

NOTICE OF ANNUAL GENERAL MEETING 2022 IN DANCANN PHARMA A/S

The Board of Directors hereby convenes the annual general meeting of DanCann Pharma A/S, CVR-no. 39 42 60 05 ("Company"), to be held on

Thursday, 27 April 2022 at 09:00 am (CET)

at DanCann Pharma A/S' address, Rugvænget 5, DK-6823 Ansager

The agenda for the annual general meeting is as follows:

1. The chairman's report on the activities of the Company in the past financial year
2. Adoption of the annual report for 2021
3. Application of profit or covering of loss pursuant to the adopted annual report for 2021
4. Election of members of the Board of Directors
5. Election of auditor
6. Proposals from the Board of Directors
 - a) Proposed resolution regarding the level of remuneration to the Board of Directors for the financial year 2022.
 - b) Authorisation to the Board of Directors to increase the share capital without pre-emption rights for the Company's shareholders.
 - c) Proposed resolution to issue warrants to two employees without pre-emption rights for the Company's existing shareholders.
7. Proposals from shareholders
 - a) Proposed resolution to issue warrants to one new board member of the Company without pre-emption rights for the Company's existing shareholders. (proposed by Jeppe Krog Rasmussen)
8. Miscellaneous

Pursuant to art. 12.20 of the Company's articles of association, the Board of Directors has appointed Lawyer Michael Kristensen as chairman of the meeting.

Complete agenda:

Re 2: Adoption of the annual report:

The Board of Directors proposes that the annual report with the auditors' report for the financial year 2021 is adopted. The annual report for the financial year 2021 is enclosed as Schedule 1 and is available on the Company's website.

Re 3: Application of profit or covering of loss pursuant to the adopted annual report for 2021:

The Board of Directors proposes that the loss for the financial year 2021 of DKK 11,749,858 is carried forward to the next financial year in accordance with the adopted annual report.

Re 4: Election of members of the Board of Directors:

The Board of Directors proposes re-election of the following board members:

- Magnus Østergaard Dahlmann
- Per Wester
- Carsten Trads
- Christian Carlsen

Further, the Board of Director proposes election of:

- Tue Østergaard

as a new additional board member.

Current board member, Jeppe Krog Rasmussen, is not up for re-election.

Managerial posts held by the proposed board members are enclosed as Schedule 2 and is available on the Company's website.

Re 5: Election of auditor:

The Board of Directors proposes re-election of Deloitte Statsautoriseret Revisionspartnerselskab, CVR-no. 33 96 35 56, Dokken 8, 6700 Esbjerg, as the Company's auditor.

Re 6: Proposals from the Board of Directors:

a) Remuneration of the Board of Directors;

The Board of Directors proposes the following level of remuneration to the Board of Directors for the financial year 2022, which is equivalent to the remuneration for the financial year 2021:

Position	Annual fee (DKK)
Chairman	DKK 130,000
Vice-chairman	DKK 90,000
Board member	DKK 65,000

The proposed remuneration above is in addition to any economic benefit to Tue Østergaard pursuant to item 7a) on the agenda below.

b) Authorisation to the Board of Directors to increase the share capital without pre-emption rights for the Company's shareholders;

It is proposed that the board of directors, pursuant to clause 155 of the Danish Companies Act, in the period until 1 April 2027 is authorised to issue shares in the Company and thereby increase the share capital in one or more issues of new shares without pre-emption rights for the Company's existing shareholders by up to a nominal amount of DKK 280,000.

The capital increase can be by way of cash contribution, contribution in kind and/or conversion of debt (to be decided by the Board of Directors). The capital increase can be below market price. However, if shares are issued to existing shareholders, such issue must be carried out at market price, unless such issue is carried out with pre-emption rights for all existing shareholders.

Shares issued pursuant to this authorisation shall be issued in the name of the holder and registered in the Company's register of shareholders, be fully paid up, be negotiable instruments, there shall be no restrictions on the negotiability of the shares, and the

shares shall in every respect carry the same rights as the existing shares.

The board of directors is authorised to lay down the terms and conditions for the capital increases pursuant to the above authorisation and to make such amendments to the Company's articles of association as may be required as a result of the Board of Directors' exercise of said authorisation.

It is proposed that clause 5.4 (i.e. clause 5.5 following adoption of this proposal, see Schedule 3) of the articles of association is amended to the effect that total capital increase, which the Board of Directors can resolve pursuant to this authorisation and the authorisations under clauses 5.1 and 5.2 of the articles of association collectively, cannot exceed nominally DKK 700,000.

Adoption of the proposal will imply that a new clause 5.3 is inserted in the articles of association and clauses 5.4 and 5.5 (previously clauses 5.3 and 5.4) shall be amended as set out in the draft articles of association enclosed as Schedule 3 (where the amendments following from adoption of the proposals on the agenda are marked up).

- c) Proposed resolution to issue warrants to two employees without pre-emption rights for the Company's existing shareholders.

The board of directors proposes to issue up to 508.574 warrants, each granting the right to subscribe for one (1) share of nominally DKK 0.0375 and to resolve the related capital increase.

The full set of terms of the proposed issue of warrants and the related capital increase are set out in the draft new Schedule 7.2 to the Company's articles of association (enclosed as Schedule 4 to this notice). The most essential terms of the proposed issue and the related capital increase are as follows:

- a) The warrants are issued without payment.
- b) The warrants are offered **without pre-emption rights** for the existing shareholders, as the warrants are offered to

the following two employees of the Company and the Company's subsidiary, respectively:

- Sarah Mai Lykke-Kjeldsen (intends to subscribe for 254,287 warrants)
 - Louise Conradsen (intends to subscribe for 254,287 warrants)
- c) Subscription for the warrants is for each employee conditioned that the employee is still in employment (Danish: være i uopsagt stilling) with the Company and the Company's subsidiary, respectively, as at the date of subscription.
- d) Subscription for the warrants must be completed no later than five (5) weeks after the general meeting, i.e. on 1 June 2022.
- e) Each of the two employees is entitled to subscribe for up to 254.287 warrants.
- f) Each warrant gives the right to subscribe for 1 share of nominally DKK 0.0375 at an exercise price in DKK equivalent to the market price of the Company's shares as at this annual general meeting. The market price is calculated as the volume-weighted average price of the Company's shares for the ten (10) latest trading days up to the date of the annual general meeting (i.e. not including the date of the general meeting).
- g) The warrants can be exercised during a 4-year period as described in draft Schedule 7.2.
- h) By exercise of the warrants, the share capital of the Company can increase by minimum nominally DKK 0.0375 and maximum nominally DKK 19,071.525.
- i) The new shares (subscribed for by exercise of the warrants) will be offered in denominations of nominally DKK 0.0375.
- j) The new shares (subscribed for by exercise of the warrants) will carry a right of dividend and other rights in the

Company from the date of registration of the shares with the Danish Business Authority.

- k) The new shares (subscribed for by exercise of the warrants) will be registered shares and will be registered in the Company's register of shareholders.
- l) The new shares (subscribed for by exercise of the warrants) will be negotiable instruments.
- m) Part payment of the new shares (subscribed for by exercise of the warrants) is not permitted.
- n) The new shares (subscribed for by exercise of the warrants) carry the same rights as the existing shares.
- o) The existing shareholders will not have pre-emptions rights to the shares subscribed for by exercise of the warrants.
- p) The new shares (subscribed for by exercise of the warrants) will belong to the same share class as the other shares in the Company. If a resolution is made to introduce different share classes in the Company before the issued warrants are exercised, shares subscribed for by exercise of the warrants will belong to the share class which will place the holders in the position as if the issued warrants had been exercised immediately before the introduction of the new share class(es).
- q) The Company shall pay the costs relating to the related capital increase, which are estimated at DKK 40,000 exclusive of VAT.

The value of each warrant as at the date of this notice is estimated at DKK 0.32 based on The Danish National Tax Assessment Board formula, equivalent to a total value of DKK 162,032 for 508,574 warrants. The board of directors assesses that the proposed issue of warrants is on fair market terms. The value of each warrant as at the date of the general meeting might differ from the above depending on the development of the share price.

The board of directors has proposed to issue warrants to the employees and to derogate from the shareholders' pre-emption rights in this regard in order to create an incentive for the employees to take part in and work for a positive development of the Company.

The costs of this incentive programme is expected to have a limited effect on the Company's key ratios. The Company's costs of this incentive programme consist of usual fees to advisers, which is expected to amount to approx. DKK 50,000 (including the amount set out in point q) above). Any financial benefit to the two employees pursuant to this incentive programme does not impose any tax payment on the Company. Based on the current amount of shares in the Company, full exercise of the 508.574 warrants will entail a 1.7% dilution of the Company's share capital (without calculating any delution resulting from the warrants proposed under item 7a) on the agenda).

Apart from this incentive programme (and the incentive programme proposed under item 7a), the Company has two other ongoing incentive programmes, both of which are on materially the same terms as this programme. For more information, see Schedules 6.1.1 and 6.3.1 of the Company's articles of association.

The terms of the issue is prepared by the current board of directors, and neither of the two employees subject to this incentive programme have participated in the preparation hereof.

Adoption of the proposal will imply that a new clause 7.2 is inserted in the articles of association as set out in Schedule 3 to this notice and that a draft new Schedule 7.2 (Schedule 4 to this notice) is enclosed to the articles of association.

Re 7: Proposals from shareholders

a) Proposed resolution to issue warrants to one new board member of the Company without pre-emption rights for the Company's existing shareholders. (proposed by Jeppe Krog Rasmussen)

It is proposed to issue up to 75,000 warrants, each granting the right to subscribe for one (1) share of nominally DKK 0.0375 and to resolve the related capital increase.

The warrants are offered to Tue Østergaard who intends to subscribe for 75,000 warrants. The proposal is conditional on Tue Østergaard being elected as a new board member of the Company pursuant to item 4 on the agenda.

The full set of terms of the proposed issue of warrants and the related capital increase are set out in the draft new Schedule 7.3 to the Company's articles of association (enclosed as Schedule 5 to this notice). The most essential terms of the proposed issue and the related capital increase are as follows:

- a) The warrants are issued without payment.
- b) The warrants are offered **without pre-emption rights** for the existing shareholders.
- c) Subscription for the warrants is conditioned that the new board member has not resigned as a board member of the Company as at the date of subscription.
- r) Subscription for the warrants must be completed no later than five (5) weeks after the general meeting, i.e. on 1 June 2022.
- d) Each warrant gives the right to subscribe for 1 share of nominally DKK 0.0375 at an exercise price in DKK equivalent to the market price of the Company's shares as at this annual general meeting. The market price is calculated as the volume-weighted average price of the Company's shares for the ten (10) latest trading days up to the date of the annual general meeting (i.e. not including the date of the general meeting).
- e) The warrants can be exercised during of 4-year period as described in draft Schedule 7.3.

- f) By exercise of the warrants, the share capital of the Company can increase by minimum nominally DKK 0.0375 and maximum nominally DKK 2,812.50.
- g) The new shares (subscribed for by exercise of the warrants) will be offered in denominations of nominally DKK 0.0375.
- h) The new shares (subscribed for by exercise of the warrants) will carry a right of dividend and other rights in the Company from the date of registration of the shares with the Danish Business Authority.
- i) The new shares (subscribed for by exercise of the warrants) will be registered shares and will be registered in the Company's register of shareholders.
- j) The new shares (subscribed for by exercise of the warrants) will be negotiable instruments.
- k) Part payment of the new shares (subscribed for by exercise of the warrants) is not permitted.
- l) The new shares (subscribed for by exercise of the warrants) carry the same rights as the existing shares.
- m) The existing shareholders will not have pre-emptions rights to the shares subscribed for by exercise of the warrants.
- n) The new shares (subscribed for by exercise of the warrants) will belong to the same share class as the other shares in the Company. If a resolution is made to introduce different share classes in the Company before the issued warrants are exercised, shares subscribed for by exercise of the warrants will belong to the share class which will place the holders in the position as if the issued warrants had been exercised immediately before the introduction of the new share class(es).
- o) The Company shall pay the costs relating to the related capital increase, which are estimated at DKK 40,000 exclusive of VAT.

The value of each warrant as at the date of this notice is estimated at DKK 0.32 based on The Danish National Tax Assessment Board formula, equivalent to a total value of DKK 23,875 for 75,000 warrants. Jeppe Krog Rasmussen assesses that the proposed issue of warrants is on fair market terms. The value of each warrant as at the date of the general meeting might differ from the above depending on the development of the share price.

It is proposed to issue warrants to the new board member and to derogate from the shareholders' pre-emption rights in this regard in order to create an incentive for the board member to take part in and work for a positive development of the Company.

The costs of this incentive programme is expected to have a limited effect on the Company's key ratios. The Company's costs of this incentive programme consist of usual fees to advisers, which is expected to amount to approx. DKK 50,000 (including the amount set out in point o) above). Any financial benefit to the board member pursuant to this incentive programme does not impose any tax payment on the Company. Based on the current amount of shares in the Company, full exercise of the 75,000 warrants will entail a 0.26% dilution of the Company's share capital (without calculating any delution resulting from the warrants proposed under item 6c) on the agenda).

Apart from this incentive programme (and the incentive programme proposed under item 6c), the Company has two other ongoing incentive programmes, both of which are on materially the same terms as this programme. For more information, see Schedules 6.1.1 and 6.3.1 of the Company's articles of association.

The terms of the issue is prepared by the Jeppe Krog Rasmussen, and the terms are essentially identical to the terms of the warrants under item 6c) on the agenda. The new board member subject to this incentive programme has not participated in the preparation hereof.

Adoption of the proposal will imply that a new clause 7.3 is inserted in the articles of association as set out in Schedule 3 to this no-

tice and that a draft new Schedule 7.3 (Schedule 5 to this notice) is enclosed to the articles of association.

Majority requirements

Adoption of the proposals set out in items 6c) and 7a) require that the proposals are passed by at least 9/10 of the votes cast as well as 9/10 of the share capital represented at the general meeting. Adoption of the proposal set out in item 6b) require that the proposal is passed by at least 2/3 of the votes cast as well as 2/3 of the share capital represented at the general meeting. All other items on the agenda are subject to a simple majority of votes. If the vote results in a tie, the proposal is not adopted.

Where votes involve electing people or casting only one vote against several options, these votes must be decided by a relative, simple majority of votes. Where a vote that involves electing people results in a tie, the tie must be decided by lot.

Attendance, proxy and postal vote

All shareholders holding shares in the Company on the date of registration have right to attend and vote at the annual general meeting. The date of registration is **20 April 2022 at 23:59 pm (CET)**.

In order for a shareholder to attend the annual general meeting, the shareholder must submit a request for an admission card, and such request must be received by the Company no later than **22 April 2022 at 23:59 pm (CET)**. The request must be submitted to the Company by e-mail: info@dancann.com or by physical post to the Company's address, Rugvænget 5, DK-6823 Ansager, Denmark and shall identify (i) the shareholder's name, (ii) address, (iii) Company reg. no. (if relevant), (iv) e-mail address, and (v) deposit statement from VP Securities A/S or the account-holding institution (if relevant, please see below). A form for a request of an admission card is available at the Company's website, www.dancann.com, under 'Investor Relations (IR)' and 'General Meetings'.

Admission cards will be issued to shareholders, who according to the register of shareholders, are listed as shareholders on the date of registration, or who have given notice of ownership on the date of registration for the purpose of registration in the register of shareholders, but which is not yet registered. **For issuing admission cards to shareholders who are not listed by name in the register of shareholders, a deposit statement from VP Securities A/S or the account-holding institution documenting the shareholding on the date of registration, must be enclosed the request for the admission card.**

Proxy

Shareholders may attend and exercise their right to vote by proxy. Proxy form is available at the Company's website, www.dancann.com, under 'Investor Relations (IR)' and 'General Meetings'. Proxies can be revoked by the shareholder at any time. Proxy to the Board of Directors must be submitted to the Company by e-mail: info@dancann.com or by physical post to the Company's address, Rugvænget 5, DK-6823 Ansager, Denmark, and must be received by the Company no later than **26 April 2022 at 10:00 am (CET)**.

If a shareholder has provided a third party with a proxy, the third party must show an admission card and a written and dated instrument of proxy to be granted physical access to the annual general meeting. Alternatively, the proxy to third party must be sent to the Company, in which case it must be received no later than **26 April 2022 at 10:00 am (CET)**.

All shareholders and proxies may attend the annual general meeting with an adviser, if indicated in the request for an admission card.

Postal vote

Shareholders may vote by post for the items on the agenda. Postal voting form is available at the Company's website, www.dancann.com, under 'Investor Relations (IR)' and 'General Meetings', and must be submitted to the Company by e-mail: info@dancann.com or by physical post to the Company's address, Rugvænget 5, DK-6823 Ansager, Denmark.

Postal votes must be received by the Company no later than **26 April 2022 at 10:00 am (CET)**. Postal votes cannot be revoked.

Share capital and voting rights

The share capital of the Company is nominally DKK 1,067,560.8375. The share capital is divided into 28,468,289 shares of a nominal value of DKK 0.0375 per share. Each share of a nominal value of 0.0375 carries the right to one (1) vote at the annual general meeting.

Shareholders' right to ask questions

Prior to the general meeting shareholders may submit questions relating to the annual report, the Company's position and other items on the agenda. Such questions may be submitted by e-mail: info@dancann.com or by physical post to the Company's address, Rugvænget 5, DK-6823 Ansager, Denmark, and shall be received by the Company no later than **26 April 2022 at 15:00 pm (CET)**.

Questions will be answered at the annual general meeting.

Language

The annual general meeting will be conducted in English.

Information at the Company's website

This notice to convene the annual general meeting, including the agenda, schedules, the complete proposed resolutions, the annual report for 2021, and the proxy and postal voting forms are available at the Company's website, www.dancann.com under 'Investor Relations (IR)' and 'General Meetings'.

The Board of Directors

12 April 2022