

STENOCARE A/S

NASDAQ FIRST NORTH GROWTH MARKET, DENMARK

TICKER: STENO

STENOCARE's world-class cultivation facility is completed

STENOCARE A/S ("STENOCARE") today announces that it has completed its scaled-up indoor cultivation facility. The facility has been constructed, upgraded and completed to meet uniquely high pharma-grade standards. This means that STENOCARE's premium mother plants from its existing, small scale facility can now move in and the scaled up cultivation can be initiated.

Important milestone: Following STENOCARE's capital raise June 2020, the company started the final stage of construction and completion of what is now truly a world class facility, compliant with pharma-grade standards. In parallel, STENOCARE has performed multiple test and development cycles of cloning to establish premium and uniform mother plants for the new facility. This upgrade is an important milestone in the STENOCARE 2.0 strategy towards being able to both sell finished products from its supply partners (as currently seen in Sweden) and sell licensed products from STENOCARE's own production. By being able to stand on both legs in the near future, STENOCARE will not only secure its supply but also secure its ability to scale its business in tune with growing demand as and when licenses to operate are achieved in several markets.

Pharma-grade cultivation facility: From the very first facility design sketches almost three years ago, STENOCARE has defined and pursued a 'zero-compromise' pharma-grade standard in order to secure that the facility can comply with the medical cannabis regulatory requirements of the Danish Medicines Agency. This means that the facility must enable cultivation without use of any pesticides, no plant hormones and no GMO's, uniformity of flowers, control and redundancy measures – and fully document the individual steps in each grow cycle.

The following is a listing of the key features, which individually and jointly form the basis for STENOCARE's claim that this is "probably the most advanced and highest standard medical cannabis indoor cultivation facility in the world":

- **Structure:** The design blueprint is a shell in shell indoor cultivation facility with no windows and several layers of wall between the plant's 'grow tables' and the outside environment. This creates climate uniformity all year around and secures full control of potential contamination inside each grow room. Inside the shell in shell facility, each room is a self-contained environment that allow individual regulation of light intensity, CO₂, irrigation scheme, air pressure, climate etc. Each grow room is isolated from neighbouring rooms to minimize potential disease buildup. If an undesired situation arise, then the room's self-contained systems will not impact other rooms in the facility.
- **Systems:** The entire facility is fully operated and monitored via computers, leading to very minimal manual intervention for water treatment, irrigation, grow lights, room air pressure and climate control. The system even manages staff access to individual grow rooms – which is minimized according to assigned tasks of the day. The entire system is capturing data of the processes 24/7 to secure traceability, control of quality and compliance. The digitally managed cultivation is based on hydroculture, that offers full control with irrigation of plant nutrients and the dryback cycles.
- **Safety & quality assurance:** The facility operates with multi-level clean, safety and quality assurance practises. Before city water is allowed into the tanks and piping of the facility, it is treated to pharma-grade standards through active charcoal filtration and high pressure UV-light. Airfiltration with pharma-grade HEPA-filters, UV-light and air-pressurized control to prevent contamination. The layout is designed for staff to go through a two step gown-in procedure before entering the air lock (ie. Air shower) to access the indoor grow room area.

Highest quality proprietary genetics: In parallel with the completion of the unique cultivation facility, STENOCARE has tested, analysed and developed its proprietary genetics with high potency and high yielding plants. The breeding process has involved selection and qualification through multiple cycles of cloning to establish premium mother plants for the new facility. The result is a portfolio of unique strains that contain CBD dominant, THC dominant and Balanced cultivars well established for oil extraction processing.

What's next: The upgraded facility has been tested and is ready to be put into operation immediately. During the coming period all equipment will be calibrated for uniformity and the computer systems will be adjusted to optimize the individual processes from plant cloning, to flowering and drying. To fully comply with the health authorities, the Quality Management System will undergo revisions before the application for a license to sell BULK will commence in 5-6 months. During this

period, STENOCARE will run several parallel processes to fine-tune the facility, align the standard operation procedures, and collect documentation for product approval of own products. This mean that STENOCARE expect to be in a position to ship BULK medical cannabis and prepare for the first product approval of their own product in the next twelve months – pending the regulatory approval process.

Thomas Skovlund Schnegelsberg, CEO of STENOCARE, comments:

“Today is a proud and important moment for the entire STENOCARE team. For the last 18 months, we have faced almost every challenge in the book triggered by the fact that when one pushes the limits for what is possible and what has been done before, one will have to always expect the unexpected. This as well as an additional number of delays caused by Covid19 has now been put behind us. We now have an indoor high-tech and pharma-grade facility, that will put us in a unique situation to produce premium medical cannabis that is compliant with the strict regulatory requirements in Europe. We thank our turn-key parthers from Havecon Horticultrual Projects for a good and successful cooperation. Together, we have taken the equipment configuration and computerization to a new level for our industry”

Henk Verbakel, CEO of Havecon Horticultural Projects, comments:

“We see this project as ground breaking innovation within cultivation of medical cannabis. With our +15 years of global experience in greenhouse- and cultivation facility construction, we have not seen a similar pharma-grade facility in the industry. Together with STENOCARE we have created a cultivation facility with multiple levels of redundancy for water treatment and climate control. This project has been one of a kind, and it has delivered a state-of-art solution for medical cannabis cultivation”

For additional information regarding STENOCARE, please contact:

Thomas Skovlund Schnegelsberg, CEO

Phone: +45 31770060

E-mail: presse@stenocare.com

STENOCARE’s Certified Adviser is Keswick Global AG, Phone: +43 1 740 408045, E-mail: info@keswickglobal.com

About STENOCARE A/S

STENOCARE A/S was founded in 2017 with the purpose of supplying medical cannabis to patients in Denmark and internationally. The company was first to receive the Danish Medicines Agency's permission to import, distribute as well as cultivate medical cannabis. STENOCARE sources its products from a number of carefully selected international high-quality suppliers and operates a unique, indoor state-of-the-art cultivation facility in Denmark, that has multiple levels of redundancy to safeguard quality and uniformity in a pesticide free production process.

www.stenocare.dk www.stenocare.com www.stenocare.se