanCann Pharma och dess aktier. Begränsad likviditet i aktierna kan också bidra till att förstärka sådana svängningar i aktiekursen. Den genomsnittliga omsättningen per handelsdag i DanCann Pharmas aktie under perioden 1 januari – 31 augusti 2022 uppgick till 315 142,2 DKK per dag. Genomsnittlig stängningskurs per handelsdag i DanCann Pharmas aktie under samma period uppgick till 3,45 DKK per aktie, med den lägsta stängningskursen uppgående till 1,00 DKK per aktie och den högsta stängningskursen uppgående till 6,78 DKK per aktie. Aktiekursen kan därmed komma att påverkas av faktorer som helt eller delvis ligger utanför DanCann Pharmas kontroll. En investering i DanCann Pharma bör därför föregås av en noggrann analys av Bolaget, dess konkurrenter, allmän information om branschen, den allmänna ekonomiska situationen och annan relevant information. Det finns en risk att aktier i Bolaget inte kan säljas till ett för aktieägaren acceptabelt pris vid varje given tidpunkt. DanCann Pharma bedömer sannolikheten för att risken uppstår som hög. Om risken skulle realiseras anser DanCann Pharma att den potentiella negativa påverkan är medelhög. **Teckningsoptioner** Vid Emissionen av Units består instrumentet av s.k. units, vilka var och en består av tio (10) Nya Aktier och sex (6) Nya Teckningsoptioner. Varje Ny Teckningsoption medför rätt att teckna en nyemitterad aktie i Bolaget till ett förutbestämt pris under en viss period i framtiden. De Nya Teckningsoptionerna kan överlåtas och avses tas upp till handel på Spotlight. Kursutvecklingen för Bolagets aktier kan komma att påverka handeln med De Nya Teckningsoptionerna. De Nya Teckningsoptionerna har endast ett värde om teckningskursen för de nyemitterade aktierna i framtiden är lägre än marknadspriset på Bolagets aktier vid teckningstillfället. Detta innebär att sannolikheten för att de Nya Teckningsoptionerna kan förlora hela sitt värde är större än exempelvis aktier i Bolaget. Det finns således en risk att de Nya Teckningsoptionerna inte kommer att öka i värde eller att de inte representerar ett värde vid den tidpunkt de löper ut. Det finns också en risk att likviditeten i handeln med dessa Nya Teckningsoptioner inte är tillräckligt god för att de ska kunna säljas på för innehavarna tillfredsställande villkor. För det fall teckningskursen överstiger marknadspriset på Bolagets aktier vid teckningstillfället finns risk för att de Nya Teckningsoptionerna inte utnyttjas, vilket skulle innebära att DanCann Pharma inte tillförs ytterligare kapital och skulle påverka Bolagets finansiella situation. DanCann Pharma bedömer sannolikheten för att risken uppstår som medelhög. Om risken skulle realiseras bedömer DanCann Pharma att den potentiella negativa påverkan är hög. **Psykologiska faktorer** Det finns en risk att värdepappersmarknaden påverkas av fysiska faktorer, såsom trender, rykten och reaktioner på nyheter och händelser, som inte är direkt relaterade till Bolagets verksamhet. Eftersom DanCann Pharma är verksamt inom medicinsk cannabis, som i vissa fall påverkas av ett relativt stort antal faktorer, såsom politiska, etiska och regulatoriska, kan Bolaget utsättas för en högre grad av risk och därmed bli offer för trender och rykten som potentiellt kan generera större psykologisk sårbarhet för Bolaget. Det finns med andra ord en risk att DanCann Pharma är mer exponerat för människors allmänna åsikter, trender och rykten än bolag verksamma inom mer traditionella affärsområden. Det finns en risk att psykologiska faktorer och dess efterföljande effekter på prisutvecklingen kommer att påverka marknadspriset på DanCann Pharmas Aktier negativt. En lägre aktiekurs kan medföra svårigheter för Bolaget att anskaffa ytterligare kapital på förmånliga villkor i framtiden. Det finns därför en risk att Bolagets aktiekurs påverkas i större utsträckning på grund av psykologiska faktorer än värdepapper i bolag som också är upptagna till handel men verksamma inom mer traditionella affärsområden. DanCann Pharma bedömer sannolikheten för att risken uppstår som hög. Om risken skulle realiseras anser DanCann Pharma att den potentiella negativa påverkan är medelhög.

AVSNITT 4 – nyckelinformation om erbjudandet av värdepapper till allmänheten

4.1	Under vilka villkor och vilken tidsplan kan jag investera i detta värdepapper?	**Erbjudandet** Befintliga aktieägare, allmänheten och professionella investerare i Sverige och Danmark bjuds härmed in till att teckna units i Bolaget under perioden 31 oktober 2022 till 11 november 2022. Bolagets styrelse beslutade den 21 oktober 2022, med stöd av bemyndigande från extra bolagsstämman den 20 september 2022, att genomföra Emission av Units och att öka aktiekapitalet med högst 1 779 267,750 DKK genom nyemission av högst 47 447 140 Nya Aktier, var och en med ett nominellt värde om 0,0375 DKK, samt emittera högst 28 468 284 Tecknings¬optioner. Den maximala emissionslikviden vid Units uppgår till högst cirka 28,5 miljoner DKK. Kostnaden för den initiala Emissionen av Units uppgår till cirka 6 miljoner DKK. Kostnaden för fullt utnyttjande av de Nya Teckningsoptionerna uppgår till cirka 0,15–1,9 miljoner DKK. Högst 4 744 714 units kommer att emitteras och teckningskursen i emissionen kommer att vara 6,00 DKK per unit. En (1) unit består av tio (10) Nya Aktier och sex (6) Nya Teckningsoptioner, utgivna ve-derlagsfritt. En (1) Ny Teckningsoption ger rätt att teckna en (1) aktie i Bolaget för Teckningsoptionens Lösenpris under Teckningsoptionens Utnyttjandeperiod. **Prenumerationspris** Teckningskursen är 6,00 DKK per unit. DanCann Pharma kommer inte att ta ut några avgifter av inves-terare för att teckna Erbjudandet, men en mäklaravgift kan förekomma. **Teckningstiden** Teckningsperioden för units inleds den 31 oktober 2022 kl. 9.00 CET och avslutas den 11 november 2022 kl. 17.00 CET. **Teckningsförbindelser och garantiåtaganden** DanCann Pharma har i augusti 2022 erhållit teckningsförbindelser och garantiåtaganden om cirka 21,9 miljoner DKK, vilket motsvarar cirka 77 procent av den initiala emissionsvolymen, varav cirka 2,3 miljoner DKK utgörs av teckningsförbindelser och cirka 19,6 miljoner DKK utgörs av garantiåtaganden. **Nya teckningsoptioner** En (1) Ny Teckningsoption ger rätt att teckna en (1) ny Aktie under utnyttjandeperioden för New Warrants, som kommer att äga rum från och med den 16 maj 2023 till och med den 31 maj 2023. Lösenpriset för de Nya Teckningsoptionerna kommer att vara 70 procent av den volymvägda gen-omsnittskursen under perioden om tio handelsdagar fram till men exklusive den andra handelsdagen före den första dagen av utnyttjandeperioden för de Nya Teckningsoptionerna. Lösenpriset för de Nya Teckningsoptionerna får dock inte understiga kvotvärdet, det vill säga 0,0375 DKK, eller överstiga 1,20 DKK per aktie. Om samtliga Nya Teckningsoptioner utnyttjas under denna period kommer Bolaget att tillföras ytterligare cirka 1–34,2 miljoner DKK före emissionskostnader. **Offentliggörande av utfallet av emissionen** Utfallet av Erbjudandet kommer att kommuniceras i ett pressmeddelande från bolaget som förväntas offentliggöras via Spotlight senast tre handelsdagar efter teckningsperiodens utgång och som därför förväntas offentliggöras den 16 november 2022. **Utspädning** Per Prospektdagen hade Bolagets registrerade aktiekapital ett nominellt värde om 1 067 560,8375 DKK fördelat på 28 468 289 Befintliga Aktier med ett nominellt värde om 0,037500 DKK. Alla Befintliga Aktier emitteras och betalas fullt ut, och varje Befintlig Aktie representerar 1 röst. Vid emission av andelarna kan andelen av ägandet i de Befintliga Aktieägarna komma att minskas. Om de Befintliga Aktieägarna avstår från att utnyttja företrädesrätt som tilldelats dem i samband med Erbjudandet kommer varje Befintlig Aktieägares ägande att spädas ut med cirka 62,50 procent. Om de Befintliga Aktieägarna väljer att delvis utnyttja de företrädesrätter som tilldelats dem kommer utspädningstakten att uppgå till mel-lan 0 och 62,5 procent beroende på utnyttjandet. Om de Befintliga Aktieägarna utnyttjar sin företrädes-rätt till fullo kommer de inte att spädas ut. **Emissionskostnader** Den totala kostnaden för den initiala delen av Unitemissionen uppgår till cirka 5,4 miljoner DKK, vilket motsvarar cirka 19 procent av den initiala emissionsvolymen. Givet en full teckningsgrad av teckning-soptionerna serie TO2 uppgår kostnaden till cirka 0,15–1,8 miljoner DKK, motsvarande cirka 5,3–14,4 procent av teckningsoptionernas emissionsvolym. Den totala kostnaden uppgår därmed till cirka 5,5–7,2 miljoner DKK, vilket motsvarar cirka 12–19 procent av den totala emissionsvolymen. **Potential payable fees** **Eventuella avgifter som ska betalas** Clearing och avveckling sker inom ramen för VP:s system i Danmark. Detta kan innebära att banker och chefer som inte är medlemmar i VP i Danmark kan komma att ta ut en administrativ avgift för teckning i DanCann Pharmas nyemission av Units. Därutöver kan arvode, i form av förmedlingsavgift, tas ut för handel med DanCann Pharmas Aktie och/eller teckningsoptioner.

4.2	Varför tas detta EU-till-växtprospekt fram?	**Motiv till erbjudandet** Enligt DanCann Pharmas bedömning är det befintliga rörelsekapitalet, som är avsett att finansiera ut-vecklingen av verksamheten, inte tillräckligt för nuvarande behov Därför har DanCann Pharma beslutat att besluta om Emission av Units enligt detta Prospekt. **Användning av emissionslikviden** Likviden från Erbjudandet kommer att användas för att stärka Bolagets kapitalbas och kapitalresurser för att genomföra Bolagets strategi och mål. Intäkterna från emissionen av Units kommer att göra det möjligt för Bolaget att slutföra sin verksamhet i enlighet med sin vägledning när det gäller att erhålla nödvändiga tillstånd från DMA och godkännande av BP1, och därefter också slutföra kommersialiserin-gen av sin framtida produktportfölj bestående av följande skyddade varumärken genom Europeiska unionens immaterialrättsmyndighets registreringsbevis: Tetracanoid®, Bidiocanoid®, Mixcanoid®, Varincanoid® och Bigerolcanoid®. Dessutom siktar DanCann Pharma på att accelerera och utöka sin produktportfölj av importerad medicinsk cannabis och cannabinoidbaserade läkemedel och läkemedel. Bolaget avser att använda emissionslikviden enligt följande: **Initial emission – CIRKA 23 miljoner DKK (NETTOLIKVID):** · Operation costs: approximately 55 percent · Slutförande av processen för EU-GMP · Slutföra utvecklingen av den interna produktportföljen · Vidareutveckling av produktportföljen: cirka 20 procent · Återbetalning av lån: cirka 25 procent **Nya teckningsoptioner – cirka 0,95–32,3 miljoner dkk (nettolikvid):**[29] Vid fullt utnyttjande av de Nya Teckningsoptionerna kan Bolaget tillföras ytterligare cirka 1–34,2 miljoner DKK före avdrag för transaktionsrelaterade kostnader. · Skalning av produktionen: cirka 70 procent · Återbetalning av utestående skuldförbindelser: cirka 30 procent **Rörelsekapital** Enligt Bolagets bedömning är det befintliga rörelsekapitalet avsett att finansiera den 12 månader långa utvecklingen av verksamheten och Bolagets tillväxtplan inte tillräckligt för de nuvarande behoven per Prospektdagen. Underskottet uppgår till cirka 15 miljoner DKK. Ett behov av ytterligare rörelsekapi-tal förväntas uppstå i december 2023. För att förse Bolaget med rörelsekapital genomför DanCann Pharma en Emission av Units som kan tillföra Bolaget maximalt 28,5 miljoner DKK (efter ersättning till bryggfinansiärer och emissionskostnader men inklusive bryggfinansiering om cirka 15,2 miljoner DKK). För det fall det kommande Erbjudandet fulltecknas bedömer Bolaget att likviden kommer att finansiera DanCann Pharmas tillväxtplan fram till december 2023. För att anskaffa tillräckligt rörelsekapital för att kunna bedriva sin verksamhet i önskvärd takt under minst tolv månader framåt krävs att Bolaget tillförs minst cirka 12 miljoner DKKgenom den Initiala emis-sionen av Units som beskrivs i detta Prospekt. DanCann Pharma har per dagen för Prospektet säkrat totalt cirka 21,9 miljoner DKK (före transaktionsrelaterade kostnader) genom teckningsförbindelser och garantiåtaganden, vilket motsvarar cirka 77 procent av den initiala emissionsvolymen och därmed säkrat tillräckligt med rörelsekapital utöver de kommande 12 månaderna. Om Bolaget inte tar in ovan nämnda kapital efter finansiering av emissionskostnader kommer Bolaget att undersöka alternativa finansieringsalternativ såsom ytterligare kapitalanskaffning, bidrag eller finansiering tillsammans med en eller flera partners eller bedriva verksamheten till en lägre takt än förväntat, till dess att ytterligare ka-pital kan anskaffas. På sikt finns det en risk att Bolaget, om alla finansieringsmöjligheter och försäljningar misslyckas, ansöker om konkurs. INTRESSEN OCH INTRESSEKONFLIKTER Alexander Schoeneck, styrelseledamot i DanCann Pharma, är också styrelseledamot i Corpura. DanCann Pharma har ingått avtal om teckningsförbindelser och garantiåtaganden med ett antal exter-na investerare, befintliga aktieägare och styrelseledamöter. DanCann Pharma har ingått garantiavtal med ett antal externa investerare och befintliga aktieägare. Utöver vad som har sagts ovan finns det inga intressekonflikter inom förvaltnings-, lednings- och till-synsorgan, och inte heller med andra personer i ledande befattningar inom DanCann Pharma. Därutöver finns inga andra fysiska eller juridiska personer som är involverade i Emissionen av Units som har finan-siella eller andra relevanta intressen i DanCann Pharma.

[29] Den avsedda användningen av likviden från utnyttjandet av teckningsoptionerna förutsätter att samtliga teckningsoptioner tecknas och utnyttjas.

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