2024-11-11

STENOCARE (STENO)

Tough Market Conditions Hampers the Growth

STENOCARE A/S ("STENOCARE" or the "Company") continues to experience tough market conditions in Denmark because of increased competition and higher subsidy from the Danish Medicines Agency on a competing product, which has affected sales. Moreover, sales in international markets has been slower than earlier expected, due to a more sluggish market. However, we still see growth opportunities in the coming years, primarily through STENOCARE's new innovative premium product, Astrum oil. Nevertheless, the current market conditions has led us to update our financial forecasts of STENOCARE and with estimated net sales of DKK 15.6m by 2026, and with an applied P/S multiple of 2.5x, a potential present value per share of DKK 1.3 (4.0) is derived in a Base scenario. The updated valuation is a result of the updated forecasts as well as the increased financial risk.

- **Gross Sales Amounted to DKK 1.1m in Q3-24**

STENOCARE reported gross sales of DKK 1.1m (2.4) in Q3-24, corresponding to a decrease of 53%. Due to returns of expired products amounting to DKK 2m, as a result of lower demand than expected leading to expired products, net sales amounted to DKK -0.9m (0.2). The Company are experiencing increased competition and a special situation in Denmark with a competing magistral product being supported with 85% patient subsidy from the Danish Medicines Agency. We expect the challenges to remain throughout 2024 but see opportunities for growth in the long term, primarily through a successful launch of the Astrum oil.

- **Operates With a Lean Organization**

The operational expenses, excluding depreciation, amounted to DKK -3m (-4), corresponding to a decrease of 26%. Thus, we believe that STENOCARE is continuing to optimize the cost structure to reduce the Company's burn rate, given the lack of sales acceleration so far, which we view positively on.

- **Additional Funding Needed**

STENOCARE's cash balance at the end of Q3-24 amounted to DKK 0.1m and given that the Company are yet to show a positive cash flow, STENOCARE will need additional funding to keep the operations going and to leverage future growth opportunities. We assess that a capital raise through a new share issue is the most likely scenario, which, however, may occur under less favorable terms for existing shareholders given the recent weak share price performance.

- **Updated Valuation Range**

Considering the results during the first nine months of 2024 and the current tough market conditions both in Denmark, because of increased competition higher subsidy on a competing product, as well as in international markets, we have updated our financial forecasts. Given the updated forecasts, with lower growth and profitability, as well as a high financial risk, we have updated our valuation range in all scenarios.

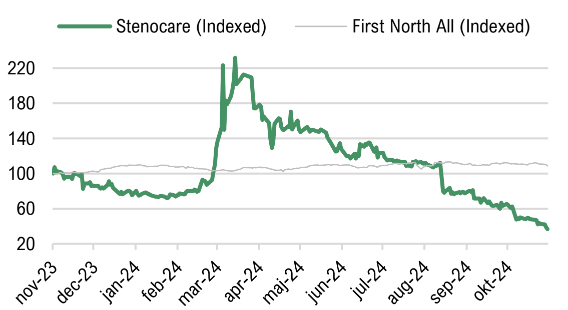
Valuation Range

Bear	Base	Bull
DKK 0.2	DKK 1.3	DKK 2.0

STENOCARE

Share Price (2024-11-08)	1.16
Shares Outstanding	20,212,497
Market Cap (DKKm)	23.4
Net cash(-)/debt(+) (DKKm)	2.8
Enterprise Value (DKKm)	26.2
List	Nasdaq First North Growth Market
Q4-report 2024	2025-02-25

Stock Development



Top Shareholders (Source: Interim Report) — 👤 = Insider

SC-Founders Holding ApS 👤	24.1%
HHTM ApS	12.0%
STENOCARE A/S (Treasury shares)	1.1%
Others	62.8%

Estimates (DKKm)	2024E	2025E	2026E	2027E
Revenue	2.0	6.3	15.6	25.0
Net sales growth	*-50%*	*215%*	*147%*	*60%*
Other external expenses	-7.3	-8.8	-12.5	-16.9
Share of revenue (%)	*-365%*	*-139%*	*-80%*	*-67%*
Personnel expenses	-6.4	-6.6	-6.8	-7.1
EBITDA	**-11.7**	**-9.1**	**-3.6**	**1.0**
EBITDA margin	*-582%*	*-144%*	*-23%*	*4%*
P/S	11.7	3.7	1.5	0.9
EV/S	13.0	4.1	1.7	1.0
EV/EBITDA	-2.2	-2.9	-7.2	26.0
EV/EBIT	-1.7	-2.1	-3.7	-10.1

Introduction

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About the Company

STENOCARE, founded in 2017, is a Danish pharmaceutical company who became the first company to receive permission to import, distribute as well as to cultivate and produce medical cannabis in Denmark in 2018. Today, STENOCARE sources its products from several international suppliers and distribute these to a growing number of international markets. The Company also has their own indoor cultivation facility in Denmark, which is strategically focused on meeting pharmaceutical standards. STENOCARE was listed on Spotlight Stock Market on October 26th, 2018 and is today listed on Nasdaq First North Growth Market Denmark since May 15th, 2020.

CEO and Chairman	
CEO	Thomas Skovlund Schnegelsberg
Chairman	Marianne Wier

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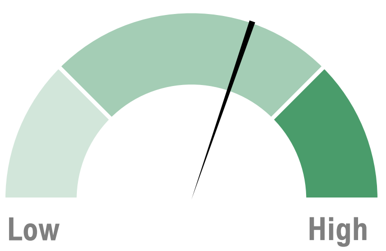
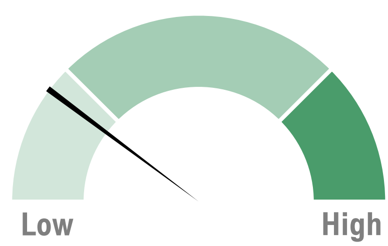
Value Drivers



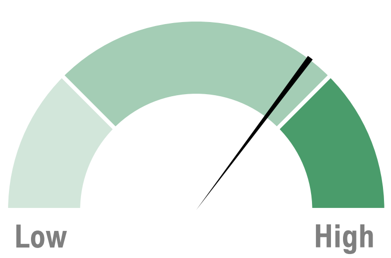
Medical cannabis is getting more accepted by the health care industry and legalized as a pharmaceutical medicine by authorities, which STENOCARE is expected to capitalize on. Furthermore, the Company has launched a new patented product, Astrum, which are expected to have several benefits compared to competing generic products and has the potential to disrupt the medical cannabis industry, which is estimated to drive the Company's revenue.

Historical Profitability



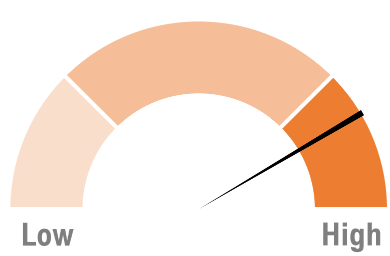
STENOCARE has not been profitable since Q1-19, which was right before the issues with their former supplier CannTrust. Since then, the Company has worked to build up a new supply chain and get products approved for sales again. STENOCARE now once again has three products approved for sale in Denmark, and additionally offers products in five other markets. The rating is based on historical results and is not forward-looking.

Management & Board



The management and board of STENOCARE have a broad experience within leadership, business innovation, rules and regulations as well as commercialization. Thomas Skovlund Schnegelsberg (CEO), Rolf Steno (CCO) and Søren Kjær (COO) are the co-founders who are still in the management team and are the largest shareholders in STENOCARE through SC-Founders Holding ApS who owns 24.1% of the capital and each board member holds shares, which provides incentives to create shareholder value.

Risk Profile



At the end of Q3-24, STENOCARE's cash balance amounted to DKK 0.1m. The Company's burn rate has amounted to approximately DKK -0.8m per month in 2024 and Analyst Group assesses that STENOCARE will need to secure additional funding to invest in future growth and keep the operations ongoing. We see a capital raise as the most likely option.

Challenging Market Conditions Continued During Q3-24

The gross sales amounted to DKK 1.1m (2.4) in Q3-24, corresponding to a decrease of 53 %. Net sales were affected by returns of expired products amounting to DKK 2m, leading to net sales amounting to DKK -0.9m (0.2). The expired return products is assumed to be primarily attributable to the Danish market, where the Company are experiencing increased competition and a special situation with a competing magistral product being supported with 85% patient subsidy from the Danish Medicines Agency, compared to STENOCARE's 50%. This has led to slower sales than expected as well as expired products being returned to the Company. STENOCARE are exploring various avenues to address this situation, including a dialogue with the medicines agency but the situation is unchanged and expected to affect the Company throughout the rest of 2024.

Additionally, STENOCARE had products returned from UK and Norway, delivered in Q3-23, due to expiry, indicating that demand has been lower than expected in these countries as well. This is anticipated to be due to that the integration of medical cannabis into clinical practice has not progressed as rapidly as was anticipated a few years ago as well as increased competition.

Astrum oil expected to be available from Q4-24

STENOCARE has long addressed the increasing competition by initiating the development of a new, innovative product, now named Astrum Oil, which has been approved for sale in Australia and Germany. The product is expected to have several benefits compared to the medical cannabis oil available today, including a higher, more uniform, and faster uptake in the blood. With this launch, we see STENOCARE as a first mover in next generation medical cannabis oil products, why we see that the Company can gain an advantage against competitors. The product is expected to be available for patients from Q4-24.

In summary, there are several short-term sales challenges, however, given the advantages of the Company's innovative Astrum Oil, STENOCARE is still considered to have strong potential for substantial revenue growth in the longer term.

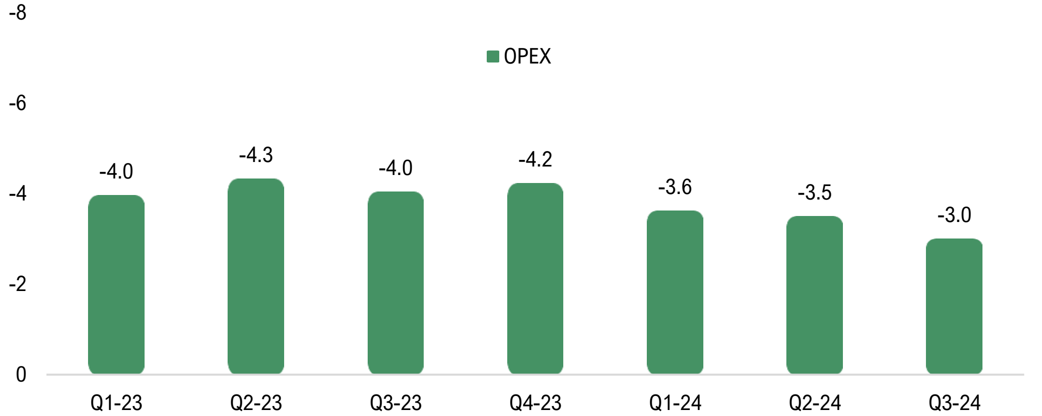
The Cost Base Continues to Decrease

Optimized cost structure

The operational expenses amounted to DKK 3m (4), corresponding in a decrease of 26%. Cost of goods sold is included in the external expenses and due to the lower gross sales in Q3-24 compared to last year, the cost of goods sold has decreased, explaining part of the decrease. Additionally, we believe that STENOCARE has continued to optimize the Company's cost structure to reduce the burn rate, given the lack of sales acceleration so far, which we view positively on.

STENOCARE's cost base has decreased in the last years as the Company is running a lean organization.

Operational expenses, Q1-23-Q3-24
DKKm



Source: STENOCARE quarterly reports

Comment on Q3-Report 2024

Plan to Adress the Capital Requirements for Future Growth Expected

STENOCARE's cash position amounted to DKK 0.1m at the end of Q3-24 and the Company stated in the Q3 report that the plan for future funding of the Company will be announced soon. During Q3-24 the cash flow from operating activities amounted to DKK -1.9m and was positively affected by DKK 2.2m through change in working capital. The main explanation for the positive effect is the increase in the item "Other payables", where we could see a similar effect in Q3-23, when STENOCARE also had product returns. The effect was later reversed in Q4-23, why we expect this to have a similar negative effect on the cash flow in the upcoming fourth quarter.

As mentioned in our previous updates regarding STENOCARE, the Company will need to secure additional funding to enable future growth initiatives such as the launch of Astrum oil. We consider the most likely option to be a capital raise, however, given the recent weak stock performance, such a capital raise could incur under unfavorable conditions for existing shareholders.

To summarize, STENOCARE continues to experience challenges regarding market conditions through increased competition, higher subsidy on a competing product in Denmark and an overall slower market growth than expected, which has affected sales. We expect these challenges to remain in the short term but consider the Company's Astrum oil as a potential strong sales driver in the longer term given the advantages of the product. STENOCARE continues to optimize the cost base to adapt to the current market but will need additional funding going forward, where we expect a plan regarding the future capital requirements to be announced soon.

STENOCARE®

Q3-24

in a nutshell

DKK 1.1m
Gross sales

DKK -3.9m
EBITDA

DKK 0.1m
Cash position

DKK 2.9m
Long term debt

Investment Thesis

Legalization are Expected to Drive Market Growth

43%
CAGR market growth until 2027

The legal medical cannabis market in Europe has grown strongly over the last years, with several large and influential countries legalizing, such as Germany and the UK. The largest target group for medical cannabis are patients who suffer from chronic pain, but also cancer, multiple sclerosis, and epilepsy. Today, many patients with these diseases are treated with opiates, which could be considered more harmful than cannabis, as it is more addictive and possible to overdose[1], why medical cannabis, which is seen as a supplement that can reduce patient use of opiates, is expected to increase its market share in terms of treating more patients. According to data from Prohibition Partners from 2023, the legal cannabis sales are expected to grow with a CAGR of 43% until 2027 in Europe, amounting to EUR 2.2bn.[2] The market growth is expected to be driven by continued legalization of both medical and adult use[3], where STENOCARE is expected to capitalize on the medical use through increased patient prescriptions.

Pharma Case on a Fast Track

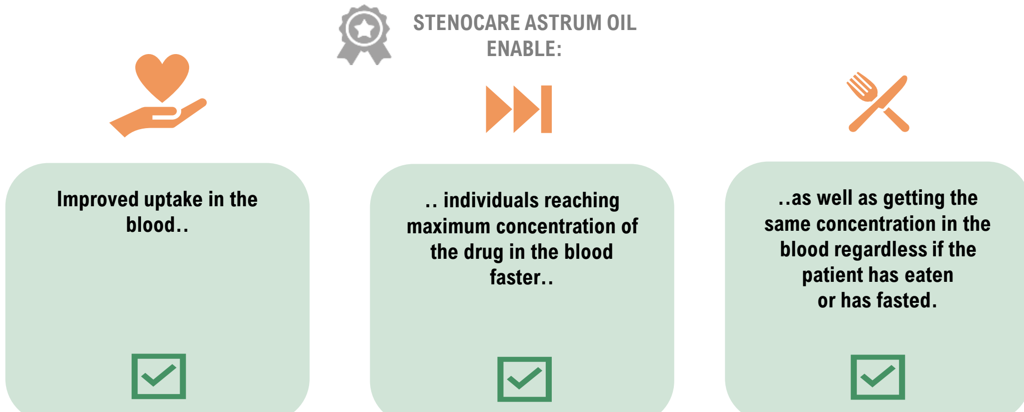
The medical cannabis market in Europe is highly regulated, which makes it difficult to get products approved, both for STENOCARE and competitors. However, in the last years, STENOCARE has a proven track record of getting products approved in different markets, most recently the Astrum oil in the Australian and German markets during 2024, proving that the Company has relevant knowledge regarding the regulatory framework and can deliver products accordingly. Hence, STENOCARE should be seen as a sort of pharma case who operates on a highly regulated market, where product approvals are difficult to reach, just like for a pharma company with a drug candidate. However, STENOCARE do not need to go through different clinical phases, i.e., phase 1, 2, and 3, like traditional pharmaceutical companies, for which it can take 5-10 years to get an approved product to market, compared to 12-14 months for STENOCARE. Hence, the Company should be seen as a pharma case on a *fast track* who relatively quickly can access new markets.

Launch of STENOCARE Astrum oil Ahead of Plan – a Premium Medical Cannabis oil

Launch of premium products in 2024

Today, doctors face challenges when prescribing oral medical cannabis to patients since the metabolism will reduce the uptake of cannabinoids in the body to a significantly level of approx. 15% which means that a variable, and often a small part of the cannabinoids, are actively delivered to the body with therapeutic effect. Furthermore, the body's absorption will be different depending on whether the drug is taken before or after intake of food. This causes unpredictable effects and difficulties for doctors to prescribe the right dosage. STENOCARE has introduced a new patented oil to address these challenges – Astrum oil - which the Company has global exclusivity to use for medical cannabis. A study from September 2022 showed positive results on dogs, indicating that the Company's Astrum oil substantially enhances the uptake of cannabinoids, regardless of meal consumption and inter-individual biological differences.

The patented Astrum oil is now ready to launch in Australia and Germany, two of the larger medical cannabis markets globally, with more countries expected to follow in the future. With this launch, we see STENOCARE as a first mover in next generation medical cannabis oil products, why we see positively on the earlier than expected launch, to gain an advantage against potential competitors. Considering the advantage from using the Astrum oil, as well as the fact that the product is expected to address a global market, this is expected to drive strong revenue growth for STENOCARE ahead.



[1]*Source: Harvard Health, 2020*

[2]*Source: Prohibition Partners, 2023*

[3]*Adult use refers to usage other than medical*

Investment Thesis

All Three Essential oil Products Approved in Denmark

During Q1-24, STENOCARE announced that a balanced oil, called "THC/CBD Olie STENOCARE" has obtained approval by the Danish Medicines Agency. With the approval, STENOCARE has regained the Company's position to be a provider of all three essential oil products under the Danish Pilot Programme; THC oil, CBD oil, and now also the new THC/CBD oil. Back in 2018/2019, STENOCARE had the three products on the market but after switching supplier, the products needed to obtain approval again by authorities, which has now been completed. Historically, the number of patients in the Danish Pilot Program has correlated with the number of approved products from STENOCARE, why we estimate the number of patients to grow through the new balanced oil product approval. However, given increased competition and price pressure in the Danish market during 2024, the expected patient growth is not anticipated to result in the same positive sales development as previously estimated. This is partly a result of a special situation with a competing magistral product being supported with 85% patient subsidy from the Danish Medicines Agency, compared to STENOCARE's 50%. This has resulted in STENOCARE not gaining market share at the pace previously estimated following the approval of the balanced oil, and the Company is in discussions with the medicines agency to address the situation. Nevertheless, if the situation is solved, the new balanced oil is expected to generate increased market share and sales for the Company.

Launch of an IT-platform to Inform and Help the Industry

Increased patient access through IT-platform

STENOCARE has developed an IT-platform that enable doctors to launch and operate online clinics, wherever they are. This is expected to increase a doctor's reach to patients and facilitates patients' access to trained and experienced doctors. The platform will support doctors through easier administration, for instance patient booking, video consultation and patient journal, training, supervision by, and ongoing access to the STENOCARE medical consultant and specialists as well as cost efficiency. The European Pain Federation currently estimates that there are 150 million people who are experiencing chronic pain in Europe, yet, for instance, 1.8 million people in the UK are thought to buy cannabis illegally for self medication instead of getting a prescription. A threshold that holds the market growth back is that patients have limited access to prescribing doctors. Analyst Group believes that STENOCARE's online platform can enable doctors to increase their geographical reach and thus increase patients access to medical cannabis.

Forecast and Valuation: a Summary

DKK 25m
Revenues 2027E

STENOCARE is expected to grow sales from DKK 4.5m in 2022 to 25m in 2027, corresponding to a CAGR of 58%, based on strong market growth driven by deregulations, a pharma mindset that doctors and authorities appreciate and the launch of the premium product Astrum oil in 2024. Based on a target multiple of P/S 2.5x applied on estimated sales of DKK 15.6m in 2026, and an internal rate of return of 20%, which accounts for the time specific risk of events that are far away and have not yet occurred, as well as the likely high demand for return that an investor have when investing in STENOCARE, this yields, in a Base scenario, a net present value per share of DKK 1.3.

Highly Regulated, Slow-moving Market and Financial Position Poses a Risk

The European medical cannabis market is highly regulated, STENOCARE is thereby required to obtain and maintain appropriate licenses to manufacture, import and sell its products. Although the Company has a strong track record of getting approvals in different markets, there is a risk that STENOCARE will not receive the necessary permits from authorities in new potential markets. Additionally, STENOCARE is dependent on doctors prescribing medical cannabis to patients, where there has been a stigma surrounding cannabis as medicine historically, making the market slow-moving. The Company addresses this issue by educating doctors on medical cannabis and having consultants available to answer doctors' questions.

Regarding the financial position, STENOCARE's cash balance amounted to DKK 0.1m at the end of Q3-24 and given the Company's burn rate, amounting to approximately DKK -0.8m in the first nine months of 2024, STENOCARE needs additional funding to keep the operations going and to leverage future growth opportunities. Analyst Group assesses that the most likely option is through a capital raise but given the recent weak stock performance, such a capital raise could incur under unfavorable conditions for existing shareholders.

Company Description

LÆGEMIDDELSTYRELSEN
DANISH MEDICINES AGENCY

STENOCARE operates within the medical cannabis industry and entered the Danish market in connection to the legalization of medical cannabis in Denmark through the *Danish Pilot Program,* launched January 1st, 2018. The program, which was a four year "trial-program" and has been extended with four more years, enabled doctors in Denmark to prescribe cannabis for medical use and for companies to cultivate, produce, import and distribute medical cannabis. STENOCARE was the first company in Denmark to receive approval from the Danish Medicines Agency for both cultivation, production as well as distribution and import during 2018. In 2019, the Company's supplier CannTrust faced problems with delivering according to EU regulations, leading to STENOCARE deciding to terminate the contract. Today, STENOCARE has a partnership with several suppliers, and has entered a total of six markets with products approved.

Pharma mindset

STENOCARE is to be considered as a sort of a pharma company, rather than a "cannabis company", meaning the Company carefully evaluates local regulations and produces products with that in mind, rather than the other way around. As STENOCARE is convinced that EU regulations require indoor cultivation, rather than green houses, the Company has invested in its own indoor cultivation facility, ensuring high product quality, and at the same time working with high quality suppliers who offers indoor cultivation.

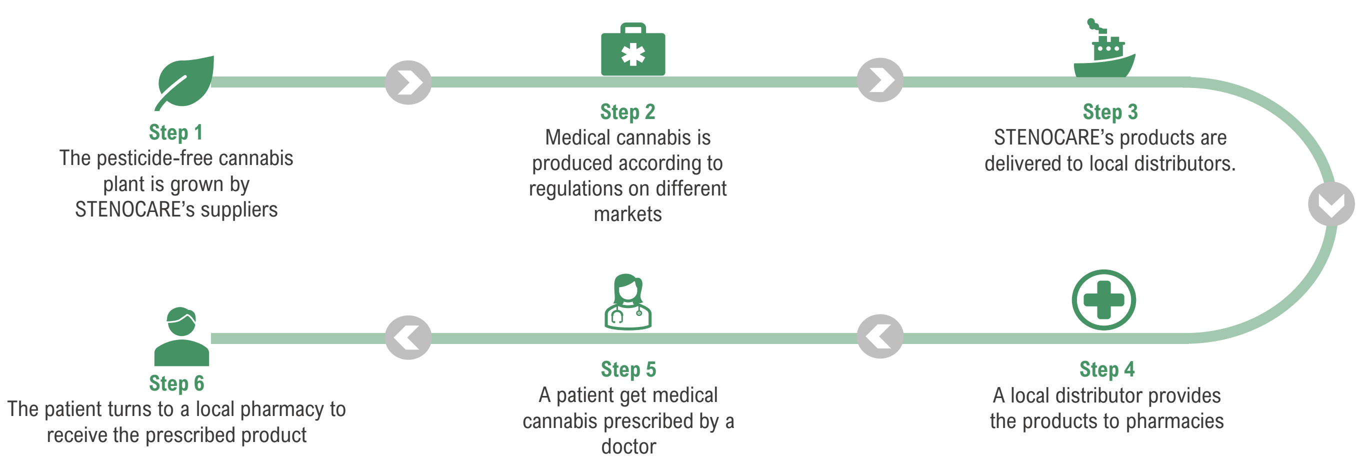
Revenue Model

STENOCARE's revenues in a given year are based on the number of patients being treated, how many treatments each patient get, and income per product sold. The Company imports white label products from its suppliers, from where the products are delivered in large bulks to STENOCARE's central distributors in different countries. Products are being shipped in large quantities to optimize distribution handling and reduction of handling costs, which means that revenues can fluctuate between quarters, depending on which quarter a delivery is made. The Company has contracts with leading distributors in each country, as medical suppliers are not allowed to sell and deliver directly to for example pharmacies. Instead, local distributors are providing STENOCARE's products in each country. Once STENOCARE's own indoor cultivation facility obtains the necessary licenses and approvals, the Company can, in addition to the imported products, supplement these with their own locally produced products.

- 50 % SUBSIDY FROM THE GOVERNMENT
- 100 % SUBSIDY FROM THE GOVERNMENT
- 100 % SUBSIDY FROM THE GOVERNMENT[1]
- 0 % SUBSIDY FROM THE GOVERNMENT
- 0 % SUBSIDY FROM THE GOVERNMENT
- 100 % REIMBURSEMENT FROM INSURANCE COMPANIES

When a patient suffers from a condition that medical cannabis can mitigate, a doctor decides whether to prescribe medical cannabis from STENOCARE, which is later retrieved at the pharmacy by the patient. Hence, the Company's revenue is dependent on doctors' prescriptions, as well as if the patient wish to be treated with medical cannabis. Whether the patient pay for STENOCARE's medical cannabis products themselves or could obtain subsidies from the local government or insurance companies differs from market to market, as per the table to the left. The fact that the subsidies differ is expected to lead to various prescription rates as patients in countries with a higher subsidy is expected to be more likely to "buy" STENOCARE's products. Regarding the number of treatments per patient, one bottle of STENOCARE's medical cannabis oil is expected to be enough for one month of medication for the average patient. As some diseases are chronic, such as chronic pain and multiple sclerosis, STENOCARE is expected to deliver twelve product units per year to these patients. However, other diseases, such as nausea caused from cancer treatment, is expected to need fewer product units per year.

Illustration of STENOCARE's Supply Chain From Cultivation to Patient.



Source: STENOCARE and Analyst Groups Illustration

[1]100% subsidy via hospitals or 0% subsidy via private clinics

Company Description

The Products

STENOCARE's product portfolio consists of three different products, a *CBD oil*, a *THC oil*, and a *balanced oil*, which is a mix of CBD and THC, where each product needs to be approved in each individual country. The key difference between CBD and THC oil is that THC has psychoactive effects while CBD does not. Whether a patient should be treated with a CBD oil, THC oil or a balanced oil is up to the doctor and depends on the symptoms of the patient. Medical cannabis can be used for several different conditions where chronic pain, multiple sclerosis, cancer and epilepsy are among the most common. THC has properties that can reduce nausea, which can arise in cancer treatment, while CBD has a dampening effect on cramps, and a combination can provide efficacy to patients suffering from pain.

Next generation premium product Astrum oil ready for sales

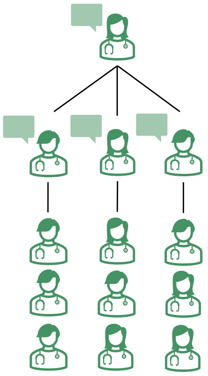
STENOCARE has launched the Company's own premium product, the STENOCARE Astrum oil, which is a patented medical cannabis oil that enhances the uptake of cannabinoids, regardless of meal consumption and individual biological differences. With other oil-types, each patient's body reacts in their own individual way, causing troubles for doctors to predict the impact. The human body absorbs a large part of the cannabinoid, up to 85%, which means just a small part are actively reaching the patient's blood for therapeutic effect. Furthermore, the uptake is affected by the patient's intake of food, further causing problems for doctors to determine the right dosage. The goal with the STENOCARE Astrum oil is to reduce the effect of individual uptake due to biological differences, as well as food intake, when using medical cannabis, making the product more predictable. The product is now approved and ready to be delivered to the Australian and German market, two of the larger global medical cannabis markets.

Cost Drivers

STENOCARE reports two main costs in their P&L, "other external expenses" and "personnel expenses". The Cost of Goods Sold (COGS) are included in the external expenses and consist of what STENOCARE is paying their suppliers. Furthermore, STENOCARE has costs related to the production of their own products at their cultivation facility, where, for instance, rent and electricity is included, which is included in external expenses. The Company's personnel expenses have increased historically, as a result of the Company having hired more staff to expand the business. However, due to slower sales growth than expected, the cost base has been slimmed throughout 2023 and 2024.

Strategic Outlook

"Recruitment" of doctors is a critical factor



STENOCARE invests in building four assets that supplement each other and are important for the success of the Company. The four assets are 1) *Regulatory Assets*, 2) *Commercial Assets*, 3) *Partnership Assets* and 4) *Supply Chain Assets*. One important factor for STENOCARE to be able to scale up sales is to ensure the health care industry's interest and thus that doctors are willing to prescribe medical cannabis to patients. STENOCARE is expected to address *Key Opinion Leaders* (KOL) in new markets who sees medical cannabis as a positive supplement to existing treatments. In that way, STENOCARE can identify which product that is best suited for a particular market. Doctors are more used to oil products than for example dried cannabis, which is used for smoking, and thus in general are perceived more harmful, why doctors are more likely to prescribe oil products. Moreover, STENOCARE has launched an IT-platform for online clinics, to increase a doctor's reach to patients across their geographical area and patients access to trained and experienced doctors. The launch of the IT-platform is a step to further educate doctors and the industry about the benefits of medical cannabis, as they get access to supervision from a medical consultant and specialist, that can help doctors make informed decisions regarding how to treat patients. Furthermore, given that doctors appreciate the effect of the products, a word-of-mouth effect could be possible where doctors recommend STENOCARE's medical cannabis oil products. All this is the *Commercial Assets* that the Company is building.

The *Partnership assets* is about working with pharma-grade partners to develop future medical cannabis products, for example the partnership with Solural Pharma to develop the Astrum oil. Future sales also rely on STENOCARE's supply situation and since the Company has several suppliers today, this is assumed to be enough to meet the estimated demand for the coming years, the *Supply Chain Assets*. Furthermore, market access will be of great importance for STENOCARE's future development. Being on six markets today, with the goal of being on ten markets by 2025, STENOCARE has proven the Company's ability to access new markets and adapt to different markets regulations. Each country has their own regulations which poses a challenge, why STENOCARE need to adjust their products slightly in each market to get them approved, which the Company have done successfully historically, this is the *Regulatory Assets*.

Market Analysis

Untouched Market With Large Market Growth Potential

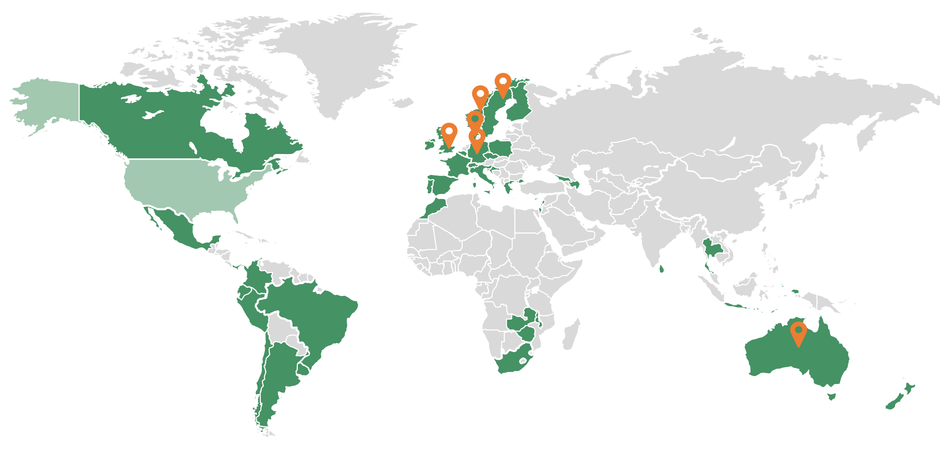
150 MILION PAIN PATIENTS IN EUROPE

The most common symptom where medical cannabis is used for treatment is chronic pain. The European Pain Federation currently estimates that there are 150 million people who are experiencing chronic pain in Europe. Other diseases where medical cannabis can be useful as a treatment to relieve symptoms is cancer, multiple sclerosis and epilepsy. According to WHO, the estimated number of new cancer treatments in Europe was 4.4 million in 2020 and it has been estimated that over 6 million people suffer from epilepsy.[1] Hence, one could argue that it is likely that a rise in demand for medical cannabis products is expected throughout a large number of countries. Since Canada introduced the medical cannabis program in 2016, several forms of legalizations have occurred in the European market. Several large and influential countries, such as Germany and the UK, have legalized and introduced the medical cannabis market, and more countries are expected to follow. Furthermore, Germany has legalized adult use in 2024 under a pilot program, which is expected to be a driver for more countries to ease regulations and a step towards greater acceptance of medical cannabis as well. However, the European market for cannabis-based products is still young, and there are significant variations in the legislative frameworks of different European countries. The different rules and regulations according to the European Pharmacopeia, such as no pesticides, quality and uniformity, makes it very difficult for medical cannabis companies to navigate the European market. Despite this, STENOCARE has managed to enter the Danish market, twice, along with the UK, Swedish, German, Norwegian and Australian market.

~50 Countries Worldwide are in Favour of Cannabis for Medical use.

Countries where cannabis for medical use is approved and countries accessed by STENOCARE

- Approved medical use
- Approved medical use in 40 of 50 states
- Nonapproved for medical use
- Countries already accessed by STENOCARE



Medical Cannabis has Benefits Compared to Opiates

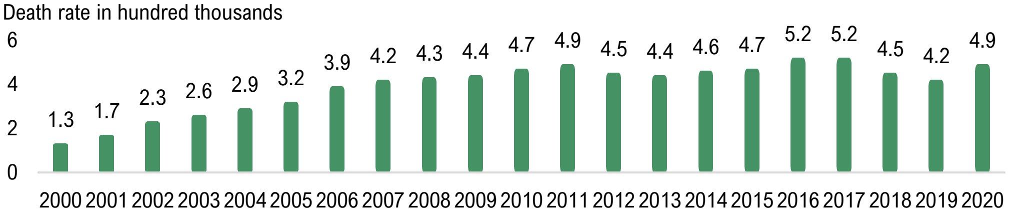
The most common use of medical cannabis worldwide is for pain control. Cannabis has shown to be effective for treating chronic pain that troubles millions of individuals.[2] Medical cannabis can supplement and reduce the use of opiates as a safer option as it is less addictive and more difficult to overdose. Furthermore, it can also supplement NSAIDs (Non-Steroidal Anti-Inflammatory Drugs), commonly used to relieve pain and bring down high temperatures, like Advil (ibuprofen) or Aleve, which is a problem for patients with kidney problems, ulcers or GERD (Geothermal Resource Exploration and Development).[3]

During the Last two Decades There has Been a Sharp Increase in Deaths Related to Opioid Overdose.

490,000 DEATHS RELATED TO OPIOID OVERDOSE IN 2020

Death by prescription opioid overdose in U.S. 2000-2020

Death rate in hundred thousands



Source: Statista, US 2020

Furthermore, the illegal market for cannabis can also be considered a sort of competitor for STENOCARE in terms of treating chronic pain. For instance, 1.8 million people in the UK are thought to buy cannabis illegally on the "street", as it does not require a prescription from a doctor and is also cheaper than buying from a pharmacy.

[1] *Source: Epilepsy Alliance Europe, 2011*

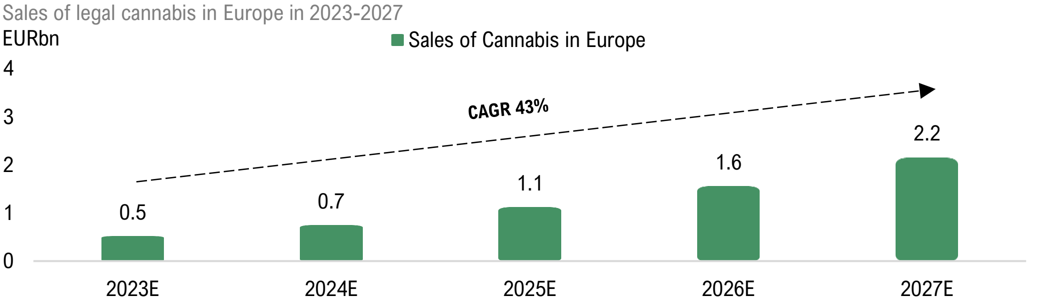
[2, 3] *Source: Harvard Health, 2020*

Market Analysis

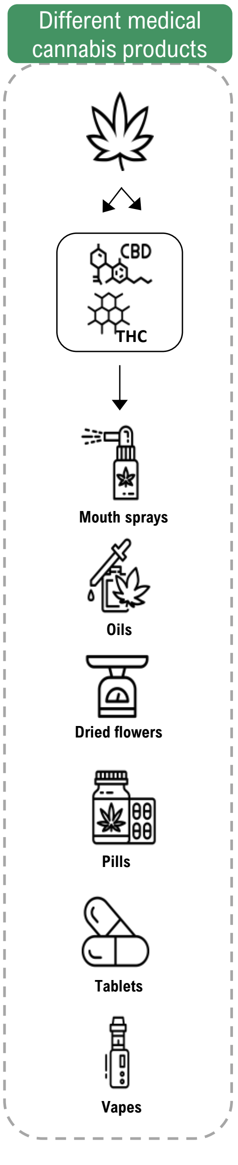
Strong Expected Market Growth

The European medical cannabis market is expected to grow between 20-60% yearly over the coming years according to various market analysts. According to data from Prohibition Partners from 2023, legal cannabis sales in Europe are expected to grow with a CAGR of 43% from 2023-2027 and amount to EUR 2.2bn at the end of the forecast period. The market growth is expected to be driven by a continued legalization of medical use, but also adult use. Today, Germany is the largest market in Europe regarding medical cannabis and constitutes over 50% of the European market and is expected to grow to EUR 1bn in 2027, corresponding to a growth of 275%. Larger countries, like Germany and the UK for instance, are expected to grow at a faster pace owing to the progress of legislation and the large potential patient populations in these countries. STENOCARE is also active on the Australian market, which is expected to grow to AUD 3bn in 2028, corresponding to a growth of 250%.

Legal cannabis sales in Europe are expected to grow with a CAGR of 43%, according to Prohibition Partners.



Source: Prohibition Partners 2023



Why Doctors Start to Appreciate oil Based Cannabis Products

The evolution of cannabis products can be categorized into the following; 1st generation products, such as dried flowers for smoking, and 2nd generation products, containing oil, tablets, and pills. The 1st generation products are still a significant part of prescribed products in the global market. However, doctors are more familiar and comfortable with medicine that is delivered to patients with traditional dosage methods like an oral syringe or capsules. There is a growing demand for these methods, and especially for oil products that are dosed with an oral syringe. The benefit of this is that dosage delivery and titration, i.e., scaling the dosage volume to each patient, is easier and well known.

Deregulations in Germany and the US Reduces the Stigma Around Cannabis

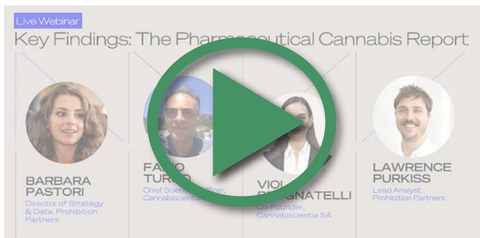
Germany has legalized cannabis for adult use, where cannabis also has been removed from the list of narcotics, something that is expected to simplify the process for more doctors to prescribe medical cannabis and ease the way for patients to obtain a prescription. This is expected to support the growth of the German medical cannabis market, which is already the largest in Europe with approximately 230,000 patients. On August 5th, the German-based medical cannabis company Bloomwell Group GmbH released a report on the state of Germany's medical cannabis flower market following the implementation of the Cannabis Act (CanG) on April 1st, 2024. The report revealed that there has been a significant surge in new medical cannabis patients following the CanG bill's reclassification of medical cannabis as the number of prescriptions issued by Bloomwell Group rose by 400% from March 2024 to June 2024. Bloomwell serves as the centralized digital infrastructure for medical cannabis distribution, consultations and treatment and dispensing. The report demonstrates the increased acceptance of medical cannabis as well as the result of a simplified process for doctors to prescribe after the removing of cannabis from the list of narcotics. STENOCARE are expected to benefit from this development through the Company's approved products in Germany, which includes a balanced oil containing 10 mg/mL THC and 10 mg/mL CBD as well as the new innovative premium product, the patented Astrum oil, consisting of the same ratio of THC and CBD.

Furthermore, The U.S. Drug Enforcement Administration (DEA) will move to reclassify cannabis as a less dangerous drug. Cannabis is currently listed as a *Schedule I* controlled substance but the proposal, which still must be reviewed by the White House Office of Management and Budget, suggests a reclassification to *Schedule III*, which would mean, among other things, new avenues for research and medical uses as well as lighter criminal penalties for cannabis-related violations. Moreover, a reclassification is expected to attract more investors, researchers and entrepreneurs to the market as well as reducing stigma and increase the general acceptance for cannabis for medical use.

An Insight Into the Cannabis Market

Due to the fact that the cannabis market is in its early days, Analyst Group has gathered a selection of both videos and articles below to help investors to gain an even deeper understanding of how the market has developed, as well as the expected future development.

PROHIBITION PARTNERS



THE CANNABIS CONVERSATION

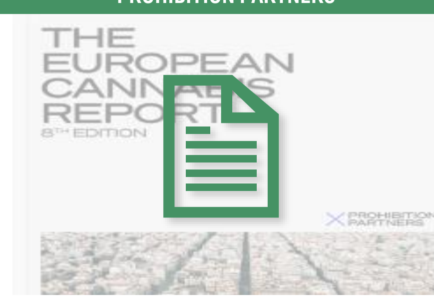
ABC AUSTRALIA

BUSINESS OF CANNABIS

In addition to the videos above, below is a selection of articles and publications by Prohibition Partners, EPR (European Pharmaceutical Review) and Iris Group. This is merely a small portion of the available research online, and we encourage investors to search for even more information about the industry as a whole.

EPR

PROHIBITION PARTNERS



PROHIBITION PARTNERS

IRIS GROUP

Financial Forecast

Record in gross sales in 2023

200,000 patients on the Australian market

DKK 25m net sales 2027

Revenue Forecast 2024-2027

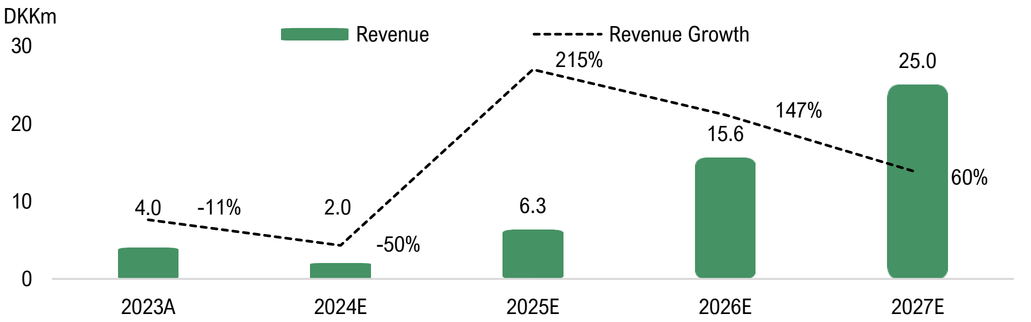
In 2023 STENOCARE delivered gross sales of DKK 6.9m, which excludes product returns of DKK 2.9m, why the net sales amounted to DKK 4m. Considering the gross sales of DKK 6.9m, this was the highest in STENOCARE's history and corresponds to a growth of 18% compared to 2022. Regarding the first nine months of 2024, there has been a decrease in gross sales by approx. 37%, despite the important balanced oil getting approved for sales in Q1-24. This is assumed to be attributable to higher competition and mainly a competing magistral product being supported with 85% patient subsidy from the Danish Medicines Agency, compared to STENOCARE's 50%, which has led to slower sales than expected. Moreover, products that were delivered to meet the expected demand in the Danish market has been returned to STENOCARE after expiring, affecting net sales to amount to DKK 1m during the first nine months in 2024. The situation is expected to affect STENOCARE in the coming quarters but the Company are exploring various avenues to address the situation.

Regarding international markets the growth has been lower than first anticipated. As mentioned, pain centers in Norway has decided to hold back the budget for treatment and in Sweden a product has also been delayed due to the medicines agency. Furthermore, the sales development has been slower than first anticipated on the UK market, as a result of a more sluggish market, leading to product returns from the Norwegian and UK market in Q3-24 due to product expiry. However, STENOCARE has launched the Company's premium product, the Astrum oil, which is ready for launch on the Australian and German market, two of the largest markets globally. The Australian medical cannabis market has grown to over 200,000 patients, which can be compared to Europe's largest market Germany with approximately 230,000 patients, showcasing the market potential in these countries. The new product has unique characteristics compared to other medical cannabis oil products and has the potential to revolutionize the industry. The first sales to patients are planned in Q4-24, hence the Astrum oil is expected to be an important sales driver for STENOCARE thereafter.

The sales growth in 2024 is estimated to be lower than earlier anticipated as a result of the aforementioned unfavorable market dynamics, concerning a higher patient subsidy on a competing product as well as a slower development in international markets than expected. The latter is assumed to be attributable to that the integration of medical cannabis into clinical practice has not progressed as rapidly as was earlier anticipated, thus a slower market growth. Hence, we estimate net sales of DKK 2m during 2024, including approximately DKK 2.5m in product return, why we estimate gross sales of DKK 4.5m. Going forward, we expect minor differences between the gross sales and net sales.

During the remainder of the forecast period, we see the launch of STENOCARE's premium product, Astrum oil, in Australia and Germany as the primary growth driver. Given the advantages with the product and that we expect the product to obtain approval in more markets, we expect the Astrum oil to contribute strongly to the revenue growth from 2025. In 2025 and 2026, Analyst Group expects strong growth in net sales of 215% and 147%, resulting in a revenue of DKK 6.3m and 15.6m, respectively. However, this is from the low levels shown in 2024. The market growth is expected to be driven by legalizations and since larger, and more influential countries, for example like the UK and Germany, have legalized medical cannabis, it is expected to be considered more accepted as a treatment by doctors, which is estimated to contribute to the sales growth during the forecast period. In 2027 we estimate net sales of DKK 25m, corresponding to a growth of 60%.

Revenue is expected to grow at a rapid pace, based on product launches.



Source: Analyst Group estimates

Financial Forecast

Operating Expenses 2024-2027

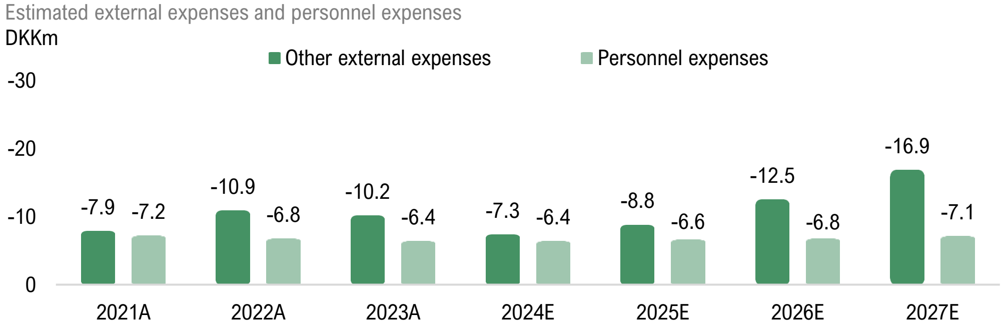
STENOCARE has aggregated several cost items into one post, external expenses, which, together with personnel expenses and depreciation, are the only expenses reported on an operational level. External expenses have been the largest costs historically, where expenses for STENOCARE's own cultivation facility is assumed to be the largest driver. From 2019-2022 external expenses increased, which is likely due to increasing costs for the cultivation facility, such as rent and electricity. Personnel expenses have increased over the years due to an increased number of employees as the Company has expanded their operations within their own cultivation facility. However, in the 2023 and 2024 STENOCARE have decreased the cost base to operate with a lean organization towards break-even, which Analyst Group estimates will happen during 2027.

Naturally, STENOCARE's COGS are expected to increase as revenues are growing, hence, increasing external expenses. Analyst Group estimates STENOCARE's cost per product based on more mature, North American companies in the medical cannabis industry, such as Cresco Labs and Green Thumb Industries, where the gross margin amounts to approx. 50-55%. Analyst Group estimates a gross margin in the higher part of the interval, due to higher margins from STENOCARE's premium products, since they are expected to have a higher degree of uniqueness, leading to a higher pricing power.

All in all, external costs are estimated to increase year-on-year as the revenues grow and reach DKK 16.9m in 2027. Regarding personnel, STENOCARE is expected to be able to scale up sales with the current workforce. During 2023, the average number of employees amounted to 9, and Analyst Group estimates this number to amount to 11 in 2027. This causes personnel expenses to grow from DKK 6.4m in 2023 to 7.1m in 2027. As a result of the estimated revenue growth in the coming years, at the same time as keeping the cost base stable, STENOCARE is expected to gradually improve profitability on an EBITDA-level and show a positive EBITDA result in 2027.

External Expenses are Expected to Grow With Increased Sales, Albeit at a Lower Pace.

Estimated external expenses and personnel expenses

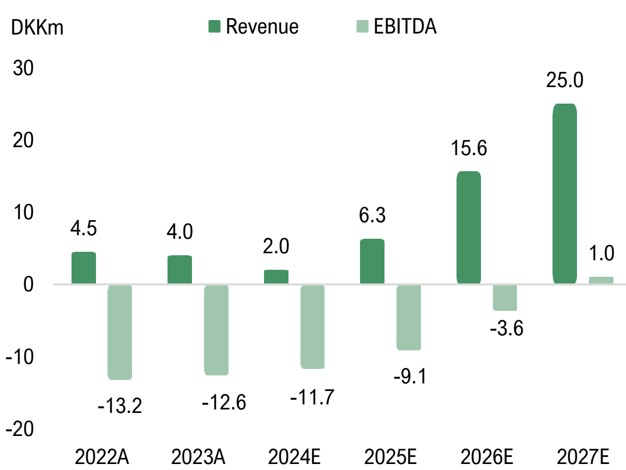


Source: Analyst Group estimates

A Summary of Analyst Group's Financial Forecasts for STENOCARE.

Financial forecasts, 2022-2027E, Base scenario

Base scenario (DKKm)	2022A	2023A	2024E	2025E	2026E	2027E
Net Sales	4.5	4.0	2.0	6.3	15.6	25.0
Other income	0.0	0.0	0.0	0.0	0.0	0.0
Total income	**4.5**	**4.0**	**2.0**	**6.3**	**15.6**	**25.0**
Other external expenses	-10.9	-10.2	-7.3	-8.8	-12.5	-16.9
Personnel expenses	-6.8	-6.4	-6.4	-6.6	-6.8	-7.1
EBITDA	**-13.2**	**-12.6**	**-11.7**	**-9.1**	**-3.6**	**1.0**
EBITDA margin	*-294%*	*-315%*	*-582%*	*-144%*	*-23%*	*4%*
Depreciation of tangible assets	-3.3	-3.4	-3.4	-3.5	-3.5	-3.6
EBIT	**-16.5**	**-15.9**	**-15.1**	**-12.6**	**-7.2**	**-2.6**
EBIT margin	*-368%*	*-399%*	*-751%*	*-199%*	*-46%*	*-10%*



Source: Analyst Group estimates

Valuation

Valuation: Base Scenario

In the valuation of STENOCARE a comparison with other companies within the medical cannabis industry on both the European as well as the North American market is made. As the market still is in its early days, the peer group in Europe, like STENOCARE, are to be considered as young, and in some cases small companies facing a potential rapid growth, while the North American companies are at a more mature stage, already generating substantial sales. Moreover, in general, the companies in both Europe and North America are currently unprofitable, why the valuation will be derived from a P/S multiple applied on 2026's estimated sales for STENOCARE. Although the comparison companies in both Europe and North America differ from STENOCARE in terms of business model, target market, profitability potential, and if they address medical or recreational cannabis, Analyst Group believes that the comparison provides an indication of how the market currently values companies in the cannabis sector.

	Market cap (DKKm)	Revenue (LTM, DKKm)	Revenue growth Y-Y	Gross Margin	EBIT (LTM, DKKm)	P/S (x)
KANABO	61.1	10.2	40%	8%	-72.8	6.0
DanCann Pharma	5.9	7.8	19%	55%	-9.4	0.8
can	429.5	175.7	68%	n/a	n/a	2.4
SYNBIOTIC	302.2	1.3	163%	n/a	-45.5	234.9
CELADON Pharmaceuticals PLC	160.2	1.2	528%	n/a	-44.9	52.5
Cannabis Poland S.A.	41.0	0.1	270%	n/a	-2.9	429.8
HEMP & HEALTH	46.3	0.1	-41%	n/a	-1.2	410.0
ODI Pharma	30.7	14.0	14471%	n/a	0.3	2.2
Average	**134.6**	**26.3**	**1940%**	**32%**	**-25.2**	**142.3**
Median	**53.7**	**4.5**	**115%**	**32%**	**-9.4**	**29.3**
STENOCARE	23.4	2.2	-60%	n/a	-15.5	10.5

STENOCARE and the above companies are similar in relation to that they all operate within the European medical cannabis market, which is expected to show strong growth in the coming years. However, Analyst Group anticipates that the low sales and unprofitability among European cannabis companies is a result of a highly regulated and historically slower-than-expected market growth and the low reported sales to date results in high P/S multiples. P/S multiples for companies in early development or a high-growth phase are generally high, due to initially low, or zero sales. Over time, as sales increases, multiples tend to normalize in line with the company reaching a larger market share and a higher degree of maturity. Consequently, a comparison with larger, more mature companies on the Canadian and US market is also made, to investigate sector valuations in a more mature stage of a company's life cycle.

	Market cap (DKKm)	Revenue (LTM, DKKm)	Revenue growth Y-Y	Gross Margin	EBIT (LTM, DKKm)	P/S (x)
AURORA	1,832	1,462	8%	43%	-182	1.3
CANOPY GROWTH	2,770	1,616	-18%	n/a	-1,409	1.7
CRESCO LABS	2,851	5,124	-6%	51%	800	0.6
Jushi	482	1,992	3%	42%	43	0.2
ORGANIGRAM	1,195	740	-11%	18%	-1,278	1.6
curaleaf	9,538	9,429	0%	47%	302	1.0
Green Thumb	13,142	7,798	8%	52%	1,238	1.7
Average	**4,544**	**4,023**	**-2%**	**42%**	**-69**	**1.2**
Median	**2,770**	**1,992**	**0%**	**45%**	**43**	**1.3**
STENOCARE	23	2	-60%	n/a	-16	10.5

Valuation

When looking at the larger, more mature North American companies on the previous page, they are valued to a median multiple of P/S 1.3x. However, there are differences between these companies and STENOCARE that should be taken into consideration. STENOCARE is expected to show a stronger revenue growth during our forecast period, where the North American companies are reporting a revenue growth of 0% Y-Y (median), compared to an estimated CAGR of 58% for STENOCARE in 2023-2027E, which motivates a higher multiple for STENOCARE. In the peer group, most companies are unprofitable, like STENOCARE and we estimate STENOCARE to become EBITDA positive in 2027, hence the profitability do not motivate a valuation premium according to Analyst Group. Moreover, the peer group are larger companies both regarding Market Cap and revenue, which motivates a valuation discount to the applied multiple for STENOCARE. However, all in all, Analyst Group believes that a higher multiple than the North American Industry group is justified for STENOCARE, due to higher growth expectations.

As earlier mentioned, we see good sales potential in the Astrum oil, given the several benefits it offers to the industry. Given a successful launch of the product and as more players within the industry recognize the advantages of the product, it is believed that the product could attract interest from larger market players. At such a point, Analyst Group views it as a possibility that STENOCARE may become attractive for a potential acquisition by a larger industry player. For example, we have historically seen larger North American companies acquire smaller European firms to expand into new markets. Earlier in 2024, the Canadian cannabis company Curaleaf acquired Can4Med, a pharmaceutical wholesaler specializing in the acquisition, registration, and distribution of medical cannabis and products containing THC and other cannabinoids in Poland. The European medical cannabis market is a relatively young and fragmented market with several smaller players, which may open opportunities for market consolidation.

Taking both the comparison with the younger, more immature companies on the European market, and the more mature, larger companies on the North American market, as well as the possibility for acquisition into consideration, Analyst Group believes a target multiple of P/S 2.5x on estimated sales during 2026 is reasonable. The lower applied multiple compared to our last equity research report is primarily attributable to the current market conditions, which has led to a lower estimated growth going forward, and consequently, reduced profitability, which in turn affects the multiple. Furthermore, we have taken STENOCARE's current financial position into account, as the Company requires additional capital to continue its operations.

A target multiple of 2.5x on 2026's estimated revenues of DKK 15.6m corresponds to a Market Cap of DKK 39m. To make up for uncertainties in the forecasts, given that STENOCARE is yet to scale up sales, investors are likely to demand a high required rate of return. According to a compilation from PwC, different levels of required returns can be applied based on which stage a company is in.

Different Stages Requires Different Rate of Returns.

Required rate of return, per stage

Stage	Seed/Idea	Seed/Start-up	Early growth	Expansion
Plummer	50 - 70 %	40 - 60 %	35 - 50 %	25 - 35 %
Scherlis & Sahlman	50 - 70 %	40 - 60 %	30 - 50 %	20 - 35 %
Sahlman, Stevenson, & Bhide	50 - 100 %	40 - 60 %	30 - 40 %	20 - 30 %
VC guide in BE	50 - 100 %	50 - 60 %	40 - 50 %	30 - 40 %
Damodaran	50 - 70 %	40 - 60 %	35 - 50 %	25 - 35 %
Selected discount rate	**50 - 85 %**	**40 - 60 %**	**35 - 50 %**	**25 - 35 %**

Source: PWC

Analyst Group argue that STENOCARE is in an *Expansion* phase, with products approved in several markets and the Astrum oil ready to be launched in Australia and Germany. Given that the Company has been in a commercialization phase for some years, Analyst Group argues that a lower required rate of return than the lowest interval is reasonable. Nevertheless, given the current financial position with additional capital raises assumed to be needed to fund the future growth plans and to achieve profitability, we apply a discount rate of 20%. Based on a company value of DKK 39m in 2026, and the discount rate of 20%, a present value per share of DKK 1.3 is derived in a Base scenario.

DKK 1.3
per share in a Base scenario

Bull & Bear

DKK 2.0
per share in a Bull scenario

Bull Scenario

The following is a selection of potential value drivers in a Bull scenario:

- More doctors prescribe medical cannabis oil products as the advantages against opiates becomes more obvious for the health care industry operating within STENOCARE's markets. Moreover, the Company's IT-platform for online clinics is expected to be a driver of increased prescriptions, as doctors can reach patients more easily.
- STENOCARE's premium product Astrum oil is well-received in the market, with the healthcare industry quickly recognizing the benefits and prescribing larger volumes of the product, which is expected to have a significant impact on sales in early 2025. Furthermore, the premium products is expected to get approved in additional markets globally and enable partnerships with big pharma companies for sales of STENOCARE's products.
- STENOCARE's indoor cultivation facility is completed and approved by Danish authorities in late 2024 to enable the Company to export bulk medical cannabis in the following years, contributing to the estimated sales growth. Moreover, competitors with outdoor cultivation in green houses continues to have difficulties to get products approved by authorities, proving STENOCARE's indoor cultivation strategy successful.
- Given a discount rate of 20% and a target multiple of P/S 3x on estimated sales of DKK 20.4m in 2026 in a Bull scenario, a potential present value per share of DKK 2.0 is derived.

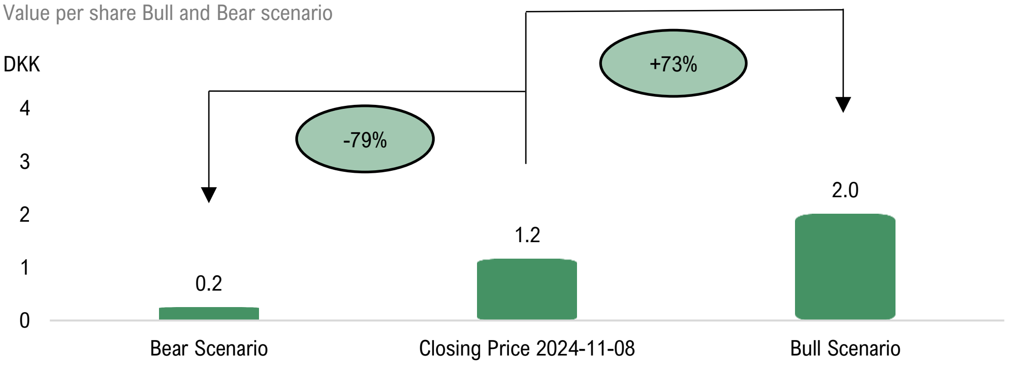
DKK 0.2
per share in a Bear scenario

Bear Scenario

The following is a selection of potential factors in a Bear scenario:

- STENOCARE is still in the early stages of the Company's "business re-launch", which comes with uncertainties. In a Bear scenario, doctors' skepticism against medical cannabis turns out to be persistent, regardless if it is an oil product or not, resulting in fewer patients being prescribed with the products, hence, lower revenue growth for STENOCARE.
- In a Bear scenario, the premium product Astrum oil receives a cooler reception than expected from the industry, leading to a lack of significant sales for the product, which impacts STENOCARE's anticipated future earnings and prolong the time for reaching higher profitability.
- Due to lower revenue growth positive cash flow is expected only at a later stage. Hence, additional external capital raising is needed during the forecast period to fund the operations until positive cash flow is reached, which may incur under unfavorable terms in a scenario of a challenging market environment.
- In a Bear scenario, a lower target multiple is justified, as lower growth and profitability is expected, why a target multiple of P/S 1.5x is applied on 2026 estimated sales of DKK 5.0m. This, in combination with a discount rate of 20%, results in a potential present value per share of DKK 0.2.

Illustration of Potential Valuation in a Bull and Bear Scenario.



Source: Analyst Group estimates

CEO Interview, Thomas Skovlund Schnegelsberg

You recently published the Q3-report for 2024, how would you summarize the past quarter?

We have managed to control costs for the quarter and other external costs are reduced by 1 mDKK compared to Q3-2023. A new product introduction in Denmark was successfully reached during Q2 – though this has not had the expected impact on sales due to higher product price subsidy from Danish Health Authorities on competitive products. This has resulted in products returned from distributors sold in Q2-2024. In addition, products sold in other markets during Q3-2023 were returned due to expiry. In total, products with a value of 2 mDKK were returned to Stenocare in Q3-2024. With gross sales of 1.1 mDKK in the quarter we realized net sales of -0.9 mDKK. We remain confident that sales in Q4-2024 will increase and expect a gross sale for 2024 of 4.5 mDKK.

Your sales in Denmark were lower than expected due to a competing magistral product being supported with 85% patient subsidy compared to the subsidy of your own products amounting to 50%. Could you elaborate on how you work to handle this situation and what possible solutions do you see ahead?

We have been engaging with the Danish Medicines Agency to understand the unexpected approval of subsidy of the competing magistral product. This is a slow process, as we submit comments in writing and then the Agency review and respond. There are different laws at play and these then need correlated with the Pilot Program law. We started engagement before Summer, and it is still ongoing. In parallel, we are in contact with our industry peers and the Danish Industry organization for medical cannabis. There is a consensus that the subsidy should not continue as this (in our view) is not supported by the various laws. We therefore expect that the subsidy will end. This will also benefit the Danish National Health Budget – because products and subsidy in the Pilot Programme have lower impact on total budget (versus the magistral product).

Regarding the additional markets you are active in, how would you describe the overall market conditions and growth as well as how have they developed compared to your expectations some years ago? For instance, Australia, UK and Germany?

Industry analysts like Prohibition Partners are still optimistic with the growth potential for medical cannabis. The German market is expected a growth of 275% to Euro 1 billion in 2027, and the Australian market is expected a growth of 250% to Aus$ 3 billion in 2028. The markets are characterized by products with very similar value propositions (ie. “me too” products) and there is a need to find a way to differentiate and offer patient’s more value. Stenocare entered these market to be able to benefit from the growth opportunity, and we also say the need for a unique value proposition. We have developed Astrum 10-10 for this purpose and the product has been approved for sales in both markets.

Lastly, what would you like to highlight as particularly interesting for an investor to monitor regarding STENOCARE during the remainder of 2024 and going into 2025?

We have very high expectations for the launch of Astrum 10-10. During Q4 2024, we expect the first delivery to Germany and later in Q1 2025 Australia will receive their first shipment. From this time doctors will be able to learn about the benefit of Astrum 10-10 and begin prescribing the product to their patients.

November 11th 2024

Management & Board

Thomas Skovlund Schnegelsberg, CEO and Co-founder

Thomas has been CEO since STENOCARE was founded in 2017 and was also a co-founder of the Company. He holds a Master of Science in Economics and Business Administration from Copenhagen Business School. Previous experiences consist of senior leadership roles at Microsoft in Denmark, Nordic, the UK, and Europe. Thomas has also been a board member at Lauritz.com. *Thomas owns shares through SC-Founders Holding ApS who holds 4,871,022 (24.1%).*

Rolf Steno, CCO, Co-founder and Proposed Member of the Board

Rolf has been CCO since STENOCARE was founded in 2017 and was also a co-founder of the Company. He has been CEO at LFP Scandinavia for 14 years as well as a Business Development manager at Techsage, where Rolf was the inventor and partial patent holder of the IP to the Spinjet (spinjet.com). *Rolf owns shares through SC-Founders Holding ApS who holds 4,871,022 (24.1%).*

Søren Kjær, COO and Co-founder

Søren has been COO since STENOCARE was founded in 2017 and was also a co-founder of the Company. He holds a Master of Science in Horticulture from University of Copenhagen and has 20 years of experience from consultancy within project management, innovation processes and biotechnology from the horticultural industry. *Søren owns shares through SC-Founders Holding ApS who holds 4,871,022 (24.1%).*

Peter Bugge Johansen, CFO

Peter has been CFO since 2018 and holds a Master of Science in Economics and Auditing from Copenhagen Business School. Previous experience includes 20 years at Interdan Holding A/S as first CFO and later CEO, 3 years as Tax Manager at A.P. Møller-Mærsk and 14 years as auditor at Deloitte. Though his career, Peter has acquired knowledge in financial and strategic issues such as financing, internal and external reporting, asset management, group structure and mergers and acquisitions. *Peter owns 125,990 shares (0.6%) and have 6,800 remaining of a 5-year options program to receive up to 34,000 shares.*

Marianne Wier, Chairman of the Board

Marianne has been chairman of the board since 2018, holds a law degree from University of Copenhagen and has a background as a lawyer. Today, Marianne is CEO at Taksatorringen, and previous experiences include COO at Topdanmark, President and Attorney at Johan Schlutter Law Firm, Group Public Affairs Manager at Danske Bank, and Corporate & Government Affairs Manager at Microsoft Denmark. *Marianne owns 57,976 shares (0.3%).*

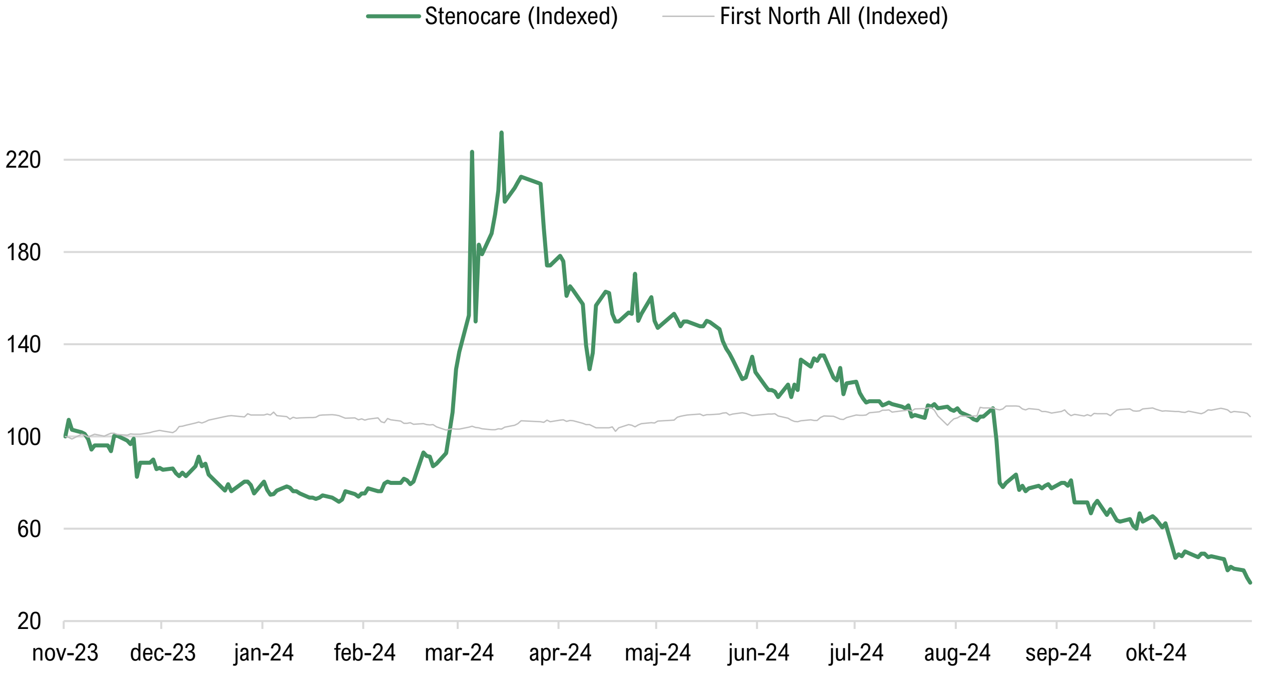
Søren Melsing Frederiksen, Member of the Board

Søren has been a member of the board since 2018 and holds a chemical engineering bachelor and a Master of Industrial Drug Development (MIND) from University of Copenhagen. Today, Søren is Vice President, Commercial Rx and Product Development at Orifarm Healthcare A/S and previous experience ranges from R&D, project management, sales management, and product launch. *Søren owns 107,839 shares (0.5%) through SML Holding ApS.*

Jeppe Bo Petersen, Member of the Board

Jeppe has been a member of the board since 2018 and is currently Group CFO at Habitus. Previous roles include CEO at Olivia Danmark A/S and CFO at, for instance, Valad Europe A/S and Nordicom A/S. He has 30 years of experience in the field of economics. *Jeppe owns 1,667 shares (0.0%)*

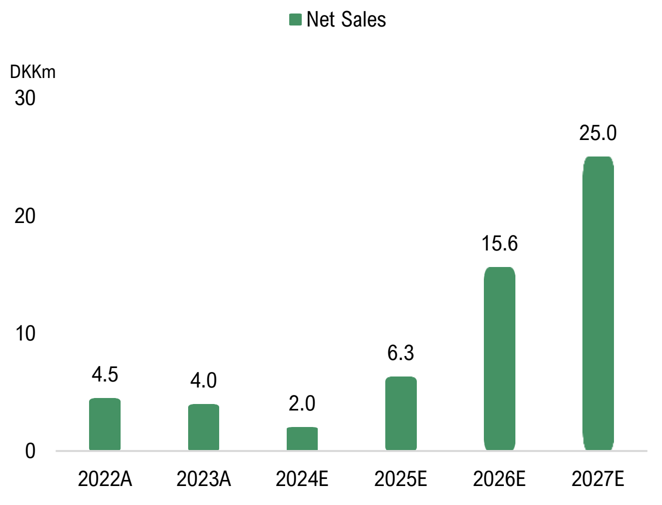
Appendix

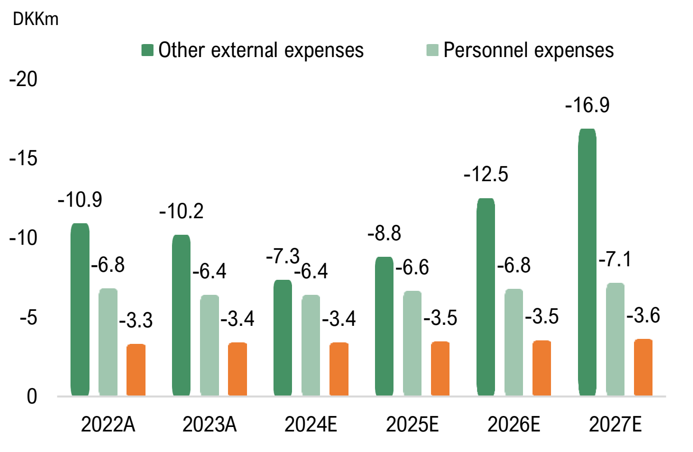


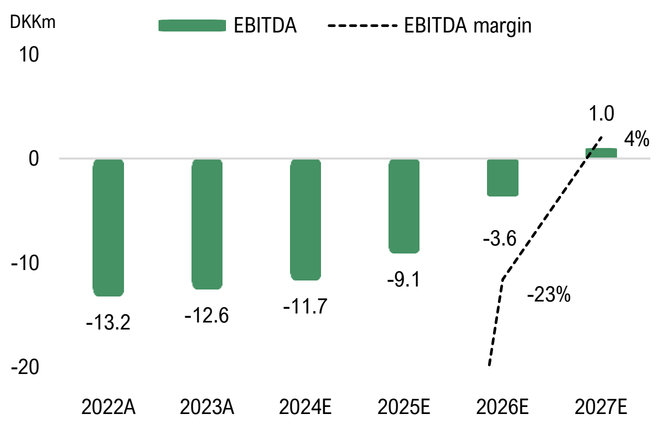
DKKm	2019	2020	2021	2022	2023
Net Sales	4.9	0.2	1.9	4.5	4.0
Other income	11.3	0.0	0.0	0.0	0.0
Total income	**16.2**	**0.2**	**1.9**	**4.5**	**4.0**
Other external expenses	-7.4	-6.2	-7.9	-10.9	-10.2
Personnel expenses	-4.4	-5.8	-7.2	-6.8	-6.4
EBITDA	**4.4**	**-11.8**	**-13.2**	**-13.2**	**-12.6**
EBITDA margin	*89%*	*-5962%*	*-701%*	*-294%*	*-315%*
Depreciation of tangible assets	-0.1	-0.2	-1.1	-3.3	-3.4
EBIT	**4.4**	**-12.1**	**-14.1**	**-16.5**	**-15.9**
EBIT margin	*27%*	*-6083%*	*-745%*	*-368%*	*-399%*

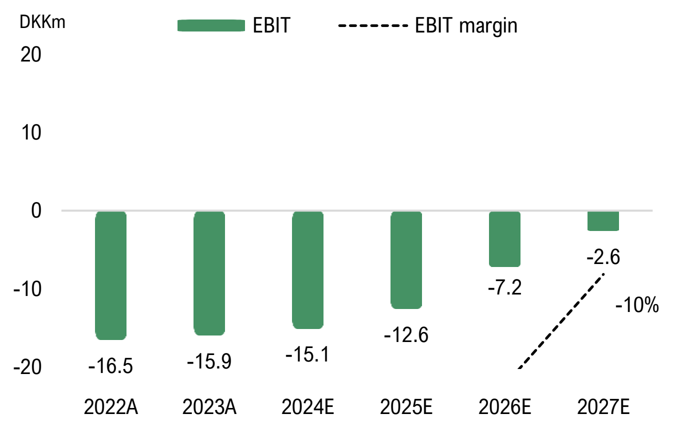
Appendix

Base scenario (DKKm)	2022A	2023A	2024E	2025E	2026E	2027E
Net Sales	4.5	4.0	2.0	6.3	15.6	25.0
Other income	0.0	0.0	0.0	0.0	0.0	0.0
Total income	**4.5**	**4.0**	**2.0**	**6.3**	**15.6**	**25.0**
Other external expenses	-10.9	-10.2	-7.3	-8.8	-12.5	-16.9
Personnel expenses	-6.8	-6.4	-6.4	-6.6	-6.8	-7.1
EBITDA	**-13.2**	**-12.6**	**-11.7**	**-9.1**	**-3.6**	**1.0**
EBITDA margin	*-294%*	*-315%*	*-582%*	*-144%*	*-23%*	*4%*
Depreciation of tangible assets	-3.3	-3.4	-3.4	-3.5	-3.5	-3.6
EBIT	**-16.5**	**-15.9**	**-15.1**	**-12.6**	**-7.2**	**-2.6**
EBIT margin	*-368%*	*-399%*	*-751%*	*-199%*	*-46%*	*-10%*



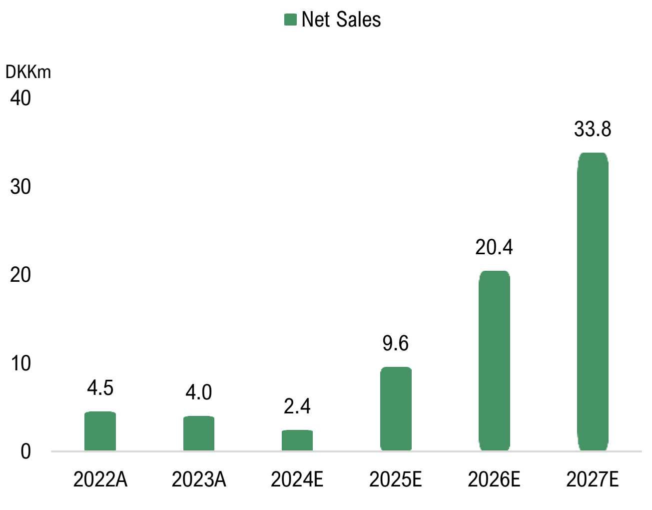


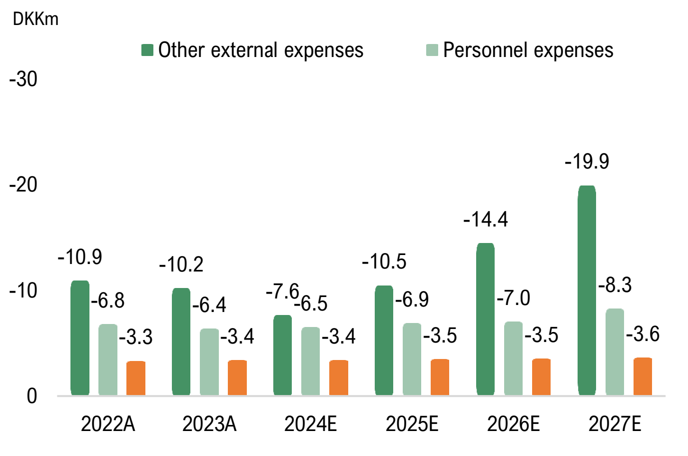


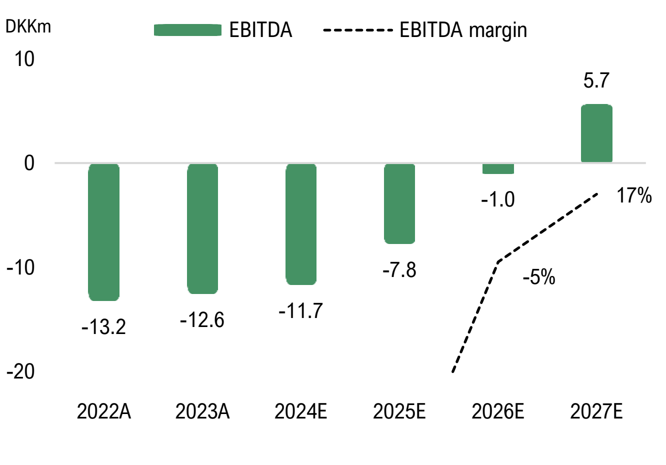


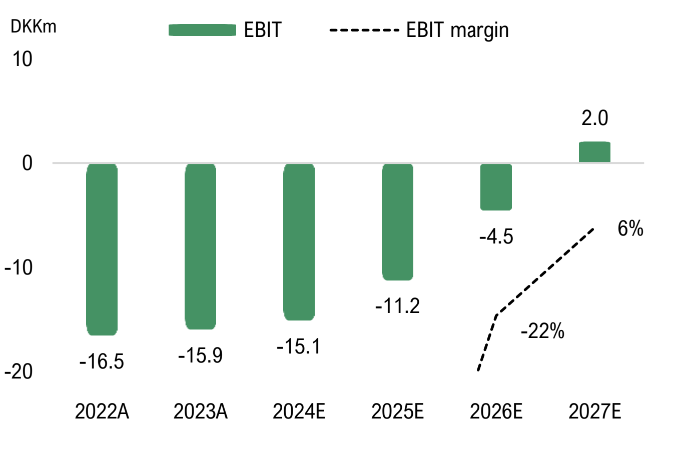
Appendix

Bull scenario (DKKm)	2022A	2023A	2024E	2025E	2026E	2027E
Net Sales	4.5	4.0	2.4	9.6	20.4	33.8
Other income	0.0	0.0	0.0	0.0	0.0	0.0
Total income	**4.5**	**4.0**	**2.4**	**9.6**	**20.4**	**33.8**
Other external expenses	-10.9	-10.2	-7.6	-10.5	-14.4	-19.9
Personnel expenses	-6.8	-6.4	-6.5	-6.9	-7.0	-8.3
EBITDA	**-13.2**	**-12.6**	**-11.7**	**-7.8**	**-1.0**	**5.7**
EBITDA margin	*-294%*	*-315%*	*-481%*	*-81%*	*-5%*	*17%*
Depreciation of tangible assets	-3.3	-3.4	-3.4	-3.5	-3.5	-3.6
EBIT	**-16.5**	**-15.9**	**-15.1**	**-11.2**	**-4.5**	**2.0**
EBIT margin	*-368%*	*-399%*	*-620%*	*-117%*	*-22%*	*6%*



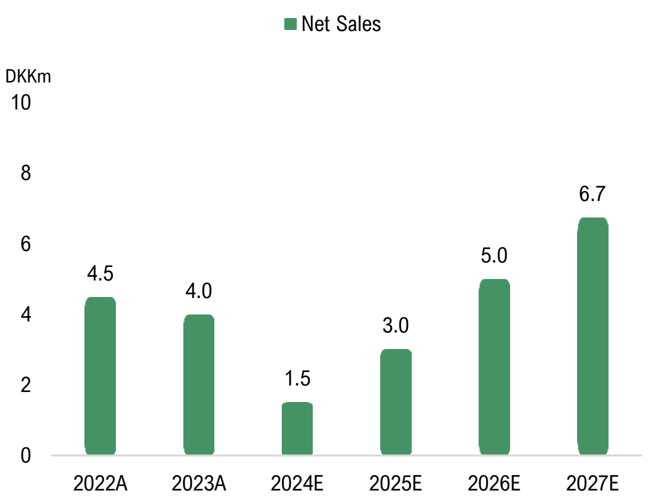


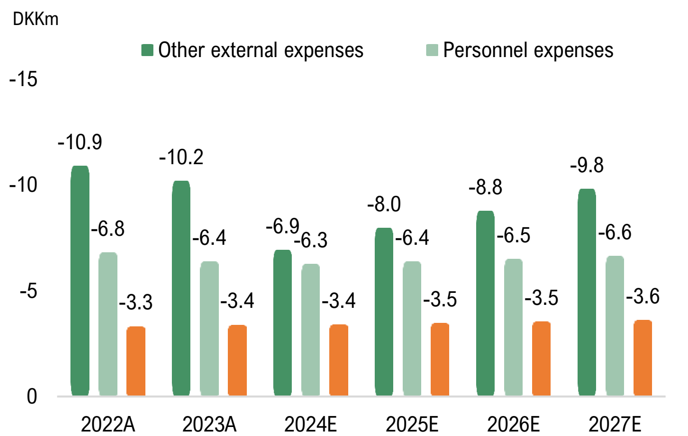


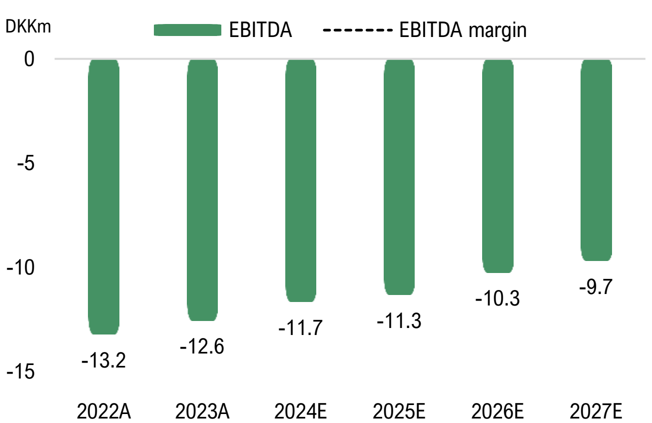


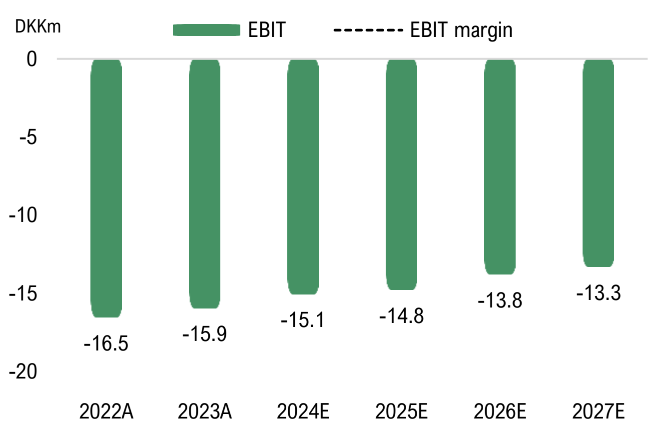
Appendix

Bear scenario (DKKm)	2022A	2023A	2024E	2025E	2026E	2027E
Net Sales	4.5	4.0	1.5	3.0	5.0	6.7
Other income	0.0	0.0	0.0	0.0	0.0	0.0
Total income	**4.5**	**4.0**	**1.5**	**3.0**	**5.0**	**6.7**
Other external expenses	-10.9	-10.2	-6.9	-8.0	-8.8	-9.8
Personnel expenses	-6.8	-6.4	-6.3	-6.4	-6.5	-6.6
EBITDA	**-13.2**	**-12.6**	**-11.7**	**-11.3**	**-10.3**	**-9.7**
EBITDA margin	*-294%*	*-315%*	*-770%*	*-375%*	*-205%*	*-144%*
Depreciation of tangible assets	-3.3	-3.4	-3.4	-3.5	-3.5	-3.6
EBIT	**-16.5**	**-15.9**	**-15.1**	**-14.8**	**-13.8**	**-13.3**
EBIT margin	*-368%*	*-399%*	*-994%*	*-490%*	*-276%*	*-197%*









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