

NOTICE OF EXTRAORDINARY GENERAL MEETING

to be held in Dancann Pharma A/S, CVR-no. 39 42 60 05

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

Friday, 23 July 2021 at 14:00 am (CET)

at the registered office of the Company, Rugvænget 5, DK-6823 Ansager

Due to COVID-19 and the current restrictions and recommendations from the Danish authorities, the Board of Directors recommends that all shareholders do not show up physically, but instead, exercise voting rights by postal vote or by proxy submitted to the Board of Directors. Please see below.

If prior to the extraordinary general meeting, the current COVID-19 restrictions and recommendations change to such extent that the circumstances regarding physical attendance to the extraordinary general meeting change from what is set out in this notice, the board of directors will provide further information.

Jeppe Krog Rasmussen (CEO and board member), Per Wester (board member), Christian Carlsen (board member), Magnus Østergaard Dahlmann (board member), Mads Møller Kristensen (CFO) and junior lawyer Michael Kristensen (chairman of the meeting) will be attending and conducting the extraordinary general meeting. The extraordinary meeting is held at the request of the board of directors.

The agenda for the extraordinary general meeting is as follows:

1. Proposed resolution to increase the share capital of the Company by up to nominally DKK 93,000 through cash contribution without pre-emption rights for the existing shareholders.
2. Proposed resolution to issue warrants without pre-emption rights for the existing shareholders.
3. Proposed resolution to cancel the authorisation set out in clause 5.1 in the Company's current articles of association and replace it with a new authorisation to the board of directors to issue shares without pre-emption rights for the existing shareholders.
4. Proposed resolution to cancel the authorisation set out in clause 5.2 in the Company's current articles of association and replace it with a new authorisa-

tion to the board of directors to issue shares with pre-emption rights for the existing shareholders.

5. Proposed resolution to authorise the board of directors to issue warrants without pre-emption rights for the existing shareholders and to increase the Company's share capital in this connection.
6. Proposed resolution to authorise the board of directors to issue warrants with pre-emption rights for the existing shareholders and to increase the Company's share capital in this connection.

Complete agenda:

Re 1.

The board of directors proposes to increase the share capital by up to nominally DKK 93,000 by cash contribution.

The terms of the proposed capital increase are as follows:

- a) The share capital is increased by minimum nominally DKK 0.0375 and maximum nominally DKK 93,000.
- b) The new shares are offered for sale in denominations of DKK 0.0375 and multiples thereof.
- c) The new shares are offered **without pre-emption rights** for the existing shareholders, as the new shares are offered to the following pre-determined persons:
 - Xignotus Capital ApS, CVR-no. 40 23 51 32 (owned by CEO and board member Jeppe Krog Rasmussen) (intends to subscribe for 250,000 shares)
 - Magnus Østergaard Dahlmann (board member) (intends to subscribe for 18,750 shares)
 - Morellco Holding ApS, CVR-no. 32 07 37 35 (intends to subscribe for 25,000 shares)
 - C-Plus Consult, CVR-no. 37 27 78 35 (owned by chairman of the board of directors Carsten Trads) (intends to subscribe for 25,000 shares)
 - Per Wester (board member) (intends to subscribe for 17,250 shares)
 - Jinderman & Partners AB, org. no. 559193-1745 (intends to subscribe for 875,000 shares)
 - Kent Ternrud (intends to subscribe for 55,000 shares)
 - Visima Invest AB, org. no. 559065-4389 (intends to subscribe for 36,625 shares)

- Marcus Kinnander (intends to subscribe for 137,500 shares)
- KCM Invest AB, org. no. 559063-6170 (intends to subscribe for 50,000 shares)
- Thomas Johansson (intends to subscribe for 62,500 shares)
- Carlsen Holding ApS, CVR-no. 39 54 55 78 (owned by board member Christian Carlsen) (intends to subscribe for 18,750 shares)

(the number of shares that the above persons subscribe for may derogate from the expected numbers set out above due to change in the market price from the date of the notice to the date of the extraordinary general meeting)

- d) Each of the above persons must subscribe for such number of shares as is equivalent to the number of warrants such person has subscribed for pursuant to item 2 on the agenda. In the event of any discrepancy between the number of shares and warrants subscribed for by any of the above persons, such person shall be deemed to have subscribed for the lower of such two amounts.
- e) The new shares are offered at market price as at the date of the general meeting, being the closing price (*in Danish: lukkekurs*) the latest trading day before the general meeting.
- f) Subscription for and payment of the new shares must be completed no later than four (4) days after the general meeting, i.e. on 27 July 2021.
- g) The total subscription amount from the issue of new shares cannot exceed DKK 6,500,000, so the maximum number of shares issued will correspond to a total subscription amount of DKK 6,500,000, even if such number of shares does not reach the maximum nominal capital increase set out in litra (a).
- h) In the event of oversubscription of the shares (whether the limit set out in litra (a) or (g) is exceeded), the board of directors shall decide on the allocation of shares between the persons set out in litra (c).
- i) Part payment of the new shares is not permitted.
- j) The new shares will carry the same rights as the existing shares.
- k) The new shares 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.
- l) The new shares will be registered shares and negotiable instruments.

m) The Company shall pay the costs relating to the capital increase, which are estimated at DKK 30,000 exclusive of VAT.

A draft of the articles of association of the Company where the amendments resulting from this proposed resolution as well as the proposed resolutions in items 2 – 6 below are marked up is enclosed as Schedule 1.

Re. 2

The board of directors proposes to issue up to 2,480,000 warrants, each granting the right to subscribe for one (1) share of nominally DKK 0.0375 and to resolve the related capital increase.

The full set of terms of the proposed issue of warrants and the related capital increase are set out in the draft new Schedule 7.1 to the Company's articles of association (enclosed as Schedule 2 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 pre-determined persons:
 - Xignotus Capital ApS, CVR-no. 40 23 51 32 (owned by CEO and board member Jeppe Krog Rasmussen) (intends to subscribe for 250,000 warrants)
 - Magnus Østergaard Dahlmann (board member) (intends to subscribe for 18,750 warrants)
 - Morellco Holding ApS, CVR-no. 32 07 37 35 (intends to subscribe for 25,000 warrants)
 - C-Plus Consult, CVR-no. 37 27 78 35 (owned by chairman of the board of directors Carsten Trads) (intends to subscribe for 25,000 warrants)
 - Per Wester (board member) (intends to subscribe for 17,250 warrants)
 - Jinderman & Partners AB, org. no. 559193-1745 (intends to subscribe for 875,000 warrants)
 - Kent Ternrud (intends to subscribe for 55,000 warrants)
 - Visima Invest AB, org. no. 559065-4389 (intends to subscribe for 36,625 warrants)
 - Marcus Kinnander (intends to subscribe for 137,500 warrants)

- KCM Invest AB, org. no. 559063-6170 (intends to subscribe for 50,000 warrants)
- Thomas Johansson (intends to subscribe for 62,500 warrants)
- Carlsen Holding ApS, CVR-no. 39 54 55 78 (owned by board member Christian Carlsen) (intends to subscribe for 18,750 shares)

(the number of warrants that the above persons subscribe for may derogate from what is set out above due to change in the market price from the date of the notice to the date of the extraordinary general meeting)

- c) Each of the above persons must subscribe for such number of warrants as is equivalent to the number shares such person has subscribed for pursuant to item 1 on the agenda. In the event of any discrepancy between the number of shares and warrants subscribed for by any of the above persons, such person shall be deemed to have subscribed for the lower of such two amounts.
- d) The total amount of warrants issued shall be equivalent to the number of shares issued pursuant to item 1 on the agenda.
- e) Subscription for the warrants must be completed no later than four (4) days after the general meeting, i.e. on 27 July 2021.
- f) In the event of oversubscription of the warrants (whether the maximum number of warrants in the first paragraph or the limit set out in litra (d) is exceeded), the board of directors shall decide on the allocation of the warrants between the persons set out in litra (b).
- g) Each warrant gives the right to subscribe for 1 share of nominally DKK 0.0375 at an exercise price equivalent the subscription price of the shares pursuant to item 1 on the agenda plus 30% (i.e. the market price of the shares as at the date of the extraordinary general meeting plus 30%).
- h) The warrants can be exercised in the period 14 July 2022 – 4 August 2022 (as described in the draft new Schedule 7.1), however see litra (i) below. Hence, in the exercise period the new shares can be subscribed for by exercise of the warrants, and the exercise price in connection with such exercise is payable in this exercise period.
- i) In the event of an Exit (as defined in the draft new Schedule 7.1) or if the Company and a warrant holder so agree, the warrants can be exercised prematurely as set out in clauses 5.3 and 7 in Schedule 7.1.

- j) By exercise of the warrants, the share capital of the Company can increase by minimum nominally DKK 0.0375 and maximum nominally DKK 93,000.
- k) The new shares (subscribed for by exercise of the warrants) will be offered in denominations of nominally DKK 0.0375.
- l) 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.
- m) 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.
- n) The new shares (subscribed for by exercise of the warrants) will be negotiable instruments.
- o) Part payment of the new shares (subscribed for by exercise of the warrants) is not permitted.
- p) The new shares (subscribed for by exercise of the warrants) carry the same rights as the existing shares.
- q) The existing shareholders will not have pre-emptions rights to the shares subscribed for by exercise of the warrants.
- r) 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).
- s) The Company shall pay the costs relating to the related capital increase, which are estimated at DKK 40,000 exclusive of VAT.

The subscription price of the shares (item 1) is the market price as at the date of the extraordinary general meeting. The exercise price of the warrants (item 2) is the market price of the shares as at the date of the extraordinary general meeting plus

30%. The shares and warrants are issued as a unit, as each of the above persons must subscribe such number of shares as is equivalent to the number of warrants such person has subscribed for (and vice versa). Hence, the board of directors assesses that the proposed issue of units (shares and warrants) is on fair market terms.

The board of directors has proposed to issue new shares (item 1) and warrants (item 2) in order to obtain financing of the Company's operations. The reason for derogating from the shareholders' pre-emption rights is in order to limit the costs related to the issue, and that the above persons are strategically beneficial investors for the Company.

Re. 3

The board of directors proposes that the authorisation to the board of directors to issue new shares without pre-emption rights for the existing shareholders as set out in clause 5.1 in the Company's current articles of association is cancelled and replaced by a new authorisation as described below:

It is proposed that the board of directors, pursuant to clause 155 of the Danish Companies Act, in the period until 1 June 2026 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 340,910.

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.

Further, the total capital increase, which the board of directors can resolve pursuant to this authorisation and the authorisation under item 4 collectively, cannot exceed nominally DKK 511,365.

Adoption of the proposal will imply that clause 5.1 in the current articles of association is deleted and replaced by a new clause 5.1 as set out in the draft articles of association enclosed as Schedule 1. Clauses 5.3 and 5.4 shall remain unchanged and shall continue to apply.

Re. 4

The board of directors proposes that the authorisation to the board of directors to issue new shares with pre-emption rights for the existing shareholders as set out in clause 5.2 in the Company's current articles of association is cancelled and replaced by a new authorisation as described below:

It is proposed that the board of directors, pursuant to clause 155 of the Danish Companies Act, in the period until 1 June 2026 is authorised to issue shares in the Company and thereby increase the share capital in one or more issues of new shares **with pre-emption rights** for the Company's existing shareholders by up to a nominal amount of DKK 468,750.

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) and can be below market price.

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.

Further, the total capital increase, which the board of directors can resolve pursuant to this authorisation and the authorisation under item 3 collectively, cannot exceed nominally DKK 511,365.

Adoption of the proposal will imply that clause 5.2 in the current articles of association is deleted and replaced by a new clause 5.2 as set out in the draft articles of

association enclosed as Schedule 1. Clauses 5.3 and 5.4 shall remain unchanged and shall continue to apply.

Re. 5

The board of directors proposes to authorise the board of directors in one or more tranches and in the period until 1 June 2026 to issue warrants granting the right to subscribe for up to 3,750,000 shares of nominally DKK 0.0375, i.e. up to a total of nominally DKK 140,625 shares in the Company, and to authorise the board of directors to resolve the related capital increase.

The warrants can be issued **without pre-emption rights** for the existing shareholders. The warrants can be issued below market price. However, if warrants are issued to existing shareholders, the subscription price upon exercise of warrants issued must be as a minimum equivalent the market price of the shares as at the date of the issue, unless such issue is carried out with pre-emption rights for all existing shareholders.

Shares that are subscribed for on the basis of warrants issued pursuant to this authorization 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.

It is further proposed to authorise the Board of Directors to lay down the more specific conditions for the distribution and issuance of the said warrants.

Adoption of the proposal will imply that a new clause 6.5 is inserted in the articles of association and that clause 6.6 (previously clause 6.4) is revised as set out in draft of the articles of association of the Company enclosed as Schedule 1.

Re. 6

The board of directors proposes to authorise the board of directors in one or more tranches and in the period until 1 June 2026 to issue warrants granting the right to subscribe for up to 9,375,000 shares of nominally DKK 0.0375, i.e. up to a total of nominally DKK 351,562.50 shares in the Company, and to authorize the board of directors to resolve the related capital increase.

The warrants shall be issued **with pre-emption rights** for the existing shareholders. The warrants can be issued below market price.

Shares that are subscribed for on the basis of warrants issued pursuant to this authorization 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.

It is further proposed to authorise the board of directors to lay down the more specific conditions for the distribution and issuance of the said warrants.

Adoption of the proposal will imply that a new clause 6.4 is inserted in the Articles of Association and that clause 6.6 (previously clause 6.4) is revised as set out in draft of the articles of association of the Company enclosed as Schedule 1.

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A draft of the articles of association of the Company where the amendments resulting from the proposed resolutions (items 1 - 6 on the agenda) are marked up is enclosed as Schedule 1. If less than the maximum number of shares and/or warrants proposed are issued (pursuant to items 1 and 2 on the agenda), the figures set out in the marked-up articles of association (Schedule 1) and the draft new Schedule 7.1 (Schedule 2) will be adjusted downwards accordingly.

Enclosed are also (i) the Company's annual report of 2020 (Schedule 3), (ii) a report by the board of directors regarding events of major importance to the Company's position that have occurred after presentation of the annual report (Schedule 4), (iii) a statement from the Company's auditor regarding the report from the board of directors (Schedule 5) and (iv) the Company's current articles of association (Schedule 6).

Majority requirements

Adoption of the proposals set out in items 1, 2, 3 and 5 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 proposals set out in items 4 and 6 require that the proposals are passed by at least 2/3 of the votes cast as well as 2/3 of the share capital represented at the general meeting.

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 extraordinary general meeting. The date of registration is **16 July 2021 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 **20 July 2021 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. **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.**

Due to COVID-19 restrictions, the Board of Directors recommends that all shareholders do not show up physically, but instead, exercise voting rights by postal vote or by proxy submitted to the Board of Directors. Please see below.

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 **22 July 2021 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.

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 **22 July 2021 at 10:00 am (CET)**. Postal votes cannot be revoked.

Share capital and voting rights

The share capital of the Company is nominally DKK 777,405. The share capital is divided into 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 extraordinary general meeting. Hence, there are in total 20,730,800 shares and votes in the Company.

Shareholders' right to ask questions

Shareholders may submit questions relating to the agenda. 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 **22 July 2021 at 15:00 pm (CET)**. Shareholders attending the extraordinary general meeting also have a right to ask questions at the general meeting.

Questions will be answered at the extraordinary general meeting.

Language

The extraordinary general meeting will be conducted in English.

Information at the company's website

This notice to convene the extraordinary general meeting, including the agenda, schedules, the complete proposed resolutions, the annual report for 2020, the report by the board of directors, the statement from the auditor and the proxy, postal voting and request for admission card forms are available at the Company's website, www.dancann.com under 'Investor Relations (IR)' and 'General Meetings'.

The Board of Directors

8 July 2021