

# Q1 REPORT

January 2022- March 2022

**STENOCARE Q1 2022 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.*

(DKKK)	01.01.2022	01.01.2021	01.01.2021	01.01.2020
	31.03.2022	31.03.2021	31.12.2021	31.12.2020
	3 months	3 months	12 months	12 months
<b>Net sales</b>	896	420	1,890	198
<b>Operating profit before depreciation (EBITDA)</b>	-3,421	-3,148	-13,242	-11,831
<b>Net financial items</b>	-14	-48	-181	-1,648
<b>Investment in tangible assets</b>	443	2,412	3,270	18,540
<b>Result per share (DKK)</b>	-0.33	-0.25	-1.09	-1.12
<b>Solidity (%)</b>	81	93	92	93

Result per share: The result for the period divided by the average number of shares. Total number of shares as of March 31, 2022, amounted to 11,676,126 (11,676,126). Average number of shares for the first quarter 2022 was 11,676,126 (11,676,126).

Solidity: Equity divided by total capital.

**Highlights during the period:**

January 2022 - STENOCARE announced that it has received approval from The Danish Medicines Agency to sell a new medical cannabis oil product to Danish patients. With this, STENOCARE once again becomes the only supplier of medical cannabis oil products under the Danish Pilot Programme.

January 2022 - STENOCARE and Solural Pharma (“Solural”) announced that they have reached milestone 1 in the research and development of a new medical cannabis oil formulation, that has the potential to improve the uptake of cannabinoids to be consistent in patients. The milestone is reached in a feasibility study and shows that the Solural Pharma’s Lymphatic Targeting Technology is compatible with full spectrum medical cannabis materials.

February 2022 - STENOCARE enters to UK market and makes medical cannabis oil products available for UK patients. With this STENOCARE is taking a major step towards its goal of becoming a European market leader. STENOCARE has been working extensively on the regulatory approval in the UK and considers the current timing to be good given that industry analysts have projected that the UK will become one of Europe’s largest markets in five years. Delivery of first products to the UK market is expected in second quarter of 2022.

March 2022 - STENOCARE has successfully reached two important license milestones during Q1 2022: The first medical cannabis oil products have been approved for Denmark and three new medical cannabis oil products have been approved for the UK. This enables the company to realize sales of prescription-based products to patients in Denmark, in Sweden (already active) and in the UK this year, with a gradual build-up during the year and with the majority of the uptake in sales expected to materialize in Q3- and Q4 2022. By the end of the year the expected sales run rate (calculated as Q4 times 4) is set at 15 to 20 million DKK, up from total sales in 2021 of 1,9 million DKK.

**Highlights after the period:**

May 2022 - STENOCARE has completed the import of the new medical cannabis oil product into Denmark. The product is named THC Olie STENOCARE and is available in 30 mL bottles with a strength of 30 mg/mL THC and <0.1 mg/mL CBD.

## CEO COMMENTS: “STRONG START FOR 2022”

*When we look back on Q1 2022 it was gratifying to see the hard work of 2021 successfully completed: We had a medical cannabis oil product approved for Denmark, we entered the UK market with three approved products and an important milestone for our next generation products were completed. This strong start for 2022 fuel our optimism for the coming year.*

### New prescription-based product for Denmark



After a long period of relentless work and ongoing cooperation with the Danish Medicines Agency, STENOCARE is now once again able to benefit from being a first mover and sole supplier of medical cannabis THC oil under the Danish Pilot Programme.

STENOCARE will commence sales in Denmark during Q2 2022, and we look forward to finally be able to supply products for patients’ treatment. During 2018 and 2019, STENOCARE became the very first and only to supply three different medical cannabis oil products under the Danish Pilot Programme. The number of patients grew from 300 to around 1,100 after introduction of the oil products. After seven months, we saw the sales of these three products grow to MDKK 4.4 in Q1 2019.

STENOCARE is also working with the Danish Medicines Agency to have further two oil products approved for the Pilot Programme.

### Entering the UK market with new products

The UK market has been on our radar for some time, and we found it is a good time to enter this new market. Medical cannabis was legalized in the UK in 2018, but relatively few patients have received treatment under the regulatory health scheme. However, the UK market is projected to become one of the largest markets in Europe over the next five years – according to industry analysts. STENOCARE constantly reviews market opportunities and builds a pipeline of countries to target. The UK is the third largest economy in Europe with its 67 million people. The medical cannabis market has tremendous potential as only approx. 3,000 patients have been receiving treatment so far, while approx. 1.4 million are self-medicating with non-medical cannabis products. This is pointing towards a large growth opportunity for the company, and we expect to commence sales during Q2 2022.

### Next generation medical cannabis products

We completed the step-1 feasibility study with positive results. This is an indicator that we are on a path to address some of the most important industry challenges for medical cannabis. Ahead awaits further investments in a pharmacokinetic study and analysis. Even though this type of product development is a longer-term investment, we are optimistic that this will become a valuable premium product that will increase efficacy for patients, and it will be an exclusive and patent protected STENOCARE product based on best practice from the established pharma industry.

With this strong start for 2022, we have delivered on several strategic milestones in STENOCARE 2.0. This further contributes to our strategic assets for STENOCARE (i.e. Regulatory asset, Commercial asset).

**Thomas Skovlund Schnegelsberg, CEO**  
STENOCARE A/S

## 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.



Picture: COO, Søren Kjær in the indoor facility

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. STENOCARE has one subsidiary – STENOCARE Ireland Ltd. The subsidiary has yet no activity and therefore no consolidated figures have been made. 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.

### Net sales and operating results

Net sales for the first quarter of 2022 was 896 (420) and includes delivery of products to the Swedish market. Operating profit before depreciation (EBITDA) for the first quarter of 2022 amounted to -3,421 (-3,148), and includes operational expenses for cultivation of validation batches of Cannabis flowers and preparation of application with the Danish Medicines Agency for bulk license. Financial items includes exchange rate adjustments.

### Balance sheet and equity ratio

Total assets amounted to 44,875 (53,492) and primarily consisted of investments in the cultivation facility and cash at bank. Other receivable includes VAT to be refunded.

Shareholders equity amounted to 36,496 (49,794) and liabilities amounted to 8,479 (3,698). Shareholders equity includes 254,807 Treasury shares.

Long-term liabilities includes financial leasing and unsecured loans. The loans are established in March 2022 with independent and individual private persons and companies on market conditions. The Loans are established to accelerate investments in supply-, market- and product development and have maturity at 30. June 2023 at the latest.

### Cash flow and investments

Cash flow for the first quarter amounted to -1,728 (-5,937 ). The cash flow includes investments in tangible fixed assets of 443 and external financing of 5,808.

### 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 March 31, 2022, the total number of shares was 11,676,126 (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 no outstanding warrants.

### Options

The Company has a share programme 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 17,920 of the options have been vested leaving a balance of outstanding options of 29,040. On vesting, the shares are transferred to the employee from Treasury Shares and the movement in Q1 2022 therefore reduces the number of Treasury Shares outstanding to 254,807.

**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.

<b>Name</b>	<b>Number of shares</b>	<b>Proportion of votes and capital (%)</b>
STENO Group IVS (Rolf Steno, CCO)	1,645,497	14.1
Prana Holding ApS (Thomas S. Schnegelsberg, CEO)	1,449,136	12.4
MS Kjær Holding ApS (Søren Kjær, COO)	1,411,763	12.1
STENOCARE A/S (Treasury shares)	254,807	2.2
Others	6,914,923	59.2
<b>Total</b>	<b>11,676,126</b>	<b>100.0</b>

**Financial calendar**

Q2-2022 Interim Report:	18.08.2022
Q3-2022 Interim Report:	09.11.2022
Q4-2022 Interim Report:	23.02.2023
Annual Report 2022:	16.03.2023

**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, May 5, 2022  
STENOCARE A/S  
The Board of Directors

**Certified Adviser**

STENOCARE's Certified Adviser is  
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## INCOME STATEMENT

DKK	01.01.2022 31.03.2022 3 months	01.01.2021 31.03.2021 3 months	01.01.2021 31.12.2021 12 months	01.01.2020 31.12.2020 12 months
Net sales	896,486	420,000	1,890,000	198,450
Other external expenses	-2,733,773	-1,807,670	-7,897,360	-6,193,602
Personnel expenses	-1,583,858	-1,760,333	-7,234,781	-5,835,647
<b>Operating profit before depreciation (EBITDA)</b>	<b>-3,421,145</b>	<b>-3,148,003</b>	<b>-13,242,141</b>	<b>-11,830,799</b>
Depreciation of tangible assets	-811,754	-79,617	-1,087,403	-240,649
Reversed depreciation on sold tangible assets	0	0	251,072	0
<b>Operating profit (EBITA)</b>	<b>-4,232,899</b>	<b>-3,227,620</b>	<b>-14,078,472</b>	<b>-12,071,448</b>
Financial income	127,750	3,869	32,161	31,839
Financial expenses	-142,215	-51,786	-213,239	-1,679,562
<b>Total financial items</b>	<b>-14,465</b>	<b>-47,917</b>	<b>-181,078</b>	<b>-1,647,723</b>
<b>Profit/loss for the period</b>	<b>-4,247,364</b>	<b>-3,275,537</b>	<b>-14,259,550</b>	<b>-13,719,171</b>
Tax on profit/loss for the period	450,000	350,000	1,527,085	1,932,889
<b>Net result for the period</b>	<b>-3,797,364</b>	<b>-2,925,537</b>	<b>-12,732,465</b>	<b>-11,786,282</b>

## BALANCE SHEET

DKK	31.03.2022	31.03.2021	31.12.2021
<i>Assets</i>			
Furnishing for rented premises	1,156,162	1,489,608	1,004,803
Furniture and equipment	26,832,503	513,800	27,352,302
Plant and equipment under construction	0	26,983,722	0
<b>Total tangible assets</b>	<b>27,988,665</b>	<b>28,987,130</b>	<b>28,357,105</b>
Subsidiary	0	7	0
Deposits	493,129	493,000	493,129
<b>Total financial assets</b>	<b>493,129</b>	<b>493,007</b>	<b>493,129</b>
<b>Total fixed assets</b>	<b>28,481,794</b>	<b>29,480,137</b>	<b>28,850,234</b>
Inventories	31,259	0	0
<b>Total Inventories</b>	<b>31,259</b>	<b>0</b>	<b>0</b>
Deferred tax asset	1,377,398	1,562,881	1,377,398
Income tax receivable	1,812,524	857,354	1,362,524
Accounts receivable	1,680,218	420,000	0
Other receivables	899,961	703,561	472,707
Prepayments	599,845	45,891	152,852
<b>Total receivables</b>	<b>6,369,946</b>	<b>3,589,687</b>	<b>3,365,481</b>
Cash at bank	9,992,173	20,422,155	11,720,022
<b>Total current assets</b>	<b>16,393,378</b>	<b>24,011,842</b>	<b>15,085,503</b>
<b>TOTAL ASSETS</b>	<b>44,875,172</b>	<b>53,491,979</b>	<b>43,935,737</b>
<i>Liabilities and equity</i>			
<b>Equity</b>			
Share capital	934,090	934,090	934,090
Retained earnings	35,561,951	48,859,636	39,308,479
<b>Total equity</b>	<b>36,496,041</b>	<b>49,793,726</b>	<b>40,242,569</b>
<b>Long-term liabilities</b>			
Financial leasing	1,143,274	0	988,114
Loan	5,586,750	0	0
<b>Total long-term liabilities</b>	<b>6,730,024</b>	<b>0</b>	<b>988,114</b>
<b>Short-term liabilities</b>			
Financial leasing	320,606	0	254,592
Accounts payable	943,321	3,035,870	1,188,068
Other payables	385,180	622,383	1,262,394
<b>Total short-term liabilities</b>	<b>1,649,107</b>	<b>3,698,253</b>	<b>2,705,054</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>44,875,172</b>	<b>53,491,979</b>	<b>43,935,737</b>

## CHANGE OF EQUITY

DKK	01.01.2022 31.03.2022 3 months	01.01.2021 31.03.2021 3 months	01.01.2021 31.12.2021 12 months	01.01.2020 31.12.2020 12 months
Equity at start of the period	40,242,569	52,570,564	52,570,564	13,474,615
Capital increase	0	0	0	54,174,738
Cost of changes in capital	0	0	0	-3,292,507
Treasury shares transferred and accrued under Share program	50,836	148,699	404,470	0
Net result for the period	-3,797,364	-2,925,537	-12,732,465	-11,786,282
<b>Equity at end of the period</b>	<b>36,496,041</b>	<b>49,793,726</b>	<b>40,242,569</b>	<b>52,570,564</b>

## CASH FLOW STATEMENT

DKK	01.01.2022 31.03.2022 3 months	01.01.2021 31.03.2021 3 months	01.01.2021 31.12.2021 12 months	01.01.2020 31.12.2020 12 months
<b>Profit/loss for the period</b>	-3,797,364	-2,925,537	-12,732,465	-11,786,282
Adjustments	427,055	-73,767	-105,206	-44,517
Change in working capital	-3,707,685	-478,219	-1,182,117	2,569,687
<b>Cash flow from operating activities before financial items</b>	<b>-7,077,994</b>	<b>-3,477,523</b>	<b>-14,019,788</b>	<b>-9,261,112</b>
Paid financial items	-14,465	-47,917	-181,078	-2,760,223
Income taxes paid/received	0	0	857,398	-682,000
<b>Cash flow from operating activities</b>	<b>-7,092,459</b>	<b>-3,525,440</b>	<b>-13,343,468</b>	<b>-12,703,335</b>
Purchases of financial fixed assets	0	0	-129	-4,650
Purchases of tangible fixed assets	-443,314	-2,412,048	-3,270,214	-18,539,699
Sales of tangible fixed assets	0	0	731,484	0
<b>Cash flow from investing activities</b>	<b>-443,314</b>	<b>-2,412,048</b>	<b>-2,538,859</b>	<b>-18,544,349</b>
Share issue (net after cost)	0	0	0	50,882,231
Loan	5,586,750	0	0	-15,000,000
Financial leasing	221,174	0	1,242,706	0
<b>Cash flow from financing activities</b>	<b>5,807,924</b>	<b>0</b>	<b>1,242,706</b>	<b>35,882,231</b>
<b>Cash flow for the period</b>	<b>-1,727,849</b>	<b>-5,937,488</b>	<b>-14,639,621</b>	<b>4,634,547</b>
<b>Cash at the start of the period</b>	<b>11,720,022</b>	<b>26,359,643</b>	<b>26,359,643</b>	<b>21,725,096</b>
<b>Cash at the end of the period</b>	<b>9,992,173</b>	<b>20,422,155</b>	<b>11,720,022</b>	<b>26,359,643</b>