



# Rights Issue 2024

Invitation to subscribe for Shares of DanCann Pharma A/S

**DanCann  
Pharma**

DanCann Pharma A/S  
CVR No.: 3942 6005  
Rugvænget 5, DK-6823,  
Ansager, Denmark



# About this Memorandum

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This offer memorandum (the “**Memorandum**”) has been prepared in connection with DanCann Pharma A/S; company reg. no. (CVR) 39426005 (“**DanCann Pharma**” or the “**Company**”), offer to subscribe for New Shares of the Company (the “**Offer**”). The Offer is a right issue of New Shares offered with Pre-Emptive Rights for the Company’s existing shareholders. The Company is listed on Spotlight Stock Market.

## Definitions

Defined terms used in this Memorandum shall have the meanings set out in Section “Definitions” on page 50.

## Exemption from prospectus requirement

The Company’s Offer is not subject to prospectus requirements and this document has not been reviewed and approved by the Swedish Financial Supervisory Authority (in Swedish: Finansinspektionen) or the Danish Financial Supervisory Authority (in Danish: Finanstilsynet). The Offer is only directed at investors in Denmark and Sweden and is exempt from the prospectus requirement in Denmark and Sweden due to the size of the Offer.

This Memorandum adheres to the disclosure requirements outlined by Spotlight Stock Market in relation to rights issues, where no prospectus is required.

## Advisors and issuing agent

In connection with the Offer described in this Memorandum, EK Equity AB (org.nr: 559426-5463) (“**EK Equity**”) has acted as the financial advisor of the Company, and Mazanti-Andersen Advokatpartnerselskab (CVR-no. 35892052) (“**Mazanti**”) has acted as the legal advisor of the Company. Nordic Issuing AB (org. no. 559338-2509) is the issuing agent for the Offer. The Board of Directors of the Company is

responsible for the content of this Memorandum, and EK Equity, Mazanti and Nordic Issuing disclaim all liability in relation to the shareholders in the Company, as well as with respect to other direct or indirect consequences of investment decisions or other decisions based wholly or partly on the information in this Memorandum.

## The area of distribution of the Memorandum

Due to restrictions in the applicable law in the United States, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore and other jurisdictions where the distribution of this Memorandum or participation in the Offer require additional measures, including additional prospectuses, registration measures, or other measures or actions than those under Danish and Swedish law, or where the distribution of this Memorandum will contravene rules in such jurisdiction, this Memorandum shall not be distributed in such jurisdictions, and the Offer shall not be directed at any persons or others with registered address in any such jurisdictions.

## References and source referencing

The Memorandum contains information from third parties. The Company ensures that the information from third parties has been reproduced correctly and that, to the extent that the Board of Directors is aware and can ascertain by comparisons with other information published by the relevant third parties, no information has been omitted in a manner that could render the information provided inaccurate or misleading.

## Accessibility of the Memorandum and documents incorporated by reference

The Memorandum is available on the Company’s website (www.dancann.com) and on Spotlight Stock Market’s website (www.spotlightstockmarket.com).

The documents incorporated by reference is available on the Company’s website (www.dancann.com) and can be obtained in paper format at the Company’s office with address: Rugvænget 5, 6823 Ansager, Denmark. The parts of the document that is not incorporated is either not relevant to the investors or the corresponding information is reproduced elsewhere in the Memorandum.

## Company’s auditor and auditor review

The Company’s auditor is Deloitte Statsautoriseret Revisionspartnerselskab, Værkmestergade 2, 8000 Aarhus, company reg. no. (CVR) 33963556, represented by Jens Lauridsen, State Authorised Public Accountant Identification No (MNE) mne34323. Apart from what is stated in the auditor’s report and annual reports incorporated by reference, no information in the Memorandum has been reviewed or audited by the Company’s auditor.

## Spotlight Stock Market

Spotlight Stock Market (“Spotlight”) is a securities company under the supervision of the Swedish Financial Supervisory Authority. Spotlight operates a so-called MTF platform. Companies listed on Spotlight have committed to follow Spotlight’s listing agreement. The agreement aims, among other things, to ensure that shareholders and other parties at the market receive accurate, immediate, and simultaneous information on all the 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 members connected to Spotlight Stock Market. This means that anyone who wants to buy or sell shares listed on Spotlight can use their usual bank or fund commissioners who are members of Spotlight. The listing agreement and share prices can be found on Spotlight’s website (www.spotlightstockmarket.com). Companies whose shares are traded on Spotlight are not covered by all legal rules

that apply to companies listed on regulated market. Spotlight has, through its regulations, implemented most of these regulations.

**Statements regarding the future**

This Memorandum contains forward-looking statements that reflect the Company's current views or expectations on future events as well as financial and operational development. The reader should be aware that these, like all future assessments, are associated with both known as well as unknown risks and uncertainties, given their dependence on future events and circumstances. Factors that could cause the Company's future results or development to differ from what is expressed in the forward-looking statements include, but are not limited to, those described in the section "Risk Factors". Statements regarding the outside world and future conditions express only the assessments and assumptions made by the Board of Directors as at the Memorandum Date.

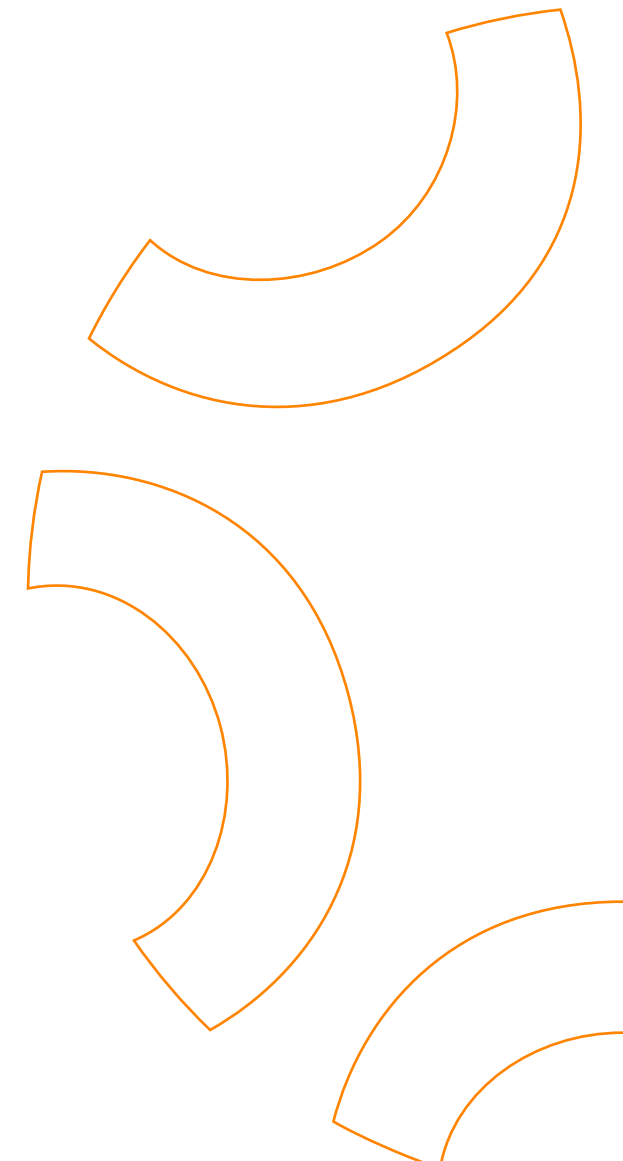
**Business and market information**

This Memorandum 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 Memorandum 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 Memorandum 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 Memorandum 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.

**Governing law and venue**

Disputes arising from the contents of the Memorandum or related legal matters shall be settled according to Danish law and at the Danish court.



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### DanCann Pharma A/S

Rugvænget 5, 6823  
Ansager, Denmark

Date of incorporation:  
20 March 2018

LEI code: 549300KLXQ6IC2YUUB58

Ticker (share): DANCAN

# The Offer in Brief

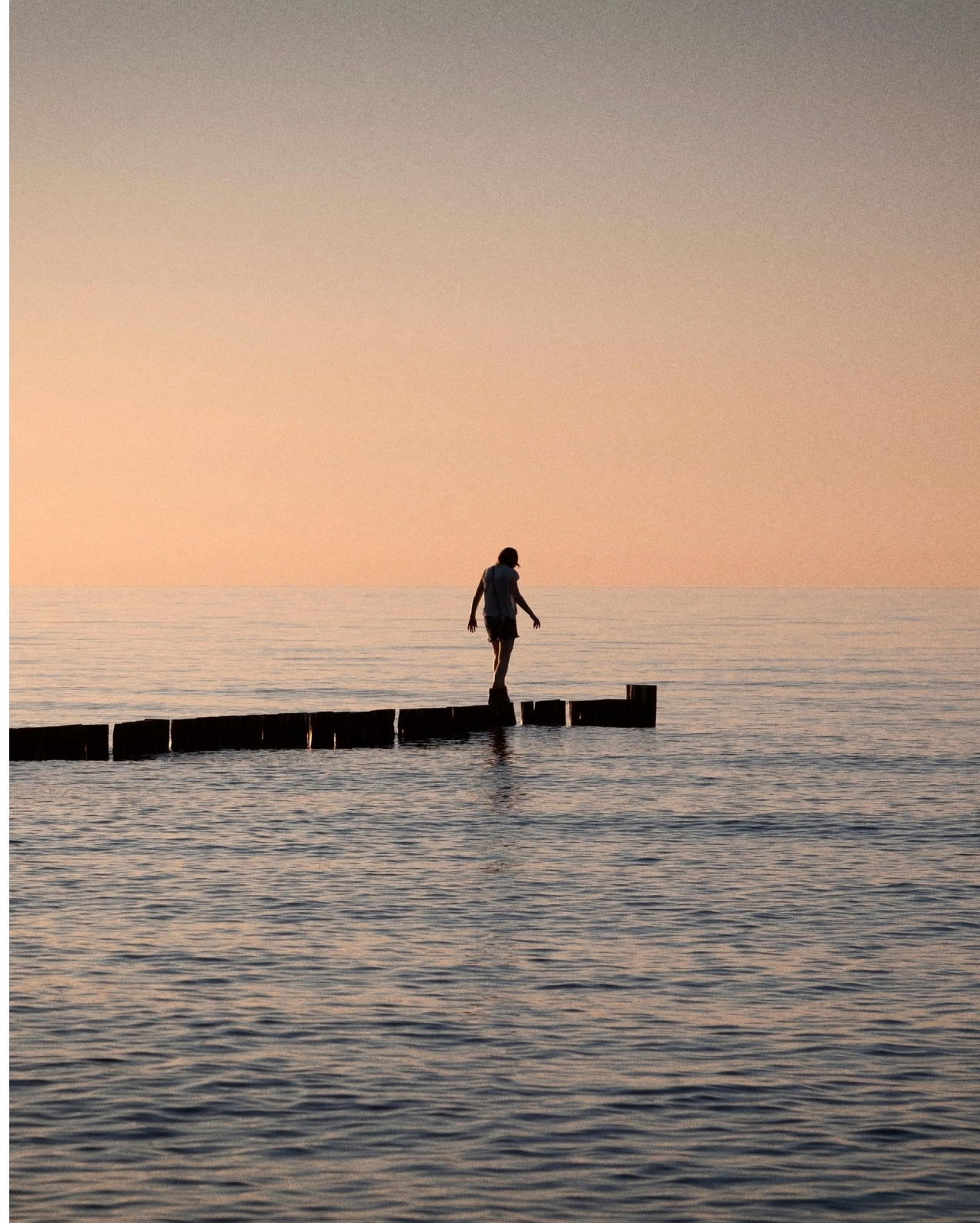
Maximum number of New Shares offered	1,832,907,879
Subscription Price	DKK 0.01 per New Share
Guarantee/subscription obligations	Approx. DKK 8.959 million corresponding to approx. 48.88% of the Offer, of which (a) DKK 5.5 million consist of cash subscriptions, and (b) approx. DKK 3.459 million consist of existing debt to be converted into Shares.

The enterprise value of the Company prior to the Offer (pre-money valuation) on which the Subscription Price is based is DKK 1,666,279.89 (166,627,989 x 0.01).

For the full terms and conditions and the instruction for subscription, please refer to the section “Terms and conditions of the Offer” in this Memorandum.

## Important Dates

Memorandum Date	24 May 2024
Last trading day with Existing Shares including Pre-Emptive Rights	6 June 2024
First trading day with Existing Shares excluding Pre-Emptive Rights	7 June 2024
Record date for allocation of Pre-Emptive Rights	10 June 2024
Period of trading with Pre-Emptive Rights	7 June 2024 at 9:00 am CET – 20 June 2024 at 5:00 pm CET
Period of trading with temporary Shares	7 June 2024 – 8 July 2024
Subscription Period	11 June at 9:00 am CET – 24 June at 5:00 pm CET
Announcement of the outcome of Offer	27 June 2024
First day of trading with New Shares	9 July 2024



# Financial Calendar

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Annual Report 2023	15 May 2024
Annual General Meeting (AGM) 2024	30 May 2024
Q1-2024 Report	31 May 2024
Q2-2024 Report	30 August 2024

# Responsibility Statement

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The Board of Directors of the Company is responsible for the contents of this Memorandum. The Board of Directors has taken all reasonable steps to ensure that the information provided and set out in the Memorandum in its opinion is consistent with the facts and is correct, and that nothing has been omitted which is likely to affect its meaning or the assessment of the Company.

Ansager, 24 May 2024  
The Board of Directors



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Carsten Trads,

Chairman of the Board of Directors  
and CEO of C-Plus Consult



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Jeppe Krog Rasmussen,

Board Member  
and CEO of DanCann Pharma A/S



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Christian Carlsen,

Vice-chairman of the Board of Directors  
and Managing Partner of Volvêr ApS



# Documents Incorporated by Reference

The information specified below shall be deemed to be incorporated into the Memorandum by reference. Copies of the documents incorporated by reference can be obtained from DanCann Pharma electronically through the Company's website, [www.dancann.com](http://www.dancann.com), or in paper format at the address of the Company: Rugvænget 5, 6823 Ansager, Denmark.

Please note that information on DanCann Pharma's website, or other websites to which reference is made, is not included in the Memorandum unless this information is specifically incorporated into the Memorandum by reference.

## DanCann Pharma A/S Articles of Association

The Articles of Association can be found on the following link: <https://www.dancann.com/investor-relations#Corporate-Governance>

DanCann Pharma A/S annual report 2023 (audited)	
Income statement	Page 30
Balance sheet	Page 31
Changes in equity	Page 32
Cash flow	Page 33
Notes	Pages 34–39
Auditor's report	Pages 28–29

The annual report 2023 can be found on the following link: <https://www.dancann.com/investor-relations#Financial-Reports>

DanCann Pharma A/S annual report 2022 (audited)	
Income statement	Page 38
Balance sheet	Pages 39–40
Changes in equity	Page 41
Cash flow	Page 42
Notes	Pages 43–48
Auditor's report	Pages 36–37

The annual report 2022 can be found on the following link: <https://www.dancann.com/investor-relations#Financial-Reports>

# DanCann Pharma in Brief

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The Company's legal name is DanCann Pharma A/S, and the Company has the following secondary names: Danish Cannabinoids Pharmaceuticals A/S and Danish Cannabis Pharmaceuticals A/S. The Company is incorporated as a public limited company (in Danish: "aktieselskab" or "A/S") in Denmark. The Company is incorporated, validly existing and operating under the laws of Denmark, including the Danish Companies Act. The Company's corporate registration number (CVR) is 39 42 60 06, and the Company's legal entity identity (LEI) code is 549300KLXQ6IC2YUUB58.

DanCann Pharma was incorporated as an entrepreneur company (in Danish: "iværksætterselskab") under the laws of Denmark on 20 March 2018. The Company was reregistered to a private limited company (in Danish: "anpartsselskab" or "ApS") on 26 June 2020, and DanCann Pharma was converted into a public limited company on 6 July 2020.

DanCann Pharma is a Danish biopharmaceutical company powered by cannabinoids, licensed for distribution of medicinal cannabis medicines. Cannabinoids is the active components from the plant cannabis. Effective as of 20 October 2021, DanCann Pharma acquired the company, CannGros ApS (CVR-no. 39039451) ("CannGros"), which has been 100% owned by DanCann Pharma since this date. The Company currently operates a complete setup with the necessary licenses in the GxP-sphere for the manufacturing of cannabis intermediate products based on the import of products from third parties, which are then repackaged. All activities are conducted with the purpose of operating under the Danish Pilot Programme for medicinal cannabis in Denmark. The Company's portfolio today includes Bedrocan®, Bediol®, and Bedica®, and it has an exciting pipeline with several product admissions expected in the Pilot Programme during the current year, 2024.

In 2023, the Company sold more than 14,000 packages of medicine to Danish patients.

The address of the Company and its registered office is Rugvænget 5, DK-6823 Ansager, Denmark. The Company's phone number is +45 69 16 03 93, the website of the Company is [www.dancann.com](http://www.dancann.com), and the language of its communication is English.

Please note that the contents or information of the Company's website are not a part of this Memorandum unless the information is incorporated into the Memorandum by reference.





# Summary of the Offer

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## The Offer (a rights issue)

Existing shareholders, professional investors and the public are hereby invited to subscribe for New Shares in the Company during the period from 11 June 2024 at 9:00 am CET to 24 June 2024 at 5:00 pm CET (the Subscription Period) and otherwise on the terms set out in this Memorandum. The Board of Directors of the Company resolved on 24 May 2024, based on an authorisation from the extraordinary general meeting on the 17 April 2024, to carry out the issue of the New Shares and to increase the share capital by a maximum of nominally DKK 18,329,078.79 by way of an issue of a maximum of 1,832,907,879 New Shares, each with a nominal value of DKK 0.01.

The Offer is comprised by a maximum of 1,832,907,879 New Shares, each of a nominal value of DKK 0.01, and in the event of full subscription of the Offer, the share capital of the Company will be increased by nominally DKK 18,329,078.79 (equivalent to a total issue of 1,832,907,879 New Shares).

The Offer is a rights issue of New Shares directed at investors in Denmark and Sweden. The New Shares are offered with Pre-Emptive Rights for existing shareholders.

## Allocation of Pre-Emptive Rights

Each holder of Existing Shares registered with Euronext Securities on 10 June 2024 (the record date) at 5:59 pm CET as a shareholder in the Company will be allocated eleven (11) Pre-Emptive Rights for each Existing Share. For each (1) Pre-Emptive Right, the holder is entitled to subscribe for 1 New Share at a Subscription Price of DKK 0.01 per New Share.

## Subscription Price

The Subscription Price is DKK 0.01 per New Share. DanCann Pharma will not charge investors any fees for subscribing for New Shares in the Offer, however, a brokerage fee may occur.

## Subscription Period

The Subscription Period of the New Shares will commence on 11 June 2024 at 9:00 am CET and will close on 24 June 2024 at 5:00 pm CET.

## Guarantee commitments

DanCann Pharma has received guarantee commitments (i.e. commitments to subscribe for Shares) of approximately DKK 8.959 million, which corresponds to approx. 48.88% of the issue volume, of which (i) approximately DKK 5.5 million consists of bottom-up guarantee commitments, and (ii) approximately DKK 3.459 million consists of top-down guarantee commitments. Any subscription of Shares by those having provided bottom-up guarantee commitments will be by way of cash subscription of New Shares. Any subscription of Shares by those having provided top-down guarantee commitments will be carried out by way of conversion of existing debt in the Company.

In addition to the above, an existing lender of the Company has committed to convert an outstanding loan of an amount of DKK 3,350,000 to Shares of the Company at a price of DKK 0.01, provided that the Company receives cash subscriptions of DKK 5.5 million in the Offer (which the Company has secured) but otherwise regardless of the outcome of the Offer.

Please see below under "Guarantee commitments" for further information.

## The proceeds and issue costs

In the event of full subscription of the Offer, the Company's gross proceeds will be DKK 18,329,078.79. In the event of full subscription of the Offer, the Company's costs in connection with the Offer are estimated at approx. DKK 4.7 million, and hence the net proceeds will in this case be approx. DKK 13.629 million. In the event that the Offer will not be subscribed for by any other than those having provided guarantee commitments, the costs of the Company in connection with the Offer are estimated at DKK 3.3 million.

## Publication of the outcome of the Offer

The result of the Offer will be communicated in a company announcement expected to be published no later than three trading days after the expiry of the Subscription Period, and the result of the Offer is therefore expected to be announced on 27 June 2024.

## Dilution

As of the Memorandum Date, the nominal value of the Company's registered share capital is DKK 1,666,279.89 divided into 166,627,989 Existing Shares, each having a nominal value of DKK 0.01. All Existing Shares are issued and fully paid up, and each Existing Share carries 1 vote.

Upon issue of the New Shares, existing shareholders' share of ownership of the Company may be reduced. In the event of full subscription of the Offer, if an existing shareholder refrains from exercising its Pre-Emptive Rights allocated to the existing shareholder in connection with the Offer, the existing shareholder's ownership will be diluted by approximately 91.67%. If the existing shareholders elect to partly exercise the Pre-Emptive Rights allocated to them, the rate of dilution will be between 0 to 91.67% depending on the exercise (in the event of full subscription of the Offer). If the existing shareholders exercise their Pre-Emptive Rights in full, they will not be diluted.

### Potential payable fee

Clearing and settlement take place within the framework of the Euronext Securities' system in Denmark. This may mean that banks and managers who are not members of Euronext Securities in Denmark may charge an administrative fee for subscription of New Shares in DanCann Pharma as offered in this Memorandum. In addition, a fee, in the form of a brokerage fee, may be taken for trading in DanCann Pharma's Shares.



# Risk Factors

An investment in securities is associated with risk. This section describes the risk factors and important circumstances considered material for DanCann Pharma’s operations and future development. Several risk factors can have a potential effect on the operations and future development 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 operations and 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 Memorandum, 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 on a scale from 0 – 5.

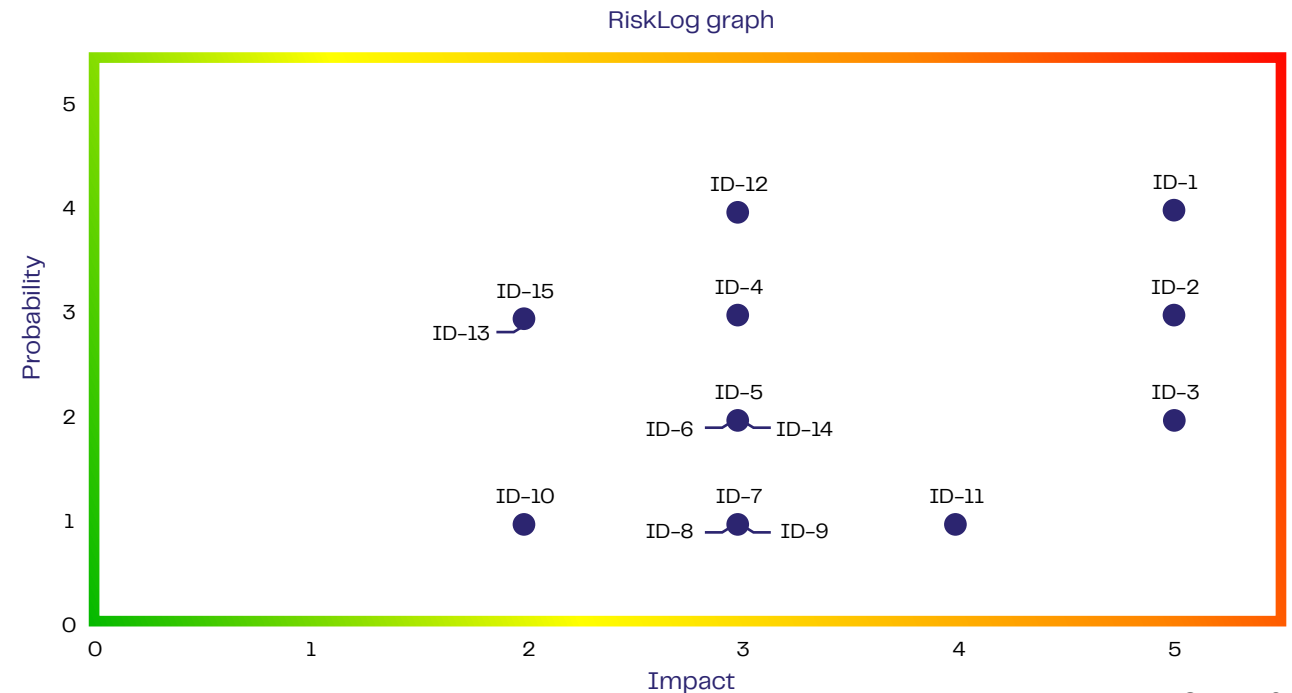
Below is a formal definition of the scale from 0 to 5 for both the potential negative impact and the probability in the context of the risk matrix. Each level is thoroughly explained:

Potential negative impact scale:	Probability scale:
0 – No impact: The risk presents no disruption or damage to operations, finances, or reputation.	0 – Impossible: There is no chance of the risk occurring.
1 – Minor impact: The risk causes minimal disruption or damage that can be easily managed or remedied with existing protocols, with negligible effects on operations, finances, or reputation.	1 – Highly Unlikely: The risk is extremely rare, with only a slight possibility of occurrence under exceptional circumstances.
2 – Low impact: The risk results in slight disruption or damage, requiring some intervention to manage. Effects are manageable within ordinary operational capacity without significant consequences.	2 – Unlikely: The risk is not expected to occur regularly, and there are few scenarios where it might materialize.
3 – Moderate impact: The risk causes a noticeable disruption or damage with moderate consequences that may require additional resources or changes to procedures to manage effectively. The impact is significant but not critical to overall operations or strategic goals.	3 – Possible: The risk has a moderate chance of occurring at some point. It is neither frequent nor rare, and circumstances that could lead to its occurrence are plausible.
4 – High impact: The risk leads to substantial disruption or damage with serious consequences, affecting core operations or strategic goals. Significant resources are required to manage the situation.	4 – Likely: The risk has a high chance of occurring at some point. There are known factors or conditions that commonly lead to this risk materializing.
5 – Severe impact: The risk causes extreme disruption or damage, with critical and lasting effects that threaten the viability or sustained operation. Extensive efforts are necessary to manage and mitigate the impact.	5 – Almost Certain: The risk is almost guaranteed to occur. It is a frequent and anticipated event that requires constant attention and management.

The risks described below are not the only risks to which DanCann Pharma or its shareholders may be exposed. There are other risks currently unknown to DanCann Pharma or which DanCann Pharma currently does not regard as significant but could also adversely affect DanCann Pharma’s operations, financial position, or operating profit.

If any of the described risks or another unknown risk were to materialize, DanCann Pharma’s business operations, financial position, and earnings could be materially adversely affected. This could also result in a significant decline in the price of the Shares of DanCann Pharma and in an investor losing part or all of their investment.

A prospective investor should carefully consider the risk factors set forth below before making an investment decision and should consult his or her own expert advisers as to the suitability of an investment in the Shares of DanCann Pharma. An investment in DanCann Pharma’s Shares is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of the investment.



## RISKS SPECIFIC AND MATERIAL TO THE COMPANY'S OPERATIONS

### ID-1: Approval(s) from the Danish Medicine Agency – Processing of submissions (External)

DanCann Pharma does not have all the necessary permissions needed to realize its business and pipeline. To be able to sell new medicinal cannabis medicines, new product permissions must be obtained from the Danish Medicines Agency (DKMA).

Historically, the DKMA has taken longer time to process applications for new product permissions than indicated in their own guidelines, which state that the estimated assessment times for the admission of imported cannabis products for complete applications are 14 days for validation and 50 days for the assessment.

There is a risk that the DKMA will experience delays in this process. This poses a risk to Company's ability to generate revenue, which would adversely affect the Company's earnings and financial position.

DanCann Pharma assesses the probability of the risk occurring as 4 on the matrix. Should the risk materialize, DanCann Pharma considers the potential negative impact to be 5 on the matrix.

### ID-2: 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. If DanCann Pharma does not receive at least approximately DKK 11 million from the Offer of New Shares (approx. 60% 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.

Prior to the Offer, DanCann Pharma historically had bigger debt positions with three lenders. These are now being cleared in connection with

the Offer, where they are either converted or repaid in cash, depending on the level of subscription achieved in the Offer. Consequently, the Company will not face such financial challenges moving forward.

There is a risk that delays in DanCann Pharma's product developments will result in a delayed market breakthrough and consequently cash flow being generated later than expected. Delaying market breakthroughs 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 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"). 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 probability of the risk occurring as 3 on the matrix. Should the risk materialize, DanCann Pharma considers the potential negative impact to be 5 on the matrix.

### ID-3: Approval(s) from the Danish Medicines Agency – Preparation of submissions (Internal)

DanCann Pharma does not have all the necessary permissions needed to realize its business and pipeline. To be able to sell new medicinal cannabis medicines, new product permissions must be obtained from the Danish Medicines Agency (DKMA).

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 for its pipeline, 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 probability of the risk occurring as 2 on the matrix. Should the risk materialize, DanCann Pharma considers the potential negative impact to be 5 on the matrix.

### ID-4: Competitors

Some of DanCann Pharma's global competitors and potential future competitors are multinational companies with large financial resources. There is a risk that one or more competitors initiate or carry out a widespread investment and/or product development, 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 as of today is, among others, StenoCare A/S and Scanleaf ApS. These competitors are licensed under the Pilot Programme. The competitors are comparable to DanCann Pharma, since they source, import, and distribute medicinal cannabis products to the Danish 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 a decrease in sales and revenue and/or other negative consequences for DanCann Pharma.

DanCann Pharma assesses the probability of the risk occurring as 3 on the matrix. Should the risk materialize, DanCann Pharma considers the potential negative impact to be 3 on the matrix.

### **ID-5: Market growth and market penetration**

DanCann Pharma is planning to expand its business over the coming years by increasing market shares in the Company's domestic country (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 strategy. However, there is no guarantee that any of the Company's 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.

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.

DanCann Pharma assesses the probability of the risk occurring as 2 on the matrix. Should the risk materialize, DanCann Pharma considers the potential negative impact to be 3 on the matrix.

### **ID-6: Prices**

DanCann Pharma's products are based on cannabis and cannabinoids and the price of these is determined based on supply and demand in a fluctuating market and the price of such affects the Company's product margins. If the demand for these products 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 medicinal cannabis are expected to fall over time as the supply increases due to, for example, (i) the legalization of the manufacturing process and/or (ii) sale and/or export of medicinal cannabis in other countries, especially in countries where it would be less expensive to produce medicinal 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 (medicinal cannabis), there is a risk that initial higher margins cannot be sustained over time.

DanCann Pharma assesses the probability of the risk occurring as 2 on the matrix. Should the risk materialize, DanCann Pharma considers the potential negative impact to be 3 on the matrix.

### **ID-7: Changes in the regulations and the political climate**

DanCann Pharma operates within the new 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 prescription 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 prescription area, given the Development Scheme and the Pilot Programme. 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 Programme being abandoned or the requirements for such 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 is 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 medicinal 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 are new medicinal 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 through 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 that 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.

DanCann Pharma assesses the probability of the risk occurring as 1 on the matrix. Should the risk materialize, DanCann Pharma considers the potential negative impact to be 3 on the matrix.

## ID-8: Key employees and employees

DanCann Pharma relies on key people to execute its business plan and maintain permits. 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 finance. 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 the area of medicinal cannabis requires a particular set of skills and knowledge, which would affect the Company's business operations. DanCann Pharma assesses the probability of the risk occurring as 1 on the matrix. Should the risk materialize, DanCann Pharma considers the potential negative impact to be 3 on the matrix.

## ID-9: 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 medicinal 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 probability of the risk occurring as 1 on

the matrix. Should the risk materialize, DanCann Pharma considers the potential negative impact to be 3 on the matrix.

## ID-10: Unauthorized disclosure of know-how

The risk of unauthorized disclosure of information is present in the medicinal 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 probability of the risk occurring as 1 on the matrix. Should the risk materialize, DanCann Pharma considers the potential negative impact to be 2 on the matrix.

## ID-11: Recognition and measurement of tax credits

DanCann Pharma has utilized the tax credit scheme (in Danish: skattekreditordningen). It should be noted that the recognition and measurement of such tax credits are subject to some uncertainty. This uncertainty arises from the interpretation of tax law regarding the content and use of the tax credit system. As a result, the recognized amounts for 2022, DKK 1.492 million, and 2021, DKK 2.919 million, are subject to some uncertainty.

The Company faces the possibility that the Danish Tax Agency (in Danish: Skattemyndigheden) may have a different view of the development costs, leading to further uncertainty. This could contrast with a previous stance and statement in 2020 where the Company received confirmation of their position from SKAT.

DanCann Pharma assesses the probability of the risk occurring as 1 on the matrix. Should the risk materialize, DanCann Pharma considers the potential negative impact to be 4 on the matrix.

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

### ID-12: 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.

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 probability of the risk occurring as 4 on the matrix. Should the risk materialize, DanCann Pharma considers the potential negative impact to be 3 on the matrix.

### ID-13: 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 medicinal cannabis, which, in some

cases, are affected by a relatively large number of factors, such as political matters, ethical matters and regulatory matters, the Company may be exposed to a greater degree of risk and thus become 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 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 probability of the risk occurring as 3 on the matrix. Should the risk materialize, DanCann Pharma considers the potential negative impact to be 2 on the matrix.

#### **ID-14: Future issues of new Shares and dilution of ownership**

In the future, DanCann Pharma may raise additional capital by resolving on an issue of new Shares or other securities. Issues of new Shares may have a negative effect on the market price of the Shares. Additional issues may also entail that the shareholders' share of ownership in the Company will be diluted.

In the event that an issue is carried out with preferential rights for existing shareholders, shareholders are given the opportunity to defend themselves against 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 dilution.

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

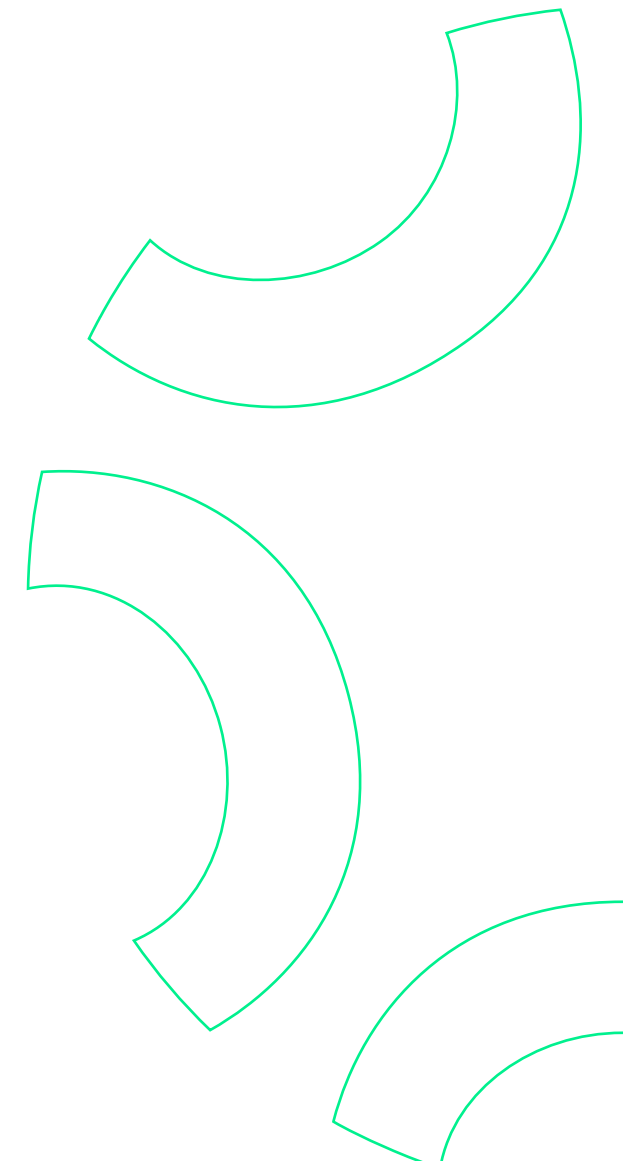
DanCann Pharma assesses the probability of the risk occurring as 2 on the matrix. Should the risk materialize, DanCann Pharma considers the potential negative impact to be 3 on the matrix.

#### **ID-15: Marketplace**

The Company's Shares are traded on Spotlight Stock Market that operates a multilateral trading facility (MTF) and where trading in individual securities may from time to time be limited. Companies whose shares are traded on Spotlight are not subject to all the rules as shares admitted for trading on a so-called regulated market. Spotlight has chosen to include most of those rules into its Regulations. As a result of the differences in the scope of the different regulations, an investment in shares traded on Spotlight may be riskier than an investment in shares traded on a regulated market.

There is a risk that an active and liquid trade of the Shares cannot be sustained which may lead to difficulties for the Company's shareholders to sell their Shares, and there is a risk that the price of the Shares may drop below the price of the Shares in the Offer (the Subscription Price). There is a risk that shareholders of the Company will not be able to sell their Shares at a price acceptable to the shareholder or at all.

DanCann Pharma assesses the probability of the risk occurring as 2 on the matrix. Should the risk materialize, DanCann Pharma considers the potential negative impact to be 3 on the matrix.



# Background for the Offer and Use of Proceeds

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 to carry out the Offer of New Shares as set out in this Memorandum.

Another material reason behind the Offer is the Company's outstanding loans to the creditors who are listed under "top-down guarantees" and "Additional conversion of debt" in the Section "Guarantee commitments" below. As set out, these creditors have guaranteed to convert their loans into Shares, or, with respect to the top-down guarantees, these loans will alternatively be repaid in cash (depending on the outcome of the Offer). Consequently, upon completion of the Offer, the Company will achieve a debt-free status and thus eliminate its existing outstanding debt (including the convertible debt instruments with Nordic Growth Opportunities 2 as set out in Schedule 6.9.1 of the Articles of Association, see "Additional conversion of debt" below).

## 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 Offer will enable the Company to actively prepare multiple new product applications. The proceeds will provide the necessary capital for the Company, facilitating its achievement of operational break-even by 2025, and the elimination of its existing outstanding debt (including the convertible debt instruments with Nordic Growth Opportunities 2 as set out in Schedule 6.9.1 of the Articles of Association, see "Additional conversion of debt" below).

The Company intends to use the issue proceeds as follows:

### Issue – approximately DKK 13.63 million (net proceeds in the event of full subscription of the Offer):

Achieving a debt-free status by repayment of the loans listed under "top-down guarantees" (lenders have guaranteed a total 100% of their entire outstanding loan in the Offer, equal approx. DKK 3.45 million, which is to be converted into Shares, in full or in part, if the Offer is not subscribed for 100%, please see the Section "Guarantee commitments"): approximately 25%

Progressing new product submissions (regulatory affairs): approximately 50%

Penetrate and developing new market shares (DK): approximately 25%

The proceeds from the Offer will only be used to repay loans listed under "Top down guarantees" if the Offer is subscribed for more than (approx.) 81.13% of the Offer, as if the Offer is subscribed for (approx.) 81.13% or less, the top down guarantors will convert their loans in full (in the total amount of DKK 3,459,192) into Shares of the Company (see Section "Top down guarantees" below on page 18). If the Offer is subscribed more than (approx.) 81.13% of the Offer, an amount equal to the remainder of these loans listed under "top-down guarantees" as are not converted into Shares (as described in Section "Top down guarantees") will be used to repay such remaining part of these loans. Any other net proceeds from the Offer will be used for the purposes "Progressing new product submissions" and "Penetrate and developing new market share" as described above, in each case in a split 2:1.

## Working Capital

According to the Company's assessment, the existing working capital intended to finance the development of the operations and the Company's growth plan is not sufficient for the current needs as of the Memorandum Date. To provide the Company with working capital, DanCann Pharma is carrying out the Offer which can provide the Company with a maximum of approx. DKK 18.329 million (before repayment of bridge financing of DKK 1.6 million, compensation to bridge financiers, conversion of loan and issue costs). In the event that the Offer is fully subscribed, the Company assesses that the proceeds will finance DanCann Pharma's growth plan until the expected breakeven during 2025.

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 11.0 million in cash subscriptions (before transaction-related costs) through the Offer described in this Memorandum. As of the Memorandum Date, DanCann Pharma has secured a total of approximately DKK 5.5 million (before transaction-related costs) in guaranteed liquidity through bottom-up guarantee commitments, which corresponds to approximately 30.01% of the issue volume.

If the Company does not raise the fully abovementioned capital before 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.



# Guarantee Commitments

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During March and April 2024, DanCann Pharma has received guarantee commitments of approximately DKK 8.959 million, which corresponds to approximately 48.88% of the issue volume, of which (i) approximately DKK 5.5 million consists of bottom-up guarantee commitments (see below), and (ii) approximately DKK 3.459 million consists of top-down guarantee commitments by way of conversion of existing debt in the Company (see below).

The parties that have provided guarantee commitments are listed in the tables below.

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

In addition to the above, an existing lender of the Company has committed to convert an outstanding loan of an amount of DKK 3,350,000 to Shares of the Company at a price of DKK 0.01, provided that the Company receives cash subscriptions of DKK 5.5 million in the Offer (which the Company has secured) but otherwise regardless of the outcome of the Offer.

## Different guarantee commitments

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

In consideration for the guarantee obligations, the bottom-up guarantors shall receive a fee equivalent to 22% of the guaranteed amount, and the top-down guarantors shall receive a fee equivalent to 15% of the guaranteed amount. The guarantee compensation for the guarantees provided amounts to a total of approximately DKK 3.3 million. All guarantee commitments were entered into during March and April 2024.

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% of the guaranteed amount.

The parties who have provided guarantee commitments are listed in the tables below. Guarantors who have undertaken to subscribe for more than 1% of the Offer are specified by name and scope. Other commitments are stated jointly.

## Bottom-up guarantees

In case the Offer of New Shares is subscribed for less than 30.01% of the total Offer volume, each of those having provided a bottom-up guarantee as listed below have committed to subscribe for New Shares for a proportionate part of the maximum guaranteed amount specified in the table below relative to such part of the Offer subscribed for (between 0% and 30.01%).

Subscription of New Shares by the bottom-up guarantors shall be carried out in cash at a price of DKK 0.01 per New Share.

In consideration for the guarantee obligations, those having provided bottom-up guarantees shall receive a fee equivalent to 22% of the maximum guaranteed amount payable in cash by the Company following completing of the Offer.

Name	Corporate registration number	Address	Issue guarantee (DKK)	Date on which the guarantee agreement was executed	% of the Offer
John Carlström	N/A	Hagaesplanaden 78, 113 67 Göteborg	1,265,000	25 March 2024	6.90
Nicklas Corneliusson	N/A	Brunnsgatan 4, 111 38 Stockholm	1,000,000	25 March 2024	5.46
Edvin Rydell	N/A	Mariedalsvägen 57 A lgh 1202 217 45 Malmö	660,000	25 March 2024	3.60
Patric Sjölund	Pronator Invest AB, 559025-2879	Rådmansgatan 71 113 60 Stockholm	300,000	24 March 2024	1.64
Fredrik Paulsson	N/A	Parkallén 34 E, lgh 1105245 64 Hjärup	300,000	25 March 2024	1.64
Alexander Schoeneck	JJV Investment Group AB, 556850-2529	Runnvägen 24 791 53 Falun	250,000	24 March 2024	1.36
Fredrik Holst	N/A	David Bagares Gata 10 111 38 Stockholm	250,000	24 March 2024	1.36
Love Carlsson	Jinderman & Partners AB, 559193-1745	Hornsgatan 178 5TR 117 34 Stockholm	250,000	24 March 2024	1.36
Jeppe Krog Rasmussen	N/A	Smaragdvej 9, 9tv, Vejle-7100	200,000	24 March 2024	1.09
Niklas Estensson	UBB Consulting AB, 559135-3049	Drakflygargatan 6, 128 46 Skarphäck	200,000	25 March 2024	1.09
Ylber Rexhepi	N/A	Packarbelles väg 3, 218 53 Klagshamn	200,000	24 March 2024	1.09
Others (less than 1% of the Offer)			625,000	24 – 27 March 2024	3.41
<b>Total:</b>			<b>5,500,000</b>		<b>30.01</b>

## Top-down guarantees

Below is set out outstanding debt of the Company to two lenders. In case the Offer is subscribed for approx. 81.13% (equivalent to 100% minus the top-down guarantee commitments) or less of the total Offer (including subscriptions by those having provided bottom-up guarantees), each of those having provided top-down guarantees have committed to subscribe for Shares for the maximum guaranteed amount specified in the table below. If the Offer is subscribed for 100% of the total Offer (including subscriptions by those having provided bottom-up guarantees), those having provided top-down guarantees are not to subscribe for Shares. If the Offer is subscribed for more than approx. 81.13% but less than 100% of the total Offer (including subscriptions by those having provided bottom-up guarantees), each of those having provided top-down guarantees have committed to subscribe for Shares for a proportionate part of the maximum guaranteed amount specified in the table below.

Subscription of Shares by Buntel AB and Capmate AB shall be carried out by way of conversion of the debt into Shares at a price of DKK 0.01 per Share. Such issue of Shares to Buntel AB and Capmate AB is completed by way of a directed issue (in Danish: rettet emission) in favour of them (and not as part of the rights issue), as debt conversion is only allowed under Danish law as a directed issue. In consideration for the guarantee obligations, those having provided top-down guarantees shall receive a fee equivalent to 15% of the maximum guaranteed amount payable in cash by the Company following completing of the Offer.

Name	Corporate registration number	Address	Issue guarantee (DKK)	Date on which the guarantee agreement was executed	% of the Offer
Buntel AB (former: Modelio Equity AB)	559373-4295	Ingmar Bergmans gata 2, 114 34, Stockholm, Sweden	2,422,035	26 March 2024	13.21
Capmate AB (former: Gerhard Dal)	556554-8822	Eriksrogränd 8, 19478, Upplands Väsby, Sweden	1,037,157	27 March 2024	5.66
<b>Total:</b>			<b>3,459,192</b>		<b>18.87</b>

## Additional conversion of debt

In addition to the guarantee commitments set out above, the following lender of the Company has committed to convert its outstanding loan in the Company as set out below in connection with the Offer:

Name	Corporate registration number	Address	Loan amount outstanding
NORDIC GROWTH OPPORTUNITIES 2	CR-398958	71 Fort Street, George Town, Grand Cayman, KY1-1111, Cayman Islands	3,350,000

The debt to Nordic Growth Opportunities 2 (which is an existing shareholder of the Company, see “shareholder table” on page 45 below) above is created by way of issue of loans under the convertible debt instruments set out in Schedule 6.9.1 of the Articles of Association. Subscription of Shares by Nordic Growth Opportunities 2 will be carried out by way of conversion of debt pursuant to the terms of said convertible debt instruments and at a price of DKK 0.01 per Share.

The debt to Nordic Growth Opportunities 2 will be converted into Shares of the Company regardless of the outcome of the Offer (except that the obligation to convert the loan is conditioned that the Company has received cash subscriptions in the Offer of minimum DKK 5.5 million (which the Company has secured). The conversion of this debt shall form part of the Offer or otherwise be affected by the Offer.

In consideration for the obligation to convert its outstanding loans under the convertible loan notes, Nordic Growth Opportunities 2 shall receive a fee equivalent to 15% of the outstanding loan amount payable in cash by the Company following completing of the Offer.



# Information from Third Parties

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The Board of Directors assures that the information from third parties has been accurately reproduced and – as far as the Board of Directors is aware and is able to ascertain from information published by that third party – no facts have been omitted which would render the reproduced information inaccurate or misleading. Statements in the Memorandum are based on the Board of Directors' assessments unless stated otherwise.

## List of references

1 E-Sundhed and Medstat

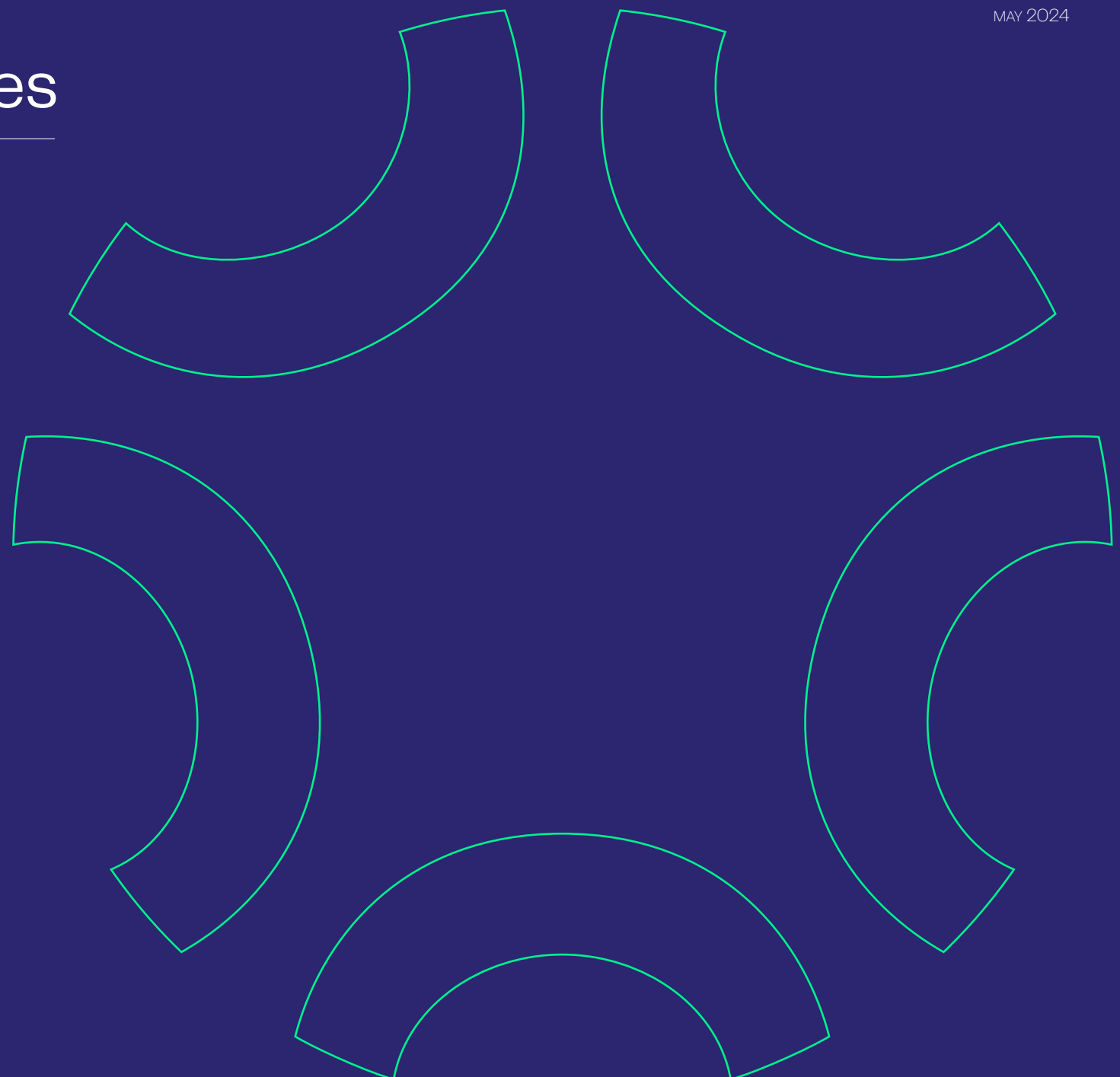
2 The Grand View Research: Opioids Market Size, Share & Trends Analysis Report

3 BfArM (2020), Danish Ministry of Health (2022), SAKL (2020), Project Twenty21 (2022), Boehnke et. al (2018)

4 SmerteSagen

5 Danish Medicines Information (DLI) and the The Association of Danish Pharmacies

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



# Business and Market Overview

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## General

The Company's legal and commercial name is DanCann Pharma A/S with company registration number (CVR) 39 42 60 05. The LEI code of the Company is 549300KLXQ6IC2YUUB58. DanCann Pharma was incorporated in Denmark on 20 March 2018 and is a Danish public limited liability company governed by Danish law and the Danish Companies Act (in Danish: 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 Memorandum unless the information is incorporated in the Memorandum by reference.

## Background

DanCann Pharma is a Danish biopharmaceutical company powered by cannabinoids, licensed for distribution of medicinal cannabis medicines. Cannabinoids is the active components from the plant cannabis. The Company is rooted in a constellation as a group, which focuses on investments through DanCann Pharma and distribution through its fully owned subsidiary, CannGros ApS. The configuration is divided so that DanCann Pharma handles all investments, while CannGros handles sourcing and approval, enabling/delivery technologies, medical devices, distribution, branding, collaboration, and education.

The Company currently operates a complete setup with the necessary

licenses for the manufacturing of cannabis intermediate products based on the import of products from third parties, which are then repackaged. All activities are conducted with the purpose of operating under the Danish Pilot Programme for medicinal cannabis in Denmark. The Company's portfolio today includes Bedrocan®, Bediol®, and Bedica®, and it has an exciting pipeline with several product admissions expected in the Pilot Programme during the current year, 2024.

In 2023, the Company sold more than 14,000 packages of medicine to Danish patients.

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, pain (neuro) management (alternative or combination to treatment with opioids).

Medicinal cannabis companies in Europe have in recent years started to accelerate their sales significantly. DanCann Pharma is intending to capitalize on opportunities in the growing market for medicinal cannabis medicines in Denmark and Scandinavia.

Eased regulatory environment, launch of new products, awareness as well as clinical evidence, and an in general favourable stance to medicinal cannabis has been, and will be, key for this progress.

## 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 commercializing novel cannabinoid therapeutics.

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 medicines. 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 solutions for tomorrow's tough challenges.

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

We thrive on the challenge of making treatment available through cannabinoid 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.

VISION		
We want to revolutionize health and quality of life for patients with challenges		
CORPORATE VALUES		
Inspired by patients	Acting with empathy	Executing with passion
Improve quality of life	Perform as a team	Work with resolute determination
Deliver best-in-class innovation	Stay trustworthy and fair	Maintain the highest standards of excellence
Supply medicines inspired by nature	Embrace different opinions	Grow our business responsibly
MISSION		
We enhance access to medicines inspired by nature for the benefit of patients and relatives		

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.

## The business plan

DanCann Pharma is a Danish biopharmaceutical company powered by cannabinoids. The Company is a fully licensed commercial niche EU-GxP regulatory distribution company focusing on market access, sourcing, and distribution (supply chain), specialized in cannabinoids with the subsidiary CannGros ApS (CannGros).

The Company's strategic focus is on profitability and capital efficiency, based in the Danish market, which currently has a retail market value of approx. DKK 60 million<sup>1</sup>, with – as of today – more than 500 doctors who has prescribed cannabinoid medicine. The Danish market has operated with stability, low competition, and the potential for profitability since its inception.

The Company's activities include business development, sales, and activities such as the import of medicinal products and narcotics, secondary repackaging, labeling and batch release, as well as warehouse logistics and shipping.

All with the aim of revolutionizing health and quality of life for patients facing challenges.

## Strategy 2025

The strategy of the Company is founded on an asset-light business plan designed for optimal capital efficiency. It reflects the commitment to a sustainable future, one that benefits both the patients and the financial well-being of the Company.

The Company has a clear roadmap for 2024, with continued operation of its current portfolio of prescription medicines (Rx) in its distribution business in the Danish market, including Bedrocan®, Bediol®, and Bedica®. Additionally, the Company plans to launch 2–3 new products in 2024, with the first submission already made in December 2023. The Company remains positive about its further development and aims for 2024 to be the year it achieves financial sustainability by executing its plan, ensuring a sustainable future for DanCann Pharma.

<sup>1</sup> E-sundhed and Medstat

## Outlook and guidance

The strategy and direction are based on the ability to deliver best-in-class results through operational excellence. This implies prioritising the regulatory efforts, raising the bar on financial performance, and driving value for patients, relatives, and shareholders.

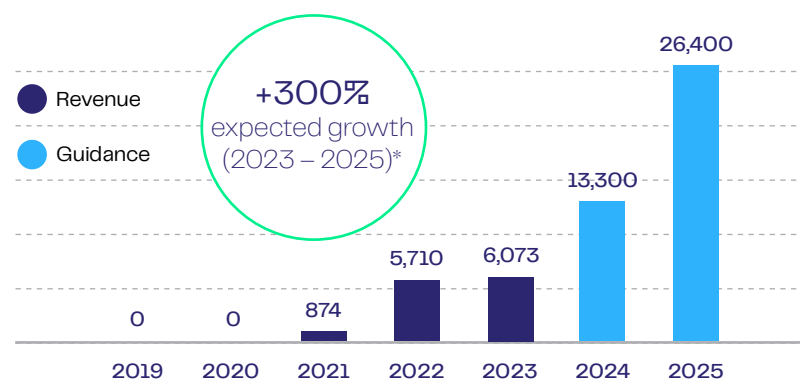
To measure the success, the Company have set up a series of key performance indicators (KPIs) for the period:

**1. Revenue growth:** The goal is to achieve revenue growth exceeding 300% within the specified period.

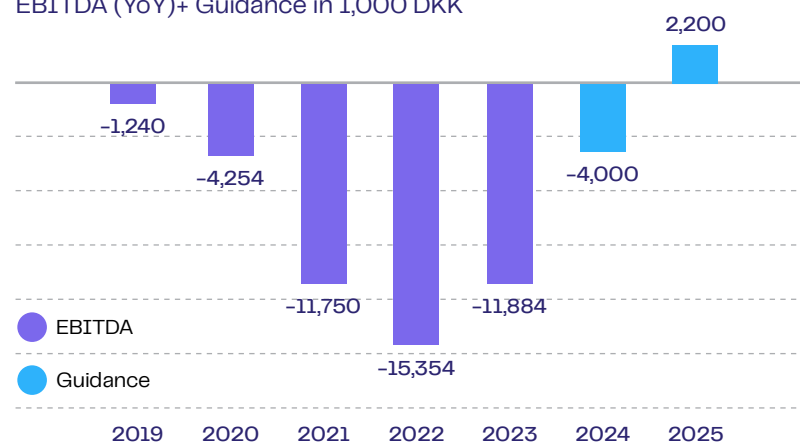
**2. Product expansion:** This growth will be primarily driven by introducing 4-6 new products as part of the Pilot Programme with medicinal cannabis.

**3. Breakeven target:** The strategic plan assumes that the Company will attain the breakeven year by 2025 – with the first profitable month during Q4-2024.

Revenue (YoY) + Guidance in 1,000 DKK



EBITDA (YoY)+ Guidance in 1,000 DKK



Historic performance and guidance for 2024 and 2025 (graph above).

The Company is positioned to achieve its guidance as described due to a comprehensive strategy focused on growth and operational milestones. Firstly, the goal is to realize a revenue growth exceeding 300% within the specified period.

This target is underpinned by the planned introduction of 4-6 new products as part of the Pilot Programme for medicinal cannabis, which is expected to drive the majority of this growth, in parallel with the current Rx portfolio of already approved medicines under the Pilot Programme for medicinal cannabis. Additionally, the strategic plan is designed with the expectation that the Company will reach its breakeven point by the year 2025, with anticipation of the first profitable month occurring in the fourth quarter of 2024.

This alignment of product expansion and financial targets lays the foundation for the Company to meet its stated guidance. The Company will provide ongoing annual reports to monitor and communicate progress regarding these objectives and hereby the evaluation of the strategic plan's effectiveness in achieving the outlined goals. All the above is conditional upon the Offer being subscribed in minimum approx. 60% with a total funds amounting to approx. DKK 11 million, so that the necessary implementations can be made and thus bring the Company to a stage where it reaches breakeven in 2025.

The challenges connected to the strategy and the guidance above can be found in the section "Risk factors", please see the following risks in particular: "Financing and capital needs", "Approval(s) from the Danish Medicine Agency – Processing of submissions (External)", "Competitors" and "Prices".

## CANNGROS APS

### Introduction

CannGros, the subsidiary of DanCann Pharma, was established in October 2017 and became the first Danish company to obtain authorization to manufacture and distribute medicinal cannabis products (December 2017), under the Danish Medicinal 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 (QMS) and facilities with temperature control, video surveillance, alarm system and HVAC fully compliant with the requirements of the Danish Medicines Agency (DKMA).

All of DanCann Pharma's commercial activities is allocated under the CannGros company, which is why DanCann Pharma's 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 investment and distribution. The CannGros company is also subject for an ongoing rebranding 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 (Bedrocan) and MYCB1 GmbH (MYCB1).

CannGros aims to accelerate and expand its product portfolio of imported medicinal cannabis medicines by licensing and acquiring both exclusive and non-exclusive rights to innovative medicinal cannabis medicines as well as more generic types of medicinal cannabis medicines.

This is done with a focus on diversifying the product portfolio with various delivery methods (areas with focus on: uniform dosage, release options, discreet usage, bioavailability, and metabolism mechanisms) to

meet individual patient needs both in breadth (delivery methods) and depth (formulation).

It's a clear strategic focus point of CannGros to expand its product portfolio. Key success factors are supplier approval (internal) and regulatory dossier acceptance by the Danish Medicines Agency (external). Current strategic focus in the short- and middle term is on developing and launching a product portfolio with oral extracts, fixed dosage soft gels and more varieties of dried flower.

### Product portfolio and pipeline

In the current CannGros product portfolio you will find Bedrocan products imported from the Netherlands. Bedrocan is an EU-GMP certified supplier of pharmaceutical grade cannabis to the Dutch Office of Medicinal Cannabis (OMC). As of the Memorandum 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.

DanCann Pharma currently has a new product (EXTO2, extract for oral consumption) for which it has applied for registration with the Danish Medicines Agency, submitted in December 2023. This product is based on imports from Germany through a partnership with MYCB1. In 2023, DanCann Pharma entered into an exclusive distribution agreement with MYCB1 for Scandinavia, which has now led to the final stages of the first two applications (EXTO2 and EXTO3, extracts for oral consumption) to the Danish Medicines Agency.

MYCB1 possesses significant expertise and meets the requirements set by the Danish Medicines Agency and the Danish Pilot Programme. Their expertise is deeply rooted in the field of pharmacy, where they have extensive experience in magistral preparation and related processes. MYCB1 GmbH in Germany, certified for Good Manufacturing Practice (GMP), manufactures these prescription-only medications, utilizing input materials from Bedrocan (Bedrocan®, Bediol®, and Bedica®). This

ensures a seamless standardised product journey from inception to patient. These input materials lay the foundation of MYCB1's offerings, which the Company plans to introduce in oral formats under the Danish Pilot Programme, and later on as fixed dosage soft gels.

The well-established relationship with Bedrocan, bolstered by recognition from the Danish Medicines Agency, enhances confidence in this new product launch. The quality assurance provided by Bedrocan's input materials, processed at MYCB1's GMP-certified facility in Germany, ensures a consistent and transparent product offering for Danish patients.

Additionally, the Company is also finalizing applications for two other products (FLSO4 and FLSO5) under the Pilot Programme, specifically a granular cannabidiol (CBD) medicine and one flos delta-9-tetrahydrocannabinol (THC) medicine. The ambition is for the next product in the pipeline (EXTO2) to reach the market by the end of Q2-2024, assuming the Danish Medicines Agency meets its deadlines. The challenges connected to the product launches above can be found in the section "Risk factors", please see the following risks in particular: "Approval(s) from the Danish Medicine Agency – Processing of submissions (External)", "Competitors" and "Prices".

### Investments

No significant investments have been made by the Company since the date of the Company's last published financial statements from the annual report 2024.

### Trends

As of the Memorandum Date, 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 Board of Directors 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 the Memorandum Date. 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 ( $\Delta$ -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, 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 medicinal 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 medicinal cannabis market as a key target for pharmaceutical companies in the future.

### Diseases

European countries are in line with all other markets for medicinal cannabis in the world in that the predominant primary condition for which medicinal cannabis patients are prescribed medicinal 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 medicinal 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 medicinal 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.

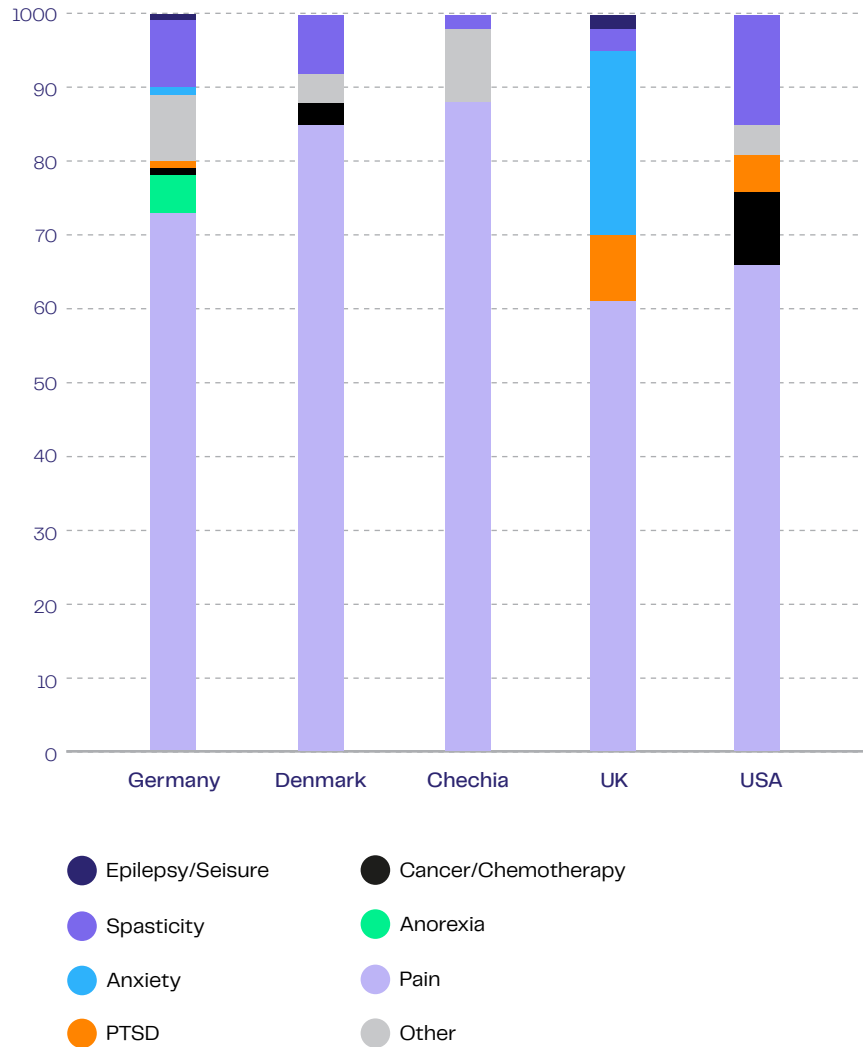
In other words, there is a huge need for new alternatives to this (with fewer and milder side effects), as the medication with opioids today is a bigger problem than the disease (pain) itself (2017: 70,000 deaths due to opioids), where the global opioid market had a size and value of USD 25.4 billion in 2018<sup>2</sup>.

Spasticity, most often caused by multiple sclerosis (MS), is another of the more common conditions for which medicinal 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®.

Patients using medicinal 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.

<sup>2</sup> The Grand View Research: Opioids Market Size, Share & Trends Analysis Report



Sources and most recent period covered by data<sup>3</sup>.

## Denmark

The Danish market for medicinal 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.

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), pain and nausea from chemotherapy can also count in this category. Among the 1,300,000 patients in Denmark suffering from chronic pain<sup>4</sup>, there are at present approximately +500,000 patients being treated with strong opioids (i.e., fentanyl, morphine, and oxycodone). Medicinal 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.

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 medicinal cannabis to patients suffering from diseases other than those mentioned in the guide.

The indications (patient groups) have been selected by the DKMA having read and evaluated the relevant scientific studies made worldwide to investigate the effect of medicinal 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 medicinal cannabis should only be attempted if the patient has tested relevant approved medication without satisfactory results. No physician has a duty to prescribe medicinal cannabis but has the right to do so.

On 1 January 2019, a special reimbursement scheme for medicinal cannabis was introduced under the medicinal 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 medicinal 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 Programme).

In 2018, the pharmacies dispensed pharmaceuticals for approximately DKK 7.6 billion calculated in the pharmacy’s purchase prices<sup>5</sup>. 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 revenue 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.

<sup>3</sup> BfArM (2020), Danish Ministry of Health (2022), SAKL (2020), Project Twenty21 (2022), Boehnke et. al (2018)

<sup>4</sup> SmerteSagen

<sup>5</sup> Danish Medicines Information (DLI) and the The Association of Danish Pharmacies

## The shadow numbers

In the spring of 2019, seven patient associations 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 reluctant in relation to the prescription, due to their responsibility for side effects, and missing clinical evidence and education of the physicians for the use of the products (medicinal 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 medicinal 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 DKMA are illegal. The investigation showed that 21 samples, corresponding to as much as 38% of the analysed CBD oils, contain more than the permitted 0.2% 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.

## 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 medicinal 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.

Today, the following companies hold licenses to operate the distribution of medicinal cannabis in Denmark under the Pilot Programme: CannGros ApS, StenoCare A/S, Scanleaf ApS, Valcon Medical A/S, Movianto Nordic ApS, Little Green Pharma Denmark ApS, Cannabis-International ApS, and Balancial Danmark ApS.

Medicinal cannabis /	Date on which the guarantee agreement was executed	% of the Offer
Bedica "CannGros" 686775	140+<10 mg/g	5g Herbal Tea/Inhalation Vapor
Bediol "CannGros" 686771	63+ 80 mg/g	5g Herbal Tea/Inhalation Vapor
Bediol "Scanleaf" 686779	63+80 mg/g	5g Herbal Tea/Inhalation Vapor
Bedrocan "CannGros" 686770	220+<10 mg/g	5g Herbal Tea/Inhalation Vapor
CBD Olie "Stenocare" 686782	<2 mg/ml+20 mg/ml	30ml Oral Solution
THC 25 "Scanleaf" 686784	25+<1 mg/ml	30ml Oral Solution
THC Olie "Stenocare" 686781	30+<0,1 mg/ml	30ml Oral Solution
THC/CBD Olie "STENO CARE" 686785	15+24 mg/ml	30ml Oral Solution

Additionally, there are magistral preparations based on cannabis and cannabinoids, as well as the approved medications, specifically Sativex® and Epidiolex®.

# Terms and Conditions for the Securities

## Share capital

As of the Memorandum Date, the Company's registered share capital is nominally DKK 1,666,279.89 divided into 166,627,989 shares of nominally DKK 0.01 each. On the 17 April 2024, an extraordinary general meeting of the Company resolved to complete a reduction of the Company's share capital from 6,248,549.5875 to 1,666,279.89 by transfer of the amount to a special reserve fund (in Danish: henlæggelse til særlig reserve) by way of reduction of the nominal value per Share of the Company. The capital reduction was completed on 16 May 2024 following a 4-week notice period ("proklama").

The Company's share capital is not divided into share classes, and all Shares carry the same rights. All shares are issued in accordance with the provisions of the Danish Companies Act, fully paid-up and freely transferable.

## Resolutions, authorisations, and approvals

On 24 May 2024, the Board of Directors resolved, based on an authorization from the extraordinary general meeting on 17 April 2024, to carry out the issue of New Shares (the Offer) with Pre-Emptive Rights for existing shareholders. The Offer consists of maximum 1,832,907,879 New Shares.

## Information regarding the New Shares offered

In this Memorandum, the Company offers New Shares of the Company. The Offer consists of a maximum of 1,832,907,879 New Shares at a price of DKK 0.01 per New Share. The Company's share capital is not divided into share classes, and all Shares carry the same rights. The New Shares will carry the same rights as the Existing Shares.

Upon subscription of the maximum number of New Shares under the Offer, the Company's share capital will increase from nominally DKK 1,666,279.89 to DKK 19,995,358.68, and the number of Shares will increase from 166,627,989 to 1,999,535,868. Upon subscription of the maximum number of New Shares under the Offer, the issue proceeds to be received by the Company (excluding any costs in relation to the Offer) will amount to DKK 18,329,078.79.

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 New Shares will have CFI code ESVUFN and FISN code DanCann Pharm/-.

The New Shares are issued according to the Danish Companies Act (no. 763 of 23/07/2019) and the Company's Articles of Association as of the Memorandum Date. 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. 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 New Shares are registered by name (in Danish: "navneaktier"), and the New Shares are registered electronically (by name) in Euronext Securities (legal name: VP Securities A/S), Nicolai Eigtveds Gade 8,

DK-1402 København K, Denmark (tel. +45 43588888, e-mail: vp\_postkasse@euronext.com). The New Shares are issued in Danish Kroner (DKK).

The Company's shareholders' register is kept by Euronext Securities. Shareholders do not receive physical share certificates. All transactions with the Company's Shares are handled electronically through banks and securities firms. Newly issued Shares will be electronically registered to the person.

## Distribution of dividend 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 subscription rights in connection with capital increases. Each shareholder (including holders of New Shares) will have equal pre-emptive subscription rights relative to their shareholding in connection with capital increases in accordance with the Danish Companies Act and the Articles of Association. In connection with each specific capital increase, the shareholders' pre-emptive subscription rights can be derogated from in accordance with the Danish Companies Act and the Articles of Association.

The New Shares will carry these rights as from the date of registration of the New Shares with the Danish Business Authority. All Shares in the Company carry an equal right to dividends. The right to a dividend applies to shareholders who are registered as shareholders in the Company on the record day for the distribution of dividends. In respect of the New Shares, dividend can be paid to such holders of the New Shares registered as shareholders in the Company on a record day for the dividend that may occur after the registration of the New Shares in with the Danish Business Authority. 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 Euronext Securities 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 Memorandum 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 as the Company plans to maintain any free cash flow in the Company or use this to make reinvestments in the Company, the Company does not expect to distribute dividend for the financial years 2024 and 2025. On 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 account, inter alia, 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, the above-mentioned is only an indication from the Board of Directors of how future dividends may be handled and not a formally adopted dividend policy. The dividend of the Company is noncumulative. 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 or as otherwise set out in the Articles of Association.

### Redemption

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.

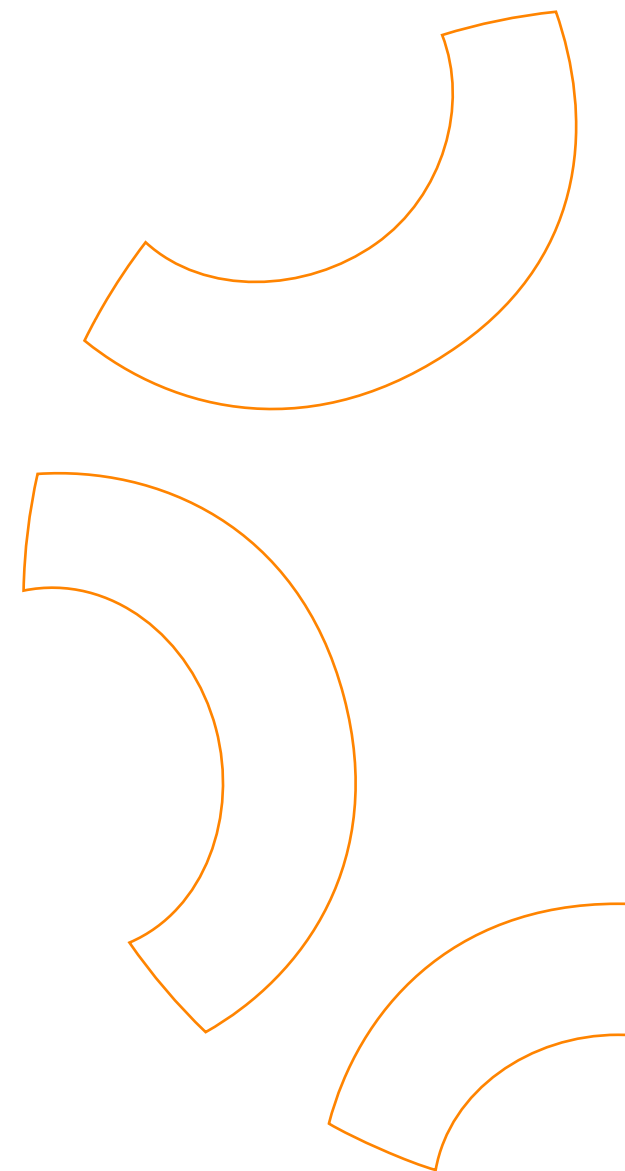
None of the Shares of the Company carry conversion rights or any other special rights.

No takeover bid has been submitted or made on the Shares of the Company since the Company's listing on Spotlight. The New Shares that are newly issued as part of the Offer set out in this Memorandum are not subject to a takeover bid.

### Lock-up

To the Board of Directors' knowledge, no Shares of the Company are subject to any lock-up obligations.

The transferability of the Shares  
There are no restrictions on the transferability of the Shares.



# Terms and Conditions of the Offer

## The Offer (right issue)

Existing shareholders, professional investors and the public are hereby invited to subscribe for New Shares in the Company during the period from 11 June 2024 at 9:00 am CET to 24 June 2024 at 5:00 pm CET (the Subscription Period) and otherwise on the terms set out in this Memorandum. The Board of Directors of the Company resolved on 24 May 2024, based on an authorisation from the extraordinary general meeting on the 17 April 2024, to carry out the issue of the New Shares and to increase the share capital by a maximum of nominally DKK 18,329,078.79 by way of an issue of a maximum of 1,832,907,879 New Shares, each with a nominal value of DKK 0.01.

The Offer is comprised by a maximum of 1,832,907,879 New Shares, each of a nominal value of DKK 0.01, and in the event of full subscription of the Offer, the share capital of the Company will be increased by nominally DKK 18,329,078.79 (equivalent to a total issue of 1,832,907,879 New Shares), and the gross proceeds (before issue costs) will be DKK 18,329,078.79.

The Subscription Price in the Offer is DKK 0.01 per New Share.

The Offer is a rights issue of New Shares directed at investors in Denmark and Sweden. The New Shares are offered with Pre-Emptive Rights for existing shareholders.

## Subscription ratio, Subscription Price, allocation of Pre-Emptive Rights, etc.

### Allocation of Pre-Emptive Rights

Each holder of Existing Shares registered with Euronext Securities on 10 June 2024 (the record date) at 5:59 p.m. CET as a shareholder in the Company will be allocated eleven (11) Pre-Emptive Rights for each

Existing Share. For each (1) Pre-Emptive Right, the holder is entitled to subscribe for 1 New Share at a Subscription Price of DKK 0.01 per New Share.

### The Rights Trading Period and Pre-Emptive Rights

The Rights Trading Period (the period in which Pre-Emptive Rights can be traded) commences on 7 June 2024 at 9:00 a.m. CET and closes on 20 June 2024 at 5:00 pm CET.

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 DK0062956579.

Existing Shares traded from 7 June 2024 at 9:00 am CET will be traded without Pre-Emptive Rights, provided that the Existing Shares are traded with customary two-day settlement.

### The Subscription Period

The period in which the New Shares can be subscribed for (the Subscription Period) commences on 11 June 2024 at 9:00 a.m. CET and closes on 24 June 2024 at 5:00 p.m. CET. Any Pre-Emptive Rights not exercised during the Subscription Period 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 New Shares, such subscription cannot be withdrawn or modified by the holder.

### Completion of Offer

Completion of the Offer and registration of the New Shares with the Danish Business Authority are expected to take place on 3 July 2024. The Company's register of shareholders is kept by Euronext Securities.

## Temporary Shares

The temporary Shares have been approved for trading and official listing on Spotlight to the effect that they can be traded on Spotlight during the period 7 June 2024 up to and including 8 July 2024. The temporary Shares will be issued under the temporary ISIN code DK0062956652. Registration of the New Shares with the Danish Business Authority will take place following completion of the Offer and is expected to take place on 3 July 2024.

As soon as possible after registration of the New Shares, the temporary ISIN code of the temporary Shares, DK0062956652, will be merged with the ISIN code of the Existing Shares DK0061410487, and the temporary Shares will automatically be converted into New Shares which is expected to take place on 10 July 2024.

The Pre-Emptive Rights, the temporary Shares and the New Shares following automatic conversion from temporary Shares will be delivered in book-entry form through allocation to accounts with Euronext Securities.

## 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 New Shares subscribed for. Payment for the New Shares shall be made in DKK and shall be made upon subscription against registration of the Shares in the transferee's account with Euronext Securities no later than 24 June 2024 at 5:00 pm 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.

## Subscription Period

Subscription Period of the New Shares will commence on 11 June 2024 at 9:00 am CET and will close on 24 June 2024 at 5:00 pm CET.

## Reduction of the subscription

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

## Minimum and maximum subscription amounts

In connection with the Offer, the minimum number of New Shares that a holder of Pre-Emptive Rights may subscribe for is one (1) New Share, requiring the exercise of one (1) Pre-Emptive Right and the payment of the Subscription Price. The number of New Shares that a holder of Pre-Emptive Rights may subscribe for is not capped. However, the number of New Shares subscribed for by exercise of Pre-Emptive Rights is limited to the number of New Shares that may be subscribed for through the exercise of the Pre-Emptive Rights held or acquired.

## Subscription for remaining New Shares

The general public and existing shareholders can subscribe for any remaining New Shares (not subscribed for by exercise of Pre-Emptive Rights). Existing Shareholders have preferential rights to subscribe for remaining New Shares. The general public will not and cannot subscribe for remaining New Shares by exercising unexercised Pre-Emptive Rights (which will have lapsed). Each such remaining New Shares 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 holder's own bank according to their respective instructions.

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

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

## Payments and delivery for remaining shares

Upon subscription of the remaining New Shares (not subscribed for by exercise of Pre-Emptive Rights), the holder must pay an amount equal to the Subscription Price multiplied by the number of New Shares allocated. Payment for remaining New Shares will be made via a delivery versus payment transfer through the subscriber's own bank no later than 3 July 2024 at 5:00 pm and will be withdrawn from the account by the subscriber's own account holding bank or broker.

## Announcements of the results of the Offer

The result 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 the result of the Offer is therefore expected to be announced on 27 June 2024.

## Withdrawal or suspension of the Offer

The Offer may be withdrawn by the Company subject to certain conditions (as set out below) before registration of the capital increase relating to the New Shares 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 New Shares will be refunded (less any transaction costs) to the last registered owner of the temporary Shares as at the date of such withdrawal. All Pre-Emptive Rights will lapse, and no Shares 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 suffer a loss corresponding to the purchase price of the Pre-Emptive Rights and any transaction costs. Trades in Existing Shares and temporary Shares will also not be

affected if the Offer is not completed, and shareholders and investors that have acquired temporary Shares will receive a refund of the subscription amount for these Shares (less any transaction costs). As a result, shareholders and investors that have acquired temporary Shares will suffer a loss corresponding to the difference between the purchase price of the temporary Shares and the Subscription Price paid for the Shares and any transaction costs.

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

## Extension of Subscription Period

The Board of Directors has the right to extend the Subscription Period, which, if applicable, will be announced by means of a press release by the Company no later than 24 June 2024 setting out the relevant adjustments to the time line and other dates.

## 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 DK0062956579 and will be traded in the ISIN code under the symbol "DANCAN TR". Holders of Pre-Emptive Rights wishing to subscribe for New Shares 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 is binding and cannot 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 New Shares may sell their Pre-Emptive Rights on Spotlight, and a purchaser may use the acquired Pre-Emptive Rights to subscribe for New Shares. 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 Memorandum.

Upon exercise of Pre-Emptive Rights and payment of the Subscription Price (per New Share subscribed for), the temporary Shares will be delivered through Euronext Securities by being recorded on the accounts with Euronext Securities of subscribers for New Shares. The temporary Shares will be issued under a temporary ISIN code DK0062956652. The temporary Shares will be admitted to trading and official listing on Spotlight. The temporary Shares are registered in Euronext Securities for the subscription of the New Shares. 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 Memorandum and the Offer is restricted by law in certain jurisdictions, and this Memorandum 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 the applicable law in the United States, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore and other jurisdictions where the distribution of this Memorandum or participation in the Offer require additional measures, including additional prospectuses, registration measures, or other measures or actions than those under Danish and Swedish law, or where the distribution of this Memorandum will contravene rules in such jurisdiction, this Memorandum shall not be distributed in such jurisdictions, and the Offer shall not be directed at any persons or others with registered address in any such jurisdictions.

### **Withdrawal of applications of subscription**

Instructions to exercise Pre-Emptive Rights or subscriptions of remaining New Shares are irrevocable and cannot be withdrawn.

### **Plan of distribution and allotment and process for notifying applicants**

There is no preallotment of New Shares. The New Shares may be subscribed for by the existing shareholders of the Company by way of exercise of Pre-Emptive Rights allocated (or otherwise by those who have acquired Pre-Emptive Rights). New Shares which have not been subscribed for by way of exercise of Pre-Emptive Rights before the expiry of the Subscription Period will be allocated to subscriptions made by the general public. The subscribers will be notified by their own bank of the number of New Shares allotted.

### **Subscription Price and amount of any expenses and taxes charged**

The New Shares are offered at the Subscription Price of DKK 0.01 per New Share (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.

### **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 has been received, before the money laundering form has been received by Nordic Issuing.

### **Completion of the Offer**

The Offer will only be completed if and when the new Shares subscribed for are issued by the Company upon registration with the Danish Business Authority, which is expected to take place around 3 July 2024. A company announcement concerning the results of the Offer is expected to be disclosed no later than on 27 June 2024.

### **Dilution**

As of the Memorandum Date, the nominal value of the Company's registered share capital is DKK 1,666,279.89 divided into 166,627,989 Existing Shares, each having a nominal value of DKK 0.01. All Existing Shares are issued and fully paid up, and each Existing Share carries 1 vote.

Upon issue of the New Shares, existing shareholders' share of ownership of the Company may be reduced. In the event of full subscription of the Offer, if an existing shareholder refrains from exercising its Pre-Emptive Rights allocated to the existing shareholder in connection with the Offer, the existing shareholder's ownership will be diluted by approximately 91.67%. If the existing shareholders elect to partly exercise the Pre-Emptive Rights allocated to them, the rate of dilution will be between 0 to 91.67% depending on the exercise (In the event of full subscription of the Offer). If the existing shareholders exercise their Pre-Emptive Rights in full, they will not be diluted.



## Guarantee commitments

During March and April 2024, DanCann Pharma has received guarantee commitments of approximately DKK 8.959 million, which corresponds to approximately 48.88 of the Offer volume, of which (i) approximately DKK 5.5 million consists of bottom-up guarantee commitments (see below), and (ii) approximately DKK 3.459 million consists of top-down guarantee commitments by way of conversion of existing debt in the Company (see below).

The parties that have provided guarantee commitments are listed in the tables below.

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

In addition to the above, an existing lender of the Company has committed to convert an outstanding loan of an amount of DKK 3,350,000 to Shares of the Company at a price of DKK 0.01, provided that the Company receives cash subscriptions of DKK 5.5 million in the Offer (which the Company has secured) but otherwise regardless of the outcome of the Offer.

## Different guarantee commitments

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

In consideration for the guarantee obligations, the providers of bottom-up guarantees shall receive a fee equivalent to 22% of the guaranteed amount, and the providers of top-down guarantees shall receive a fee equivalent to 15% of the guaranteed amount. The guarantee compensation for the guarantees provided amounts to a total of approximately DKK 3.3 million. All guarantee commitments were entered into during March and April 2024.

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% of the guaranteed amount.

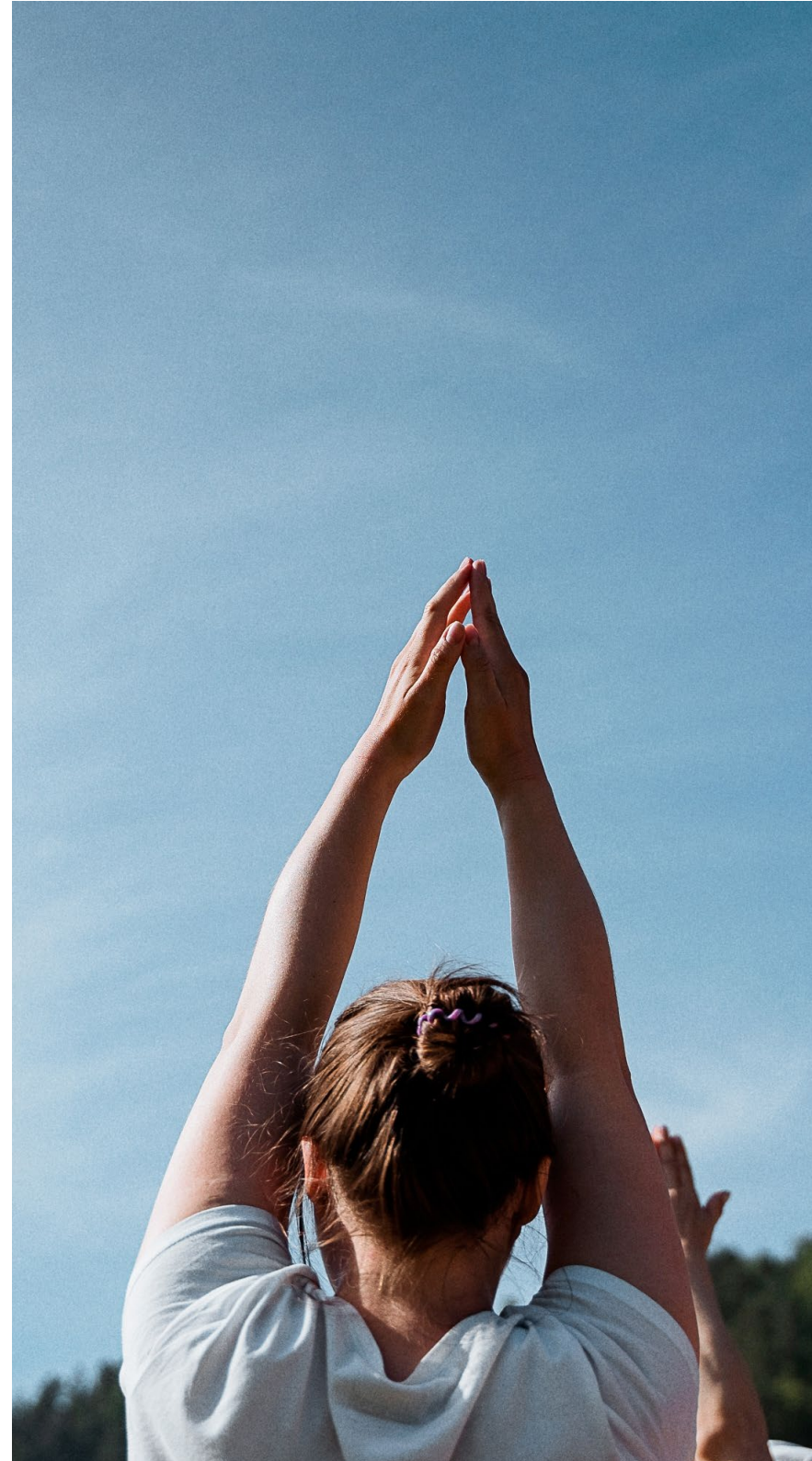
The parties who have provided guarantee commitments are listed in the tables below. Guarantors who have undertaken to subscribe for more than 1% of the Offer are specified by name and scope. Other commitments are stated jointly.

## Bottom-up guarantees

In case the Offer of New Shares is subscribed for less than 30.01% of the total Offer volume, each of those having provided a bottom-up guarantee as listed below have committed to subscribe for New Shares for a proportionate part of the maximum guaranteed amount specified in the table below relative to such part of the Offer subscribed for (between 0% and 30.01%).

Subscription of New Shares by the bottom-up guarantors shall be carried out in cash at a price of DKK 0.01 per New Share.

In consideration for the guarantee obligations, those having provided bottom-up guarantees shall receive a fee equivalent to 22% of the maximum guaranteed amount payable in cash by the Company following completion of the Offer.



Name	Corporate registration number	Address	Issue guarantee (DKK)	Date on which the guarantee agreement was executed	% of the Offer
John Carlström	N/A	Hagaesplanaden 78, 113 67 Göteborg	1,265,000	25 March 2024	6.9
Nicklas Corneliusson	N/A	Brunnsgatan 4, 111 38 Stockholm	1,000,000	25 March 2024	5.46
Edvin Rydell	N/A	Mariedalsvägen 57 A lgh 1202 217 45 Malmö	660,000	25 March 2024	3.6
Patric Sjölund	Pronator Invest AB, 559025-2879	Rådmansgatan 71 113 60 Stockholm	300,000	24 March 2024	1.64
Fredrik Paulsson	N/A	Parkallén 34 E, lgh 1105245 64 Hjärup	300,000	25 March 2024	1.64
Alexander Schoeneck	JJV Investment Group AB, 556850-2529	Runnvägen 24 791 53 Falun	250,000	24 March 2024	1.36
Fredrik Holst	N/A	David Bagares Gata 10 111 38 Stockholm	250,000	24 March 2024	1.36
Love Carlsson	Jinderman & Partners AB, 559193-1745	Hornsgatan 178 5TR 117 34 Stockholm	250,000	24 March 2024	1.36
Jeppe Krog Rasmussen	N/A	Smaragdvej 9, 9tv, Vejle-7100	200,000	24 March 2024	1.09
Niklas Estensson	UBB Consulting AB, 559135-3049	Drakflygargatan 6, 128 46 Skarpnäck	200,000	25 March 2024	1.09
Ylber Rexhepi	N/A	Packarbelles väg 3, 218 53 Klagshamn	200,000	24 March 2024	1.09
Others (less than 1% of the Offer)			625,000	24 - 27 March 2024	3.41
<b>Total:</b>			<b>5,500,000</b>		<b>30.01</b>

## Top-down guarantees

Below is set out outstanding debt of the Company to two lenders. In case the Offer is subscribed for approx. 81.13% (equivalent to 100% minus the top-down guarantee commitments) or less of the total Offer (including subscriptions by those having provided bottom-up guarantees), each of those having provided top-down guarantees have committed to subscribe for Shares for the maximum guaranteed amount specified in the table below. If the Offer is subscribed for 100% of the total Offer (including subscriptions by those having provided bottom-up guarantees), those having provided top-down guarantees are not to subscribe for Shares. If the Offer is subscribed for more than approx. 81.13% but less than 100% of the total Offer (including subscriptions by those having provided bottom-up guarantees), each of those having provided top-down guarantees have committed to subscribe for Shares for a proportionate part of the maximum guaranteed amount specified in the table below.

Subscription of Shares by Buntel AB and Capmate AB shall be carried out by way of conversion of the debt into Shares at a price of DKK 0.01 per Share. Such issue of Shares to Buntel AB and Capmate AB is completed by way of a directed issue (in Danish: rettet emission) in favour of them (and not as part of the rights issue), as debt conversion is only allowed under Danish law as a directed issue.

Name	Corporate registration number	Address	Issue guarantee (DKK)	Date on which the guarantee agreement was executed	% of the Offer
Buntel AB (former: Modelio Equity AB)	559373-4295	Ingmar Bergmans gata 2, 114 34, Stockholm, Sweden	2,422,035	26 March 2024	13.21
Capmate AB (former: Gerhard Dal)	556554-8822	Eriksrogränd 8, 19478, Upplands Väsby, Sweden	1,037,157	27 March 2024	5.66
<b>Total:</b>			<b>3,459,192</b>		<b>18.87</b>

In consideration for the guarantee obligations, those having provided top-down guarantees shall receive a fee equivalent to 15% of the maximum guaranteed amount payable in cash by the Company following completing of the Offer.

In addition to the guarantee commitments set out above, a lender of the Company has committed to convert its outstanding loan in the Company of an amount of DKK 3,350,000 as further described under "Guarantee commitments" on pages 17-19.

### Shareholder's rights

The rights of the Company's shareholders regarding distribution of profits, voting rights, pre-emptive subscription rights in connection with subscription of Shares, etc. are governed by the Company's Articles of Association, which are available on the Company's website as well as Danish law, particularly the Danish Companies Act.

### Applicable law

The New Shares are subject to the Danish Companies Act (in Danish: Selskabsloven) (equivalent to the Swedish Companies Act) and are governed by Danish law. However, by way of the Regulations (which the Company must adhere to), the Company is, in respect of relevant elements, subject to Swedish law and Swedish stock exchange regulations (incorporated in or referred to in the Regulations).

### Shareholder's register

The Company's shareholders' register with the record of the Company's shareholders is handled and accounted for by Euronext Securities (VP Securities A/S, Nicolai Eigtveds Gade 8, 1402 Copenhagen K, Denmark). Shareholder's reporting obligation

All shareholders in the Company must comply with the reporting rules in the Danish Companies Act in respect of the Danish "Public Ownership Register".

### Tax registration for Danish subscribers

Subscription of shares 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 shares to the Danish tax authorities.

### Additional information

All New Shares that are offered pursuant to the Memorandum will be newly issued. There are no natural or legal persons offering to sell or loan shares in this Offer.

### Financial adviser and issuing agent

EK Equity AB acts as financial adviser in connection with the Offer, Nordic Issuing provides issuing services to DanCann Pharma, and Euronext Securities is the Company's issuing agent. The parties can be reached at the following addresses:

#### EK Equity AB

Fersens Väg 14 A  
211 42 Malmö  
Sweden

#### Nordic Issuing

Stortorget 3  
211 22 Malmö  
Sweden

#### Euronext Securities

Nicolai Eigtveds Gade 8  
1402 Copenhagen K  
Denmark

# Board of Directors and Executive Management

## BOARD OF DIRECTORS

According to clause 9.1 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 Memorandum Date, the Board of Directors consists of 3 (three) members elected by the annual general meeting held on 30 May 2023 for the period until 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 from the Company and its executive management, and independent from Major Shareholders. The table is followed by individual information regarding each board member as well as their shareholdings and holding of warrants in the Company as of the Memorandum Date.

Name	Year of birth	Position	Member of the Board since	The Company and its executive management	Major Shareholders
Carsten Trads	1955	Chairman	2020	Yes	Yes
Christian Carlsen	1984	Vice-chairman	2021	Yes	Yes
Jeppe Krog Rasmussen	1995	Member	2022	No	Yes

Carsten Trads has provided a bottom-up guarantee of DKK 75,000, while Jeppe Krog Rasmussen has provided a bottom-up guarantee of DKK 200,000.

## BOARD OF DIRECTORS



### 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/positions:** Founder and Chief Executive Officer of C-Plus Consult.

**Shareholding in the Company:** 409,031 Shares through a wholly owned company.

**Warrants:** 75,000.



### 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, EVE Finance ApS, Marlin OS ApS, DBPT Fond K/S, Better Bygningsautomatik A/S, EVE Group ApS and Knowledge Gate Group ApS. Member of the board of directors of Høyrup & Clemmensen A/S, Fibona Acoustics ApS, Volvêr Fund I K/S, TeamsToWork ApS, Dansk Bruseglas ApS and Cavea Technologies Group ApS. Executive Director of Carlsen Holding ApS, Volvêr Fund I GP ApS, Volvêr Fund I K/S, DBPT Fond GP ApS, Volvêr Invest ApS and Volvêr Invest II ApS. Managing Partner of Volvêr ApS.

**Previous assignments/positions during the last 5 years:** Board member of Constructa Roskilde A/S, Constructa Silkeborg A/S, Constructa Danmark A/S, Techvolvêr ApS, Ltech A/S and CUD A/S.

**Shareholding in the Company:** 241,834 Shares through a wholly owned company.

**Warrants:** 75,000.



### Jeppe Krog Rasmussen

Born 1995. Board member since 2022.

On a daily basis, Jeppe Krog Rasmussen, in his role as the Group CEO of both DanCann Pharma and its subsidiary CannGros, is responsible for overseeing the overall strategic direction and operational execution of all processes relevant to the DanCann Pharma group.

Jeppe Krog Rasmussen possesses specialized expertise in various areas including corporate finance, investor relations, regulatory affairs, business development and strategy.

Other ongoing assignments: Vice-chairman of the Board of Directors in Medicinsk Cannabis Industri (MCI) and member of the Board of Directors in Foreningen af Børsnoterede Vækstvirksomheder (FBV). Chief Executive Officer at XIGNOTUS CAPITAL ApS.

**Previous assignments/positions during the last 5 years:** Chairman of the board of directors of Football Club Munkebjerg ApS.

**Shareholding in the Company:** 3,500,000 Shares through a wholly owned company (including shares on loan to NORDIC GROWTH OPPORTUNITIES 2).

**Warrants:** 254,286.

# Executive Management

According to clause 9.9 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 Memorandum Date, the Executive Management in the Company consists of two (2) persons appointed by the Board of Directors. All members of the Executive Management 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 holding of warrants in the Company as of the Memorandum Date.

Name	Year of birth	Position	Member of Executive Management since
Jeppe Krog Rasmussen	1995	Chief Executive Officer (CEO)	2018
Peter Hauberg Søndergaard	1972	Chief Financial Officer (CFO)	2023



## 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.



## Peter Hauberg Søndergaard

Born 1972. Chief Financial Officer (CFO) since 2023.

Peter Hauberg Søndergaard has been the CFO at DanCann Pharma since January 2023. He brings a wealth of management and leadership experience gained from working in various small and mid-sized companies in Denmark. His expertise spans finance management, strategy, and project management, with over 15 years of experience in C-level roles across different industries, including fashion/design, insurance, and production.

Peter Hauberg Søndergaard holds a Master of Science (MSc) degree in Economics from Aarhus University (Cand. Oecon).

**Previous assignments/positions** during the last 5 years: Chief Executive Officer at Blue Sky Thinking ApS, CFO of Søren Østergaard A/S and Sebra Interiør ApS.

**Shareholding in the Company:** N/A.

**Warrants:** N/A.

## 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, including trade prohibitions. 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. Apart from what is stated immediately 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, reconstruction 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 Memorandum Date 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 postemployment benefits, other than what is outlined in this Memorandum. However, certain members of the Board of Directors and the Executive Management have financial interests in the Company due to them holding Shares.

## Remuneration to the Board of Directors and Executive Management

Remuneration to the Board of Directors and executives in DanCann Pharma during the financial year 2023. Figures in DKK.

Name	Basic salary	Board fee	Variable remuneration	Pension costs
Carsten Trads	–	240,000	–	–
Christian Carlsen	–	120,000	–	–
Jeppe Krog Rasmussen	918,000	0	68,850	73,440
Peter Søndergard	876,000	–	65,700	70,080
<b>Total:</b>	<b>1,794,000</b>	<b>360,000</b>	<b>134,550</b>	<b>143,520</b>

# Selected Financial Information and Key Figures

DanCann Pharma is part of a group and has one fully owned subsidiary, CannGros. Therefore, the financial information of this Memorandum applies to the group. The financial overview presents accounts taken from the Group's audited annual reports for the last two years, 1 January 2022 to 31 December 2022 and 1 January 2023 to 31 December 2023, which are incorporated by reference. All information included for the period, 1 January 2022 to 31 December 2022 and 1 January 2023 to 31 December 2023, is audited.

The annual reports 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.

## Income Statement

Group

1 JANUARY - 31 DECEMBER	2023 DKK '000	2022 DKK '000
<b>NET REVENUE</b>	<b>6,073</b>	<b>5,708</b>
Own work, recognised under assets	1,080	2,975
Other operating income	279	41
Raw materials and consumables used	-4,108	-3,334
Other external expenses	-6,767	-11,153
<b>GROSS PROFIT/LOSS</b>	<b>-3,443</b>	<b>-5,763</b>
Staff costs	-9,451	-8,424
<b>EBITDA</b>	<b>-12,894</b>	<b>-14,187</b>
Depreciation, amortisation and impairment losses	-47,221	-2,231
<b>OPERATING LOSS</b>	<b>-60,115</b>	<b>-16,418</b>
Income from investments in subsidiaries	0	0
Other financial income	204	1,191
Other financial expenses	-2,328	-3,023
<b>LOSS BEFORE TAX</b>	<b>-62,239</b>	<b>-18,250</b>
Tax on profit/loss for the year	-21	2,186
<b>LOSS FOR THE YEAR</b>	<b>-62,260</b>	<b>-16,064</b>





## Balance Sheet at 31. December

Group

ASSETS	2023 DKK '000	2022 DKK '000
Intangible fixed assets acquired	0	821
Goodwill	9,945	11,221
Development projects in progress and prepayments	0	35,736
<b>Intangible assets</b>	<b>9,945</b>	<b>47,778</b>
Other plant, machinery tools and equipment	1,101	2,714
Leasehold improvements	2,738	3,222
Tangible fixed assets in progress and prepayment	97	3,345
<b>Property, plant and equipment</b>	<b>3,936</b>	<b>9,281</b>
Investments in subsidiaries	0	0
Rent deposit and other receivables	322	322
<b>Financial non-current assets</b>	<b>322</b>	<b>322</b>
<b>NON-CURRENT ASSETS</b>	<b>14,203</b>	<b>57,381</b>
Finished goods and goods for resale	0	339
Prepayments	341	3
<b>Inventories</b>	<b>341</b>	<b>342</b>
Trade receivables	0	1,611
Receivables from group enterprises	0	0
Other receivables	300	1,538
Corporation tax receivable	106	1,598
Joint tax contribution receivable	0	0
Prepayments	440	474
<b>Receivables</b>	<b>1,501</b>	<b>5,221</b>

Group

ASSETS	2023 DKK '000	2022 DKK '000
Cash and cash equivalents	2,006	10,752
<b>CURRENT ASSETS</b>	<b>3,191</b>	<b>16,315</b>
<b>ASSETS</b>	<b>17,394</b>	<b>73,696</b>

Group

EQUITY AND LIABILITIES	2023 DKK '000	2022 DKK '000
Share Capital	5,311	2,438
Reserve for development costs	0	27,874
Retained earnings	4,195	32,481
<b>EQUITY</b>	<b>9,506</b>	<b>62,793</b>
Trade payables	1,093	2,749
Debt to Group companies	0	0
Other liabilities	6,785	8,154
Current liabilities	7,888	10,903
<b>LIABILITIES</b>	<b>7,888</b>	<b>10,903</b>
<b>EQUITY AND LIABILITIES</b>	<b>17,396</b>	<b>73,696</b>

## Cash Flow Statement

Group

1 JANUARY - 31 DECEMBER	2023 DKK '000	2022 DKK '000
Profit/loss for the year	-62,260	-16,064
Depreciation and amortisation, reversed	47,221	2,231
Profit/loss from subsidiaries	0	0
Tax on profit/loss, reversed	21	-2,186
Corporation tax received	1,470	5,422
Change in inventories	1	-71
Change in receivables (ex tax)	2,883	-139
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	-1,379	-923
<b>CASH FLOWS FROM OPERATING ACTIVITY</b>	<b>-12,034</b>	<b>-11,730</b>
Purchase of intangible assets	-4,034	-7,263
Purchase of property, plant and equipment	-7	-1,006
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>	<b>-4,041</b>	<b>-8,269</b>
Increase Loans	6,214	-2,470
Decrease	-3,215	-
Other capital items - capital raising costs	-1,269	-5,742
Sharecapital payments	5,600	31,227
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>	<b>7,330</b>	<b>23,015</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS.</b>	<b>-8,746</b>	<b>3,016</b>
Cash and cash equivalents at 1. januar	10,752	7,736
<b>CASH AND CASH EQUIVALENTS AT 31. DECEMBER</b>	<b>2,006</b>	<b>10,752</b>
<b>Cash and cash equivalents at 31 December comprise:</b>		
Cash and cash equivalents	2,006	10,752
<b>CASH AND CASH EQUIVALENTS</b>	<b>2,006</b>	<b>10,752</b>



## COMMENTS TO THE FINANCIAL DEVELOPMENT

### Revenue and operating results

DanCann Pharma is a development stage biopharmaceutical company that has generated revenue through the sale of approved products such as Bedrocan®, Bediol®, and Bedica®. The Company operates with a small and lean organizational structure.

The cost base of DanCann Pharma is primarily comprised of expenses related to the enhancement and development of the existing product portfolio and associated development activities.

For the fiscal year from 1 January to 31 December 2022, the Company reported an operating result of DKK -16.4 million. This result compares to DKK -62.2 million for the same period in the subsequent year, 1 January to 31 December 2023.

### Assets and liabilities

As of 15 May 2024, DanCann Pharma's total assets were valued at DKK 17.3 million, with cash and cash equivalents accounting for DKK 2.0 million.

As of the end of the financial year 2023, the equity of DanCann Pharma was DKK 9.5 million. A significant factor impacting the 2023 financial results was the write-down of the Company's former production facilities, designated as BP1. This write-down amounted to DKK -43.6 million and was a major negative contributor to the financial results of the year. This strategic adjustment aligns with the Company's revised operational focus and is expected to have no negative implications on future performance. This adjustment is expected to stabilize the financial statements and support sustainable growth. The decision is aimed at repositioning the Company more favorably in its market segment, thereby enhancing and improving shareholder value in the long term.

The Company had approximately DKK 5.9 million in debt, which is planned to be addressed through conversion or repayment with cash upon the completion of the Offer.

Post-Offer, DanCann Pharma aims to be a debt-free entity, financing its operations almost entirely through equity, thereby strengthening its financial foundation for future growth.

### Cash flows

For the financial year spanning 1 January to 31 December 2022, cash flow from operating activities was recorded at DKK -11.7 million. This figure shifted to DKK -12.0 million for the same period in 2023, reflecting the Company's operational cash flow movements throughout the year. Working capital

According to the Company's assessment, the existing working capital intended to finance the development of the operations and the Company's growth plan is not sufficient for the current needs as of the Memorandum Date. To provide the Company with working capital, DanCann Pharma is carrying out the Offer of New Shares, which can provide the Company with a maximum of approx. DKK 18.33 million in proceeds (before repayment of bridge financing of approx. DKK 1.6 million, compensation to bridge financiers, conversion of loan and issue costs). In the event that the forthcoming Offer is fully subscribed, the Company assesses that the proceeds will finance DanCann Pharma's growth plan until the expected breakeven during 2025.

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 11 million (before transaction-related costs) through the issue of New Shares described in this Memorandum. DanCann Pharma has as of the Memorandum Date, secured a total of approximately DKK 5.5

million (before transaction-related costs) through presubscription commitments and guarantee commitments, which corresponds to approximately 30% of the issue volume.

If the Company does not raise the fully above-mentioned capital before 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 Offer 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 2025 assuming the underlying expectations. If the result of the Offer ends in the low range, i.e., the Company is only provided the minimum limit of DKK 5.5 million (before issue costs), DanCann Pharma may roll out the business plan and the continued development and growth at a much lower pace to stretch the financial resources and/or adjust its business model in order to reduce costs.

### Employees

As of the Memorandum Date, the number of employees in DanCann Pharma was six (6).

### Auditing of financial information

Notes to the financial statements can be found in the audited financial statements for the financial periods 1 January 2022 – 31 December

2022 and 1 January 2023 – 31 December 2023, which have been incorporated into the Memorandum by reference, see page 7 (section “Documents incorporated by reference”).

The annual reports have been audited by the Company’s auditor, Deloitte Statsautoriseret Revisionsaktieselskab. Unless otherwise stated, no other information in the Memorandum has been audited or reviewed by DanCann Pharma’s auditor.

### Significant changes in financial position

Since 31 December 2023, being the latest balance sheet date of the financials presented in the Memorandum, 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 2024 and 2025.

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.



# Legal Issues, Ownership Structure and Additional Information

## SHAREHOLDER TABLE

The table below shows, to the best of the Company's knowledge, all shareholders holding minimum 10% of the Existing Shares and/or votes of the Company as of 23 May 2024. The Company has only one class of shares and all Shares have equal voting rights.

Shareholder	Number of Shares	Number of votes	Share of total share capital and voting rights (in %)
New Growth Opportunities 2	26,022,548	26,022,548	15.62 / 15.62
JPMorgan SE Luxembourg	17,096,904	17,096,904	10.26 / 10.26
Other shareholders (a total of 2,511 other shareholders)	123,508,537	123,508,537	74.12 / 74.12
<b>TOTAL</b>	<b>166,627,989</b>	<b>166,627,989</b>	<b>100% / 100%</b>

## ARRANGEMENTS OR AGREEMENTS THAT COULD LEAD TO CHANGE OF CONTROL

To the best of the Board of Director's knowledge, there are no shareholder agreements or other agreements between the Company's owners that aim at joint influence over the Company, or that could lead to control of the Company being changed or prevented.

## SHARE CAPITAL

As of 31 December 2023, being the latest balance sheet date of the financial reports presented, the Company's registered share capital amounted to nominally DKK 5,311,049.6250 divided into 141,627,990 shares of nominally DKK 0.0375 each.

As of the Memorandum Date, the Company's registered share capital is nominally DKK 1,666,279.89 divided into 166,627,989 Existing Shares.

All Shares belong to the same share class, are issued in accordance with the provisions of the Danish Companies Act, are fully paid-up and are freely transferable.

## WARRANTS, CONVERTIBLES AND SUBSCRIPTION RIGHTS

### Outstanding warrants and convertibles

As of the date of the Memorandum, DanCann Pharma has two outstanding incentive programs, one program applicable to members of the Board of Directors, and one program applicable to key employees, each with the aim of ensuring consistent incentives between the shareholders and the persons operating the Company. These are described in more detail below under the section "Incentive programs". In addition, the Company has outstanding warrants issued to and in favour of an investor and outstanding convertible debt instruments issued to and in favor of the same investor. DanCann Pharma has no other outstanding warrants, convertibles or similar financial instruments that may entitle to subscribe for Shares of 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, to implement an incentive warrant program for key employees. Under the program, the Company has issued a total of 1,017,147 warrants of which a total of 762,861 warrants have lapsed (due to the termination of the employees' employment). The warrants are issued free of charge. As of the Memorandum Date, a total of 254,288 warrants issued under the program are still issued and valid.

Each of these warrants carry the right to subscribe for 1 Share of nominally DKK 0.01. The maximum nominal amount of the Shares that can be subscribed for upon exercise of the warrants issued, and which are still issued and outstanding, is nominally DKK 2,542.86 (equivalent to 254,288 Shares of nominally DKK 0.01).

The warrants have been issued to key employees of the Company. The issued warrants have vested over a 3-year period as from the allocation date, which means that 1/3 is vested every year on 6 April during the vesting period (since April 2021). The warrants are subject to customary provisions regarding termination of employment of the warrant holders, adjustment of the warrant terms in the event of change of the Company's capital structure and other customary terms.

Each of the warrants carry the right to subscribe for 1 Share of nominally DKK 0.01 at an exercise price of DKK 3.3327 per Shares, and the warrants can be exercised during a four-year period from the allocation 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 DanCann Pharma's quarterly report Q1 and quarterly report Q3.

For the full set of terms applicable to the warrants, please refer to schedule 6.1.1 of the Articles of Association.

#### **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, to implement an incentive warrant program for the members of the board of directors. The authorisation from the general meeting stipulated in detail the terms on which the warrants could be issued to the board of directors, and the warrants are generally issued on the same terms as apply for the employees. The warrants are issued free of charge. Under the program, the Company has issued 300,000 warrants of which a total of a total of 100,000 warrants have lapsed (due to the termination of the warrant holders' directorship). As at the Memorandum Date, a total of 200,000 warrants issued under the authorization are still issued and valid. Each of these warrants carry the right to subscribe for 1 Share of nominally DKK 0.01. The maximum nominal amount of the Shares that can be subscribed for upon exercise of the warrants that are still issued and outstanding is nominally DKK 2,000 (equivalent to 200,000 Shares of nominally DKK 0,01).

The issued warrants have 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 (since April 2021). The warrants are subject to customary provisions regarding termination of the directorship of the warrant holders, adjustment of the warrant terms in the event of change of the Company's capital structure and other customary terms.

Each of the warrants carry the right to subscribe for 1 Share of nominally DKK 0.01 at an exercise price of DKK 3.8993 and the warrants can be exercised during a four-year period from the allocation 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.

For the full set of terms applicable to the warrants, please refer to schedule 6.3.1 of the Articles of Association.

## **Other warrants**

#### **Warrants issued on 13 July 2023**

In July 2023, the board of directors resolved, based on an authorization from the extraordinary general meeting in June 2023, to issue a total of 8,190,000 warrants to an investor. The warrants are issued free of charge.

Each of these warrants carry the right to subscribe for 1 Share of nominally DKK 0.01. The maximum nominal amount of Shares that can be subscribed for upon exercise of the issued warrants (which are all still issued and outstanding) is nominally DKK 81,900 (equivalent to 8,190,000 Shares of nominally DKK 0.01).

The warrants have been issued to Nordic Growth Opportunities 2. All issued warrants are vested as from the issue date.

Each of the warrants carry the right to subscribe for 1 share of nominally DKK 0.01 at a subscription price of DKK 0.33 and the warrants can be exercised during a three-year period from the allocation date (until July 2026). During the exercise period, vested warrants can be exercised on any trading date of the warrant holder's choice.

The warrants are subject to customary provisions regarding adjustment of the warrants terms in the event of such changes to the Company's capital structure which cause a change of the possibility of a gain on the warrants.

For the full set of terms applicable to the warrants, please refer to schedule 6.8.1 of the Articles of Association.

## **Convertibles rights**

In July 2023, the board of directors resolved, based on an authorization from the extraordinary general meeting in June 2023, to issue a total of 378 convertible debt instruments, each of an amount of DKK 50,000, equal to an aggregate amount of DKK 18,900,000. The convertible debt

instruments have been issued to Nordic Growth opportunities 2. The loans under the convertible debt instruments are to be disbursed by the lender during a period of 12 months as from 13 July 2023, if and when required by the Company (however such right to require disbursement being subject to certain conditions). As of the Memorandum Date, loans under a total of 132 convertible debt instruments have been disbursed, equal to an aggregate loan amount of DKK 7,150,000.

Each convertible debt instrument gives the lender the right, when the loan under the convertible debt instrument has been disbursed by the lender, to convert the loan under the debt instrument to shares in the Company.

The lender is entitled to convert the loans under the debt instruments, when disbursed (funded) and in a period of 12 months thereafter, to Shares in the Company at a conversion price equal to 93% of the lowest simple average of the daily volume weighted average share price ("VWAP") of three consecutive days during the 10 consecutive trading days immediately preceding the date on which the conversion is requested.

The minimum and the maximum amount by which the share capital can be increased on the basis of the convertible debt instruments is DKK 0.01 and DKK 18,900,000 respectively.

As of the Memorandum Date, a total aggregate loan amount of DKK 3,800,000 of the convertible loans disbursed under the convertible loan notes has been converted into Shares in the Company.

The total outstanding (not-converted) loan amount under the debt instruments is DKK 3,350,000 which shall be converted to Shares at a price of DKK 0.01 per Share pursuant to the convertible debt instruments in connection with the Offer (as further described under "Guarantee commitments" on pages 17-19).

Following this conversion, all convertible debt instruments shall lapse and no longer apply.

## AUTHORISATIONS TO ISSUE SHARES

### Authorisation to issue shares

As of the Memorandum Date, the Board of Directors has authorisations to issue Shares and thereby increase the share capital **without pre-emptive rights** for the Company's existing shareholders by up to a total nominal amount of DKK 3,631,081.53 (less any Shares issued to top-down guarantors, which will be issued by use of these authorisations), of which:

- the authorisation to issue nominally DKK 28,424.48 Shares is valid until 1 June 2026;
- the authorisation to issue nominally DKK 74,666.66 Shares is valid until 1 April 2027;
- the authorisation to issue nominally DKK 27,990.39 Shares is valid until 1 August 2027; and
- the authorisation to issue nominally DKK 3,500,000 Shares is valid until 1 April 2029.

As of the Memorandum Date, the Board of Directors is authorised to issue Shares and thereby increase the share capital **with pre-emptive rights** for the Company's existing shareholders by up to a nominal amount of DKK 20,659,536.50 (less any New Shares issued in connection with the Offer, which will be issued by use of these authorisations), of which:

- the authorisation to issue nominally DKK 125,000 Shares is valid until 1 June 2026;
- the authorisation to issue nominally DKK 534,536.50 Shares is valid until 1 August 2027; and
- the authorisation to issue nominally DKK 20,000,000 Shares is valid until 1 April 2029.

The total nominal amount of Shares to be issued under the remaining authorisations valid until 1 June 2026 and 1 April 2027 is nominally DKK 124,151,812.5.

In each case, the capital increases resolved pursuant to the authorisations 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 increases can be below market price.

### Authorisation to issue warrants

As of the Memorandum Date, the Board of Directors has authorisations to issue warrants (without pre-emptive rights for the existing shareholders) granting the right to subscribe for Shares of a total nominal amount of DKK 774,111.75 (and resolve on the related capital increase), of which:

- the authorisation to issue warrants carrying the right to subscribe for nominally DKK 3,085.74 Shares is valid until 1 April 2026;
- the authorisation to issue warrants carrying the right to subscribe for nominally DKK 15,426.01 Shares is valid until 1 June 2026;
- the authorisation to issue warrants carrying the right to subscribe for nominally DKK 37,500 Shares is valid until 1 August 2027; and
- the authorisation to issue warrants carrying the right to subscribe for nominally DKK 718,100 Shares is valid until 1 May 2028.

Under the authorisation valid until 1 April 2026, warrants can be issued only to the members of the Board of Directors from time to time, and this authorisation is subject to many additional limitations as set out in Schedule 6.3 of the Articles of Association.

As of the Memorandum Date, the Board of Directors has authorisations to issue warrants (with pre-emptive rights for the existing shareholders) granting the right to subscribe for Shares of a total nominal amount of DKK 359,081.56 (and resolve on the related capital increase), of which:

- the authorisation to issue warrants carrying the right to subscribe for nominally DKK 93,750 Shares is valid until 1 June 2026; and
- the authorisation to issue warrants carrying the right to subscribe for nominally DKK 265,331.56 Shares is valid until 1 August 2027.

In each case, the warrants can be issued below market price. The Board

of Directors lays down otherwise the more specific conditions for the distribution and issuance of the said warrants

## SIGNIFICANT AGREEMENTS

Apart from 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 during the past two years year as from the Memorandum Date.

### Office of Medicinal Cannabis (OMC)

The Office of Medicinal Cannabis handles all exports of medicinal cannabis from the Netherlands and has a contract with Bedrocan BV, which manufactures input materials for their portfolio of medicines. The Company has an agreement with Office of Medicinal Cannabis concerning the purchase and distribution of its medications to Denmark and to pharmacies across the country through various pharmacy channels.

### MYCB1 GmbH

MYCB1 GmbH in Germany, certified for Good Manufacturing Practice (GMP), manufactures prescription-only medications using input materials from Bedrocan BV (Bedrocan®, Bediol®, and Bedica®). The Company has an agreement with MYCB1 GmbH concerning the purchase and distribution of its medications to Denmark and to pharmacies across the country through various pharmacy channels.

### Nomeco A/S

Nomeco A/S is one of Denmark's two pharmaceutical wholesalers to the country's pharmacies. The Company has an agreement with Nomeco A/S regarding the sale and distribution of its products to pharmacies across Denmark through this channel.

## Tjellesen Max Jenne A/S

Tjellesen Max Jenne A/S is one of Denmark's two pharmaceutical wholesalers to the country's pharmacies. The Company has an agreement with Tjellesen Max Jenne A/S regarding the sale and distribution of its products to pharmacies across Denmark through this channel.

## TRANSACTIONS WITH RELATED PARTIES

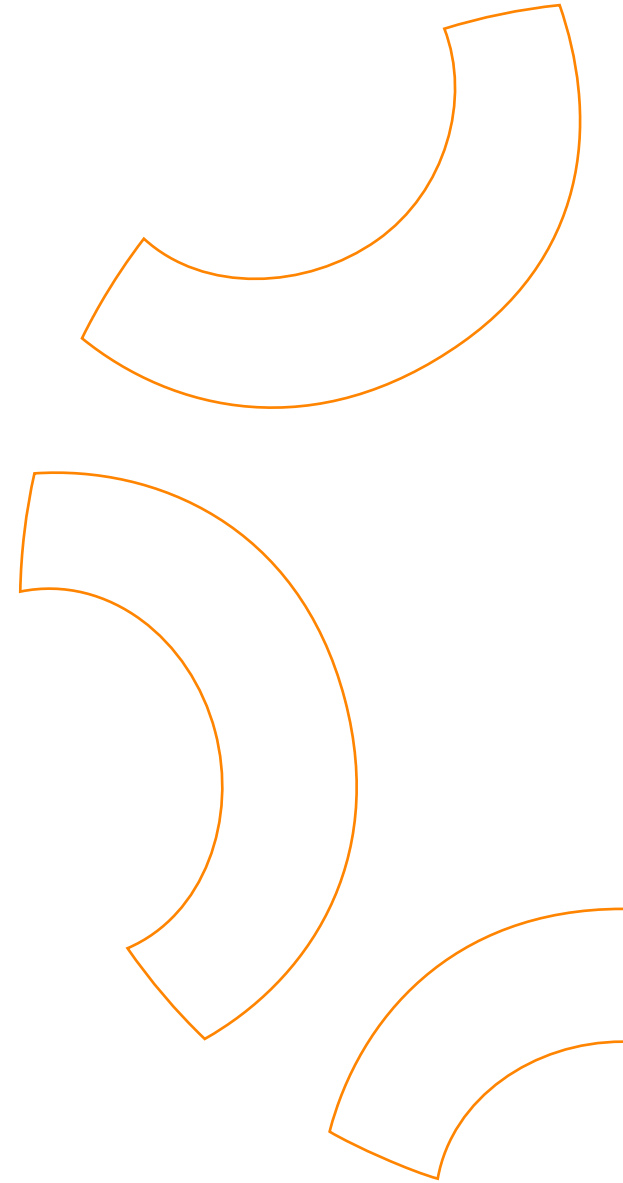
Apart from the agreement regarding termination of, and conversion of loans under, the convertible debt instruments as set out in section "Conversion rights", as of the date of the last year-end report (31 December 2023), the Company has not engaged in any transactions with related parties or entered into any agreement with a related party, other than as part of the Company's ordinary operations.

The Company's related parties include:

- (a) the Company's Board of Directors, the CEO and other employees of the Group;
- (b) a husband/wife, partner and someone under custody to persons referred to under (a);
- (c) legal persons controlled by any of those referred to in (a) and (b); and
- (d) a shareholder that controls more than 10% of the Existing Shares or voting rights of the Company.

## LEGAL AND ARBITRATION PROCEEDINGS

During a period covering at least the previous twelve months, DanCann Pharma and Cannegro has not been a party to any legal, arbitration, regulatory, or governmental proceedings which may have, or have had in the recent past significant effects on the Company's or the Group's financial position or profitability, and currently, DanCann Pharma and Cannegro is not party to such proceedings, and to the knowledge of the Board of Directors there is no risk that such proceedings will be initiated.





# Available Documents

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As from the Memorandum Date, the following documents are available in electronic form on the Company's website under "Rights Issue 2024" <https://www.dancann.com/investor-relations> and can be obtained in physical form at the Company address, Rugvænget 5, 6823 Ansager, Denmark, during ordinary office hours (Monday to Friday from 9:00 am to at 5:00 pm):

- The Company's Articles of Association
- Subscription form – without Pre-Emptive Rights
- Annual reports 2022 and 2023

Please note that the information on the website does not form part of the Memorandum.



# Definitions

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**Articles of Association** means the Company's articles of association.

**Board of Directors** means the board of directors of the Company.

**Company** means DanCann Pharma A/S, company reg. no. (CVR) 39 42 60 05, Rugvænget 5, 6823 Ansager, Denmark.

**DanCann Pharma** means the DanCann Pharma A/S, company reg. no. (CVR) 39 42 60 05, Rugvænget 5, 6823 Ansager, Denmark.

**CannGros** means CannGros ApS, Rugvænget 5, 6823 Ansager, Denmark, company reg. no. (CVR) 39039451.

**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.

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

**EK Equity** means EK Equity AB, org.nr: 559426-5463.

**Euronext Securities** means VP Securities A/S (Euronext Securities Copenhagen), Nicolai Eigtveds Gade 8, 1402 København, Denmark.

**Existing Shares** means Shares issued in DanCann Pharma as of the Memorandum Date, i.e. a total of 166,627,989 Shares of nominally DKK 0.01 each, equivalent to a total share capital of nominally DKK

1,666,279.89.

**Group** means the Company and CannGros jointly.

**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.

**Mazanti** means Mazanti-Andersen Advokatpartnerselskab, company reg. no. (CVR) 35 89 20 52

**Memorandum** means this offer memorandum dated 24 May 2024.

**Memorandum Date** means 24 May 2024 on which date this Memorandum was published.

**New Shares** means the Shares offered in this Memorandum, i.e. maximum 1,832,907,879 Shares of nominally DKK 0.01 each, equivalent to nominally DKK 18,329,078.79 Shares.

**Offer** means DanCann Pharma's offer to subscribe for the New Shares as set out in this Memorandum.

**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.

**Pre-Emptive Rights** means pre-emptive subscription rights to subscribe for New Shares as set out in this Memorandum.

**Regulations** means Spotlights regulations applicable from time to time.

**Rights Trading Period** means the period from 7 June 2024 at 9:00 am (CET) to 20 June 2024 at 5 pm (CET) during which the Pre-Emptive Rights can be traded.

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

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

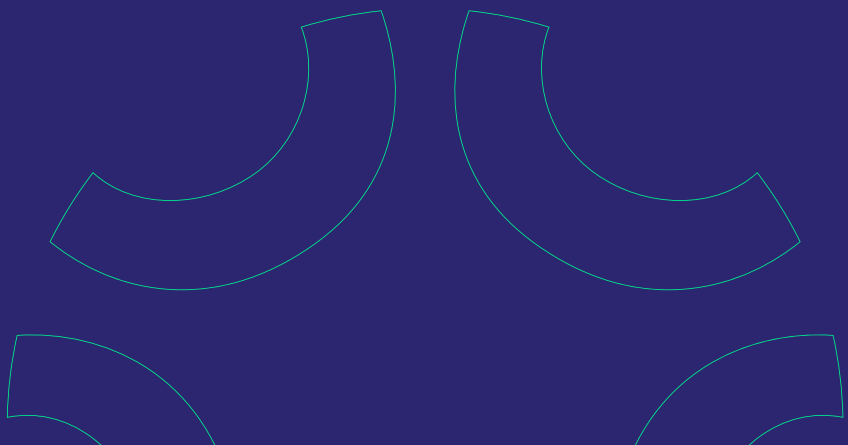
**Subscription Period** means the period from 11 June 2024 at 9:00 am (CET) to 24 June 2024 at 5:00 pm (CET) where the Offer is open for subscription.

**Subscription Price** means DKK 0.01.

## Better than yesterday

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

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



## DanCann Pharma A/S

CVR No.: 3942 6005

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