

STENOCARE®



Q4 and
Annual Financial
Statement Release
2023

STENOCARE Q4 2023 REPORT

In this Interim Report, the following definitions apply, unless stated otherwise: The “Company” or “STENOCARE” refers to STENOCARE A/S with CVR number (Danish corporate registration number) 39024705. The Interim Report has not been reviewed by the Company’s auditors.

(KDKK)	01.10.2023	01.10.2022	01.01.2023	01.01.2022
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	3 months	3 months	12 months	12 months
Gross sales ¹⁾	1,740	3,765	6,923	5,858
Net sales	1,259	2,846	3,993	4,490
Operating profit before depreciation (EBITDA)	-2,968	-2,354	-12,562	-13,215
Net financial items	-836	-686	-2,876	-1,360
Investment in tangible assets	0	126	176	936
Result per share (DKK)	-0.26	-0.29	-1.26	-1.40
Solidity (%)	68	61	68	61

Result per share: The result for the period divided by the average number of shares. Total number of shares as of December 31, 2023, amounted to 18,384,315 (11,676,126). Average number of shares for the fourth quarter 2023 was 16,196,188 (11,676,126).

Solidity: Equity divided by total capital.

¹⁾ Gross sales are sales before reduction for returned products.

Highlights in the period:

October 2023 – The Company announced in June that a Stenocare branded medical cannabis oil product has been approved for sales in Germany, and now the product is ready for sales to German patients.

November 2023 – The Company announced that products from the Norwegian market worth 2.1 mDKK have been returned to Stenocare. This situation in Norway is due to the fact that the management of the pain centres (hospitals) decided to hold back the budget for treatment with all cannabis-based products – which slowed down sales run rate and resulted in products expiring.

November 2023 – The Company announced gross sales in Q3-2023 of 2.3 mDKK, combined with preliminary guidance for Q4-23 gross sales of 1.7mDKK, the Company is on track to all times high gross sales in 2023 of around 6.5mdkk. This is up from practically no sales in 2020 and lower gross sales in 2021 and 2022.

November 2023 – The Company announced that it is experiencing stronger than expected sales performance in Australia and is now expanding its presence with a new medical cannabis oil product.

December 2023 – The Company announced that it completed the largest delivery to the Danish domestic market to date. The delivery is approximately 30% larger than the previous record in Denmark and covers the patient demand for one quarter. The Company thus fulfils its commitment to security of supply and maintains its all-time-high forecast for 2023 and guidance for Q4-23.

December 2023 – The Company announced it has entered into a new partnership agreement with Quest Biotech Pharma (“QBP”), aimed at expanding its reach to more prescribing doctors and patients in Australia. The agreement has the potential to double the sales run rate of Stenocare-branded products in Australia during 2024.

December 2023 – The Company announced the existing shareholder in Stenocare A/S - HHTM ApS, has committed to exercise a total of 196,000 TO1 warrants at the subscription price of 2.11 DKK per new share, amounting to 0.4 mDKK. Furthermore, the Board of Directors of Stenocare has resolved on a directed issue to the same investor of 1,900,000 new shares at 2.25 DKK per new share, amounting to 4.3 mDKK. As a result, the Company will receive a total of 4.7 mDKK before transaction related costs. The funds will strengthen Stenocare's financial position in general and specifically in relation to the ongoing refinancing of existing debt.

December 2023 – The Company announced the outcome of the exercise of its TO1 warrant exercise. The Warrants were issued in connection with the executed unit rights issue in May/June 2023 and conversion of 5 mDKK debt in June 2023. Total number of outstanding Warrants were 1,712,999 whereas 1,167,612 were issued in connection with the unit rights issue and 545,387 were issued in connection with the debt conversion. In total 76,7% or 1,313,601 Warrants were exercised for subscription of 1,313,601 new shares, as one TO1 warrants gives the right to subscribe for one new share at a price of DKK 2.11 per share. The Company will receive approximately 2.8 mDKK in gross proceeds before transaction costs.

Highlights after the period:

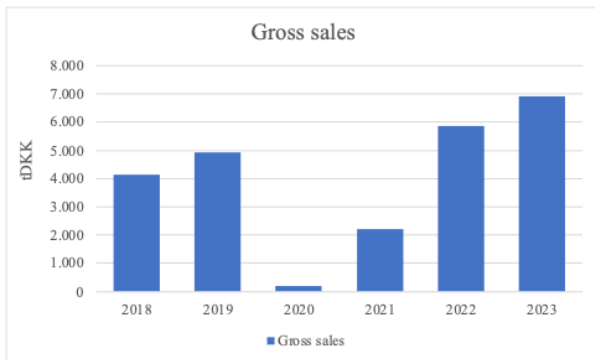
January 2024 – The Company announced that it has reached a refinancing agreement covering all existing debt of 8.2 mDKK. As a result, total debt remaining on the balance sheet will be reduced to 5.4 mDKK with none of that balance being due for repayment before 1 January 2025.

CEO COMMENTS: “STRONG FINISH OF THE BEST YEAR TO DATE”

Stenocare has successfully managed to grow sales to patients during 2023, and in Q4, our financial and commercial platform grew stronger.

Record sales to patients:

Stenocare is one of the very few companies in Europe with prescription-based medical cannabis oil products approved for sales in several markets. One of our key indicators is the reach to patients, which we measure as gross sales. Gross sales for the fourth quarter of 2023 were 1.7 mDKK, which brought total gross sales for the year to 6.9 mDKK in line with previous guidance and record gross sales to date. Net sales would have shown a similar increase, but due to returned products from Norway as disclosed in the interim report from November it was 4.0 mDKK for the year.



Expanding business in our markets:

The fourth quarter produced two milestones that are expected to support our growth in the coming year(s): The first medical cannabis oil product was shipped to German patients, and we signed a new partnership agreement in Australia to expand the reach to more patients.

Germany is by far the largest European market with 230,000 patients and many suppliers. Stenocare will build brand awareness during 2024 to gain market share together with our local partner.

Australia is an equally interesting market with its 200,000 patients and high growth projections for the coming years. We have used 2023 to learn and position our brand in the market, and the response from patients has exceeded our expectations. We

have therefore moved to the next phase of our go-to-market strategy and signed a new agreement with new partners to reach more patients via an online clinic. At the same time, we are introducing a new medical cannabis oil product to target the growing number of patients.

We have continued our ongoing market development work in Denmark and our other markets, including Sweden, Norway, and the UK.

Capital need secured to anticipated break-even:

The fourth quarter also saw the successful completion of the fundraising needed ahead of the expected break-even at the end of 2024.

We are tremendously pleased that our anticipated financing needs have been covered with the completed transactions with participation from our Board, management, founders, as well as other existing and new shareholders. We were also pleased to see an existing shareholder join the ranks of key shareholders via a separate Directed Issue, which we see as a vote of confidence in our strategy and quality of execution.

Finally, we successfully refinanced and reduced the debt to 5.4mDKK.



All in all: The fourth quarter was a strong quarter, finishing off the best year to date. In 2023, we were able to deliver on many important milestones, and we have a strong market and financial platform for 2024.

Thomas Skovlund Schnegelsberg CEO

ABOUT STENOCARE A/S

STENOCARE was founded in 2017 in Denmark with the vision to provide medical cannabis products that gives patients better quality of life. The focus is prescription-based products that are controlled under the regulatory regime of The Health authorities. STENOCARE has an ambitious goal to become a leading European brand within prescription-based medical cannabis.



The company was listed on Spotlight Stock Market in Stockholm in October 2018, and later moved to Nasdaq First North Growth Market in June 2020. The stocks are traded under ticker [STENO]. The three founders are still the largest individual shareholders, and part of the executive management team.

STENOCARE was a first mover in the Danish market and received approvals from the Danish Medicines Agency to cultivate and produce medical cannabis as well as import and distribute medical cannabis oil products for sale to Danish patients. Since 2020 the company is also represented in a number of other countries and distributing prescription-based medical cannabis products together with its partners.

STENOCARE has a strategy to source its medical cannabis products from both their global supply partners and their own cultivation facility in Denmark. The company has a multi-supplier strategy to secure a predictable and scalable supply chain for the growing number of patients and to offer more choice for treatment.

STENOCARE has created a leadership role through its ability to secure approvals from local Medicines

Agencies. The Company was also the first to have medical cannabis oil and capsule products accepted for the Danish Pilot-Programme.

Since the Company was founded in 2017, the STENOCARE 1.0 strategy included distribution and sales of imported products to the Danish market and establishing local cultivation and production of its own medical cannabis products. During 2019 the Company outlined the STENOCARE 2.0 strategy that builds on four investment areas and assets:

- 1) *Regulatory assets* to successfully work with the authorities and having licenses to operate and sell products in a highly regulated industry. These assets enable the company to enter new markets and introduce new products.
- 2) *Commercial assets* to establish more markets for distribution of medical cannabis. These assets enable the company to operate in most countries in the world together with a network of experienced partners.
- 3) *Supply Chain assets* in the Danish indoor cultivation facility to further enable the Company to be a leader within “pharma-grade” medical cannabis production. This enables the company to develop, produce and formulate products to the highest standards.
- 4) *Product development partnership assets* to formulate and test new innovative medical cannabis products that can target the growing diverse group of patients. These assets can position the company more exclusively in the market.



ABOUT THE INTERIM REPORT

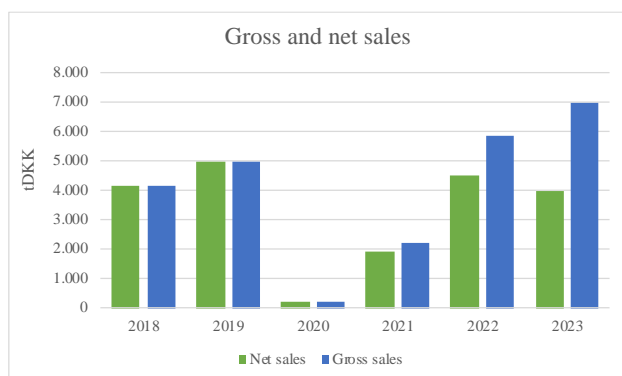
STENOCARE was formed in October 2017, and is not part of a group. Therefore, the financial overview in this Interim Report applies exclusively to STENOCARE A/S, with CVR number 39024705. The amount within brackets corresponds to the comparable period in the previous year. Amounts in this section in KDKK except for numbers of shares.

Auditor's review

The Interim Report has not been reviewed by the Company's auditor.

Sales

Gross sales for the fourth quarter of 2023 were 1,740 (3,765). Net sales after reduction for returned products were 1,259 (2,846). Gross sales for the year amounts to 6,923 (5.858) and Net sales to 3,993 (4,490). Net sales are decreased due to products returned in third and fourth quarter of 2023 from the Norwegian market due to expiry.



Operating results

Operating profit before depreciation (EBITDA) for the fourth quarter of 2023 amounted to -2,968 (-2,354) and includes write down of expired products, distribution costs, market development costs and operational expenses for preparing validation batches of Cannabis flowers and application with the Danish Medicines Agency for new products and bulk license. Adjusted for returned products related to Norway EBITDA for the fourth quarter amounted to -2,714.

Balance sheet and equity ratio

Total assets amounted to 37,895 (39,604) and primarily consisted of investments in the cultivation facility and cash.

Shareholders equity amounted to 25,822 (24,143) and liabilities amounted to 12,073 (15,462).

Shareholders equity includes 232,567 Treasury shares.

Liabilities include financial leasing and convertible debt instruments. The convertible debt instruments are established in November 2022 and April 2023 with independent and individual private persons and companies on market conditions. In connection with the rights issue in June 5.0 mDKK of the debt was converted to shares. The Instruments have partly been repaid and prolonged after the period. The remaining outstanding as per the date of this interim report of 5.4 mDKK with none of that balance being due for repayment before 1 January 2025.

Cash flow and investments

Cash flow for the fourth quarter amounted to -4,408 (1,034) including 7,137 from financing activities.

The share

The shares of STENOCARE A/S were listed on Spotlight Stock Market on October 26, 2018. On May 18, 2020, the shares were delisted from Spotlight and listed on Nasdaq First North Growth Market Denmark. The short name/ticker is STENO and the ISIN code is DK0061078425. On December 31, 2023, the total number of shares was 18,384,315 (11,676,126). Every stock share equals the same rights to the Company's assets and results.

Warrants

As at the date of this interim report there are one series of outstanding warrants. Each warrant gives the right to subscribe for one new share in the Company. A total of 1,712,999 warrants of TO1 and 1,712,999 of TO2 have been issued. TO1 warrants were exercised in December with a price per share at 2.11. In total 76,7% or 1,313,601 Warrants were exercised. TO2 warrants can be exercised in the period 10 to 21 June 2024 with a price per share of the VWAP for the last 10 trading days before the exercise period beginning less 30%.

Options

The Company has a share program for individual employees who, based on the opinion of the board of directors, make a special effort for the Company or who possess very special qualities that the Company benefits from. The employees will be entitled to Treasury Shares free of charge after the end of each year over a period of up to 5 years. The shares are

delivered from the balance of Treasury Shares kept by the Company.

At the date of this Interim Report, and as previously announced, options for a total of 46,960 shares have been granted. In the reporting period and previous periods 40.160 of the options have been vested

leaving a balance of outstanding options of 6.800. On vesting, the shares are transferred to the employee from Treasury Shares and the movement in 2024 therefore reduces the number of Treasury Shares outstanding to 232,567.

Shareholders

The table below presents the current shareholders, at the date of this report, with more than 5 percent of the votes and capital in STENOCARE including Treasury shares held by the Company.

Name	Number of shares	Proportion of votes and capital (%)
SC-Founders Holding ApS	4,871,022	26,5
HHTM ApS	2,270,981	12.4
STENOCARE A/S (Treasury shares)	232,567	1.3
Others	11,009,745	59.8
Total	18.384.315	100.0

Financial calendar

Annual Report 2023:	14.03.2024
Q1-2024 Interim Report:	02.05.2024
Annual general meeting:	14.05.2024
Q2-2024 Interim Report:	21.08.2024
Q3-2024 Interim Report:	07.11.2024

Accounting policy

The interim accounts have been prepared in accordance with the provisions of the Danish Annual Accounts Act (Årsregnskabsloven) for accounting class C.

Operational risks and uncertainties

The risks and uncertainties that STENOCARE operations are exposed to are summary related to factors such as development, competition, legislation, permissions, capital requirements, customers, suppliers/manufacturers, currencies and interest rates.

Submission of Interim Report

Randers, February 22, 2024
STENOCARE A/S
The Board of Directors

Certified Adviser

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

For further information, please contact

Thomas Skovlund Schnegelsberg, CEO
Phone: +45 31770060
E-mail: presse@stenocare.com
Website: www.stenocare.com

INCOME STATEMENT

DKK	01.10.2023 31.12.2023 3 months	01.10.2022 31.12.2022 3 months	01.01.2023 31.12.2023 12 months	01.01.2022 31.12.2022 12 months
Gross sales ¹⁾	1,740,233	3,765,479	6,922,751	5,857,660
Net sales	1,258,544	2,845,978	3,992,828	4,489,581
Other external expenses	-2,405,730	-3,179,073	-10,177,677	-10,899,235
Personnel expenses	-1,820,424	-2,020,555	-6,377,623	-6,805,375
Operating profit before depreciation (EBITDA)	-2,967,610	-2,353,650	-12,562,472	-13,215,029
Depreciation of tangible assets	-848,922	-833,632	-3,384,171	-3,312,651
Operating profit (EBITA)	-3,816,532	-3,187,282	-15,946,643	-16,527,680
Income from equity investments in group enterprises ²⁾	0	-52,535	0	-82,262
Financial income	0	0	0	16,988
Financial expenses	-835,947	-633,662	-2,875,901	-1,294,560
Total financial items	-835,947	-686,197	-2,875,901	-1,359,834
Profit/loss for the period	-4,652,479	-3,873,479	-18,822,544	-17,887,514
Tax on profit/loss for the period	402,992	534,346	1,252,992	1,584,346
Net result for the period	-4,249,487	-3,339,133	-17,569,552	-16,303,168

Note 1. Gross sales are sales before reduction for returned products including provision for same.

Note 2. Income from equity investments in group enterprise in 2022 reflects the administrative costs of the non-trading Irish subsidiary.

BALANCE SHEET

DKK	31.12.2023	31.12.2022
<i>Assets</i>		
Furnishing for rented premises	1,025,045	1,393,710
Furniture and equipment	21,747,494	24,586,610
Total tangible assets	22,772,539	25,980,320
Associated company	4	0
Deposits	494,350	494,104
Total financial assets	494,354	494,104
Total fixed assets	23,266,893	26,474,424
Inventories	45,569	727,910
Total Inventories	45,569	727,910
Deferred tax asset	1,336,769	1,357,120
Income tax receivable	1,273,299	1,604,580
Accounts receivable	2,145,933	3,624,656
Other receivables	270,912	1,077,264
Prepayments	57,582	309,027
Total receivables	5,084,495	7,972,647
Cash at bank	9,498,419	4,429,389
Total current assets	14,628,483	13,129,946
TOTAL ASSETS	37,895,376	39,604,370
<i>Liabilities and equity</i>		
Equity		
Share capital	1,470,745	934,090
Retained earnings	24,351,256	23,208,653
Total equity	25,822,001	24,142,743
Long-term liabilities		
Financial leasing	936,243	1,266,294
Convertible debt instruments	0	3,443,781
Total long-term liabilities	936,243	4,710,075
Short-term liabilities		
Financial leasing	438,160	415,491
Loan	0	5,772,949
Convertible debt instruments	8,308,183	0
Accounts payable	1,253,343	3,010,507
Other payables	1,137,446	1,552,605
Total short-term liabilities	11,137,132	10,751,552
TOTAL EQUITY AND LIABILITIES	37,895,376	39,604,370

CHANGE OF EQUITY

DKK	01.10.2023 31.12.2023 3 months	01.10.2022 31.12.2022 3 months	01.01.2023 31.12.2023 12 months	01.01.2022 31.12.2022 12 months
Equity at start of the period	23,569,847	27,431,038	24,142,743	40,242,569
Share issue, cash	7,201,026	0	17,896,352	0
Share issue, conversion of loans	0	0	4,995,741	0
Cost of share issue	-722,548	0	-3,735,935	0
Treasury shares transferred and accrued under Share program	23,163	50,838	92,652	203,342
Net result for the period	-4,249,487	-3,339,133	-17,569,552	-16,303,168
Equity at end of the period	25,822,001	27,431,038	25,822,001	24,142,743

CASH FLOW STATEMENT

DKK	01.10.2023 31.12.2023 3 months	01.10.2022 31.12.2022 3 months	01.01.2023 31.12.2023 12 months	01.01.2022 31.12.2022 12 months
Profit/loss for the period	-4,197,787	-3,339,133	-17,517,852	-16,303,168
Adjustments	1,253,339	1,036,321	5,048,032	3,291,481
Change in working capital	-1,224,957	-554,989	1,036,136	-3,280,126
Cash flow from operating activities before financial items	-4,166,405	-2,857,801	-11,433,684	-16,291,813
Paid financial items	-167,453	-5,183	-211,806	-103,415
Income taxes paid/received	1,604,624	1,362,570	1,604,624	1,362,570
Cash flow from operating activities	-2,729,234	-1,500,414	-10,040,866	-15,032,658
Purchases of financial fixed assets	-4	0	-250	-975
Purchases of tangible fixed assets	0	-126,352	-176,390	-935,866
Cash flow from investing activities	-4	-126,352	-176,640	-936,841
Share issue (net after cost)	6,478,478	0	14,160,417	0
Loan	680,766	2,680,766	1,433,501	8,239,787
Financial leasing	-22,058	-19,926	-307,382	439,079
Cash flow from financing activities	7,137,186	2,660,840	15,286,536	8,678,866
Cash flow for the period	4,407,948	1,034,074	5,069,030	-7,290,633
Cash at the start of the period	5,090,471	3,395,315	4,429,389	11,720,022
Cash at the end of the period	9,498,419	4,429,389	9,498,419	4,429,389

SUPPLEMENTARY INCOME STATEMENT

Key figures from the income statement are presented below based on the underlying activities. Stenocare has two main activities.

1. Innovation and Development activities, including all directly related expenses incurred in connection with the Innovation and Development activities and
2. Sales activities, including all other activities in the company.

Innovation and development activities	01.10.2023	01.10.2022	01.01.2023	01.01.2022
DKK	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	3 months	3 months	12 months	12 months
Net sales	0	0	0	0
Other external expenses	-713,654	-1,067,649	-3,734,369	-5,055,482
Personnel expenses	-461,160	-584,799	-2,053,352	-2,243,444
Operating profit before depreciation (EBITDA)	-1,174,814	-1,652,448	-5,787,721	-7,298,926
Depreciation of tangible assets	-831,040	-817,019	-3,315,257	-3,246,191
Operating profit (EBITA)	-2,005,854	-2,469,467	-9,102,978	-10,545,117

Sales and other activities	01.10.2023	01.10.2022	01.01.2023	01.01.2022
DKK	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	3 months	3 months	12 months	12 months
Net sales	1,258,544	2,845,978	3,992,828	4,489,581
Other external expenses	-1,692,076	-2,111,424	-6,443,309	-5,843,753
Personnel expenses	-1,359,264	-1,435,756	-4,324,270	-4,561,931
Operating profit before depreciation (EBITDA)	-1,792,796	-701,202	-6,774,751	-5,916,103
Depreciation of tangible assets	-17,882	-16,613	-68,914	-66,460
Operating profit (EBITA)	-1,810,678	-717,815	-6,843,665	-5,982,563