

Capitalizing on the Growing Cannabis Market

After entering three new markets in 2022, STENOCARE delivered products to a total of five countries during Q4-22, leading to net sales amounting to DKK 2.8m. This is the best revenues presented since Q1-19, before the resolved issues with STENOCARE's former supplier, CannTrust, started. The Company has 11 products approved in these five countries and are expected to continue the geographical expansion. Operating on a market with strong expected growth due to further deregulations throughout Europe, Analyst Group believes that the Company is in a great position to deliver strong revenue growth going forward. With estimated net sales of DKK 60.4m by 2024, and with an applied P/S multiple of 7x, a potential present value per share of DKK 21.4 (21.4) is derived in a Base scenario.

Further Legalization can Expand the Market

The European cannabis market has an exciting year ahead, with a potential legalization of adult use¹ in Germany as a highlight. Such a legalization is expected to act as a catalyst for more countries to ease regulations and create a broader acceptance towards medical cannabis, which would create further market growth. Legal cannabis sales in Europe are expected to grow with a CAGR of 67% until 2025, amounting to EUR 3.2bn, driven by legalization of both medical and adult use. Accordingly, STENOCARE is expected, in the long run, to capitalize on the continued deregulation on the European market.

Adapting to the Current Market and Regulations

STENOCARE is now the sole supplier of full spectrum medical cannabis oil products in Denmark, Norway and Sweden, which Analyst Group sees as a result of the Company's competence in relations to regulations and delivering quality products, by using indoor cultivation facilities rather than green houses. Going forward, we see this as a crucial factor to operate within the highly regulated European market. Furthermore, STENOCARE has designed its logistical procedures according to the Company's distribution partners, which is delivering in larger quantities. This is expected to lead to fluctuation in sales, while being a competitive advantage for STENOCARE.

Launch of Premium Products Ahead

STENOCARE's premium products, which are expected to be launched during 2024 are using a targeting lymphatic absorption technology that enable an enhanced uptake of the drug in the blood, regardless of food intake as well as a faster effect. Given that these products are approved, STENOCARE is expected to have a unique product on the market compared to current alternatives, leading to accelerated sales.

Our Valuation Range Stands

The year-end report was in-line with our expectations, why we repeat our revenues forecast and valuation range. However, slight adjustments has been made regarding the cost development in the forecasts.

VALUATION RANGE

Bear
DKK 7.5

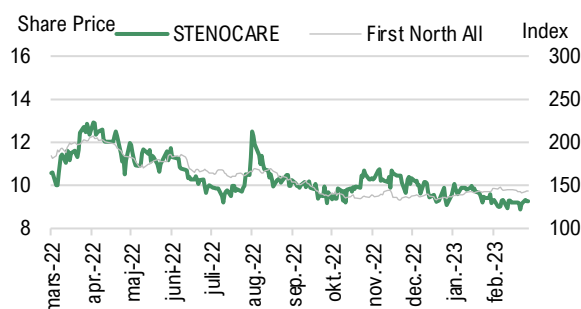
Base
DKK 21.4

Bull
DKK 25.1

STENOCARE

Share Price (2023-03-01)	9.09
Shares Outstanding	11,676,126
Market Cap (DKKm)	106.1
Net cash(-)/debt(+) (DKKm)	6.5
Enterprise Value (DKKm)	112.6
List	Nasdaq First North Growth Market
Interim Report Q1 2023	2023-05-04

STOCK DEVELOPMENT



TOP SHAREHOLDERS (SOURCE: ANNUAL REPORT)

Steno Group IVS (Rolf Steno, CCO)	14.1%
Prana Holding ApS (Thomas S. Schnegelsberg, CEO)	12.4%
MS Kjør Holding ApS (Søren Kjør, COO)	12.1%
Others	61.4%

Estimates (DKKm)	2022A	2023E	2024E	2025E
Revenue	4.5	20.8	60.4	113.1
Net sales growth	138%	363%	190%	87%
Other external expenses	-10.9	-15.8	-34.0	-60.5
Share of revenue (%)	243%	76%	56%	53%
Personnel expenses	-6.8	-9.0	-15.6	-24.6
EBITDA	-13.2	-4.0	10.9	28.0
EBITDA margin	neg.	neg.	18%	25%
P/S	23.6	5.1	1.8	0.9
EV/S	25.1	5.4	1.9	1.0
EV/EBITDA	-8.5	-28.0	10.4	4.0
EV/EBIT	-6.8	-15.0	15.6	4.7
P/E	-6.5	-12.0	24.2	6.2

¹Adult use refers to usage other than medical

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Other

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