

## Interim Report Second Quarter 2019

**STENOCARE A/S (“STENOCARE”) today announces its results for the period 01.01.2019 – 30.06.2019. The report is available as an attached file and on [www.stenocare.dk/investor/EN](http://www.stenocare.dk/investor/EN).**

**Thomas Skovlund Schnegelsberg, CEO of STENOCARE, comments:**

*“The medical cannabis industry is young and defined by almost limitless demand and varying degrees of turbulence. Referring to our press release earlier this morning regarding additional cultivation related issues identified at CannTrust, we are now in a new situation regarding the STENOCARE products from CannTrust and will work with the Danish Medicines Agency to review this situation. This will have a negative consequence on profit and the cash flow in 2019 and 2020 and give us set back according to deliver products to the Danish market. At the current time, we are also negatively influenced by governance issues that surfaced after the end of the second quarter 2019, relating to non-compliance issues by CannTrust. As a precaution, and despite an external laboratory has tested the product quality STENOCARE decided with the Danish Medicines Agency to enforce a quarantine on all products. This will be maintained until the situation has been cleared with the Canadian Health Authorities. Needless to say, this has had negative adverse effect on our sales and profits, both in the second quarter due to reversed sales and generally in the current third quarter.*

*It has to be highlighted that STENOCARE'S development so far has been intense and eventful and the second quarter was no exception. During the quarter, we started cultivating medical cannabis at our facility in Jutland, and also announced that STENOCARE - as the first vendor in Denmark - had received licenses to sell medical cannabis in capsules. Both of these events were important milestones for STENOCARE. We have focused on our preparations for being able to grow and sell own produced products at scale to the market, domestically as well as internationally. The board of directors of STENOCARE have also tasked the management team with identifying additional partners for sourcing medical cannabis products for the Danish market.”*

**Second quarter 2019 (1 April 2019 – 30 June 2019)**

- Net sales amounted to KDKK 625 (0).
- Operating profit was KDKK -1,821 (-968).
- Net financial items amounted to KDKK -7 (-2).
- Result per share was DKK -0.16 (-0.11).
- Solidity was 68% (94).

**First half-year 2019 (1 January 2019 – 30 June 2019)**

- Net sales amounted to KDKK 4,942 (0).
- Operating profit was KDKK -297 (-1,984).
- Net financial items amounted to KDKK -1 (-2).
- Result per share was DKK -0.03 (-0.29).
- Solidity was 68% (44).

The Company's result per share: The result for the period divided by the average number of shares. Total number of shares as of June 30<sup>th</sup>, 2019, amounted to 8,942,762 (5,681,818\*). Average number of shares for the second quarter 2019 is 8,942,762 (5,681,818\*).

Solidity: Equity divided by total capital.

\*Adjusted for a reversed split in connection with the IPO.

**Highlights during the period**

- April 2019, the Company announced that its major shareholders plan to nominate Mr. Ian Abramowitz to the Board of Directors, further strengthening its international medical cannabis expertise.
- April 2019, STENOCARE published its Annual Report for the fiscal year 2017/2018.
- May 2019, the Company held its Annual General Meeting.
- May 2019, STENOCARE was revealed the winner of the SvD Børsplus IPO-guide award “IPO of the Year 2018” in the category Quality. STENOCARE was also awarded the honorary prize in the category Value growth.
- May 2019, STENOCARE announced that the Company is ready with a new medical cannabis product. The new product is named ‘CBD Capsules STENOCARE’ and contains medical cannabis oil in vegan capsules. The product is expected to be available at Danish pharmacies late Summer 2019.  
June 2019, STENOCARE announced that the cultivation of medical cannabis plants has commenced at its facility in Jutland. The first harvest is expected later during Q3 2019.

### Highlights after the period

- July 2019, STENOCARE announced that the Company is entering the Irish market with its own subsidiary, STENOCARE Ireland Ltd.
- July 2019, STENOCARE announced that some of the imported products from its current inventory were not approved at the time of production and have been put in immediate quarantine, which means that they will be isolated and blocked from being sold until the Canadian health authorities, Health Canada and the Danish Medicines Agency have concluded in the matter. This information was a correction of an earlier assessment made by STENOCARE's Board of Directors in which the Company was deemed unharmed by Health Canada's audit of CannTrust.
- July 2019, STENOCARE announced that the Company has entered into an agreement with the Dutch company Havecon Horticultural Projects, to establish a large scale strategic state-of-the-art medical cannabis cultivation facility in Denmark. STENOCARE has secured DKK 15 million in debt financing which in combination with cash at hand will finance the contract.
- August 2019, STENOCARE announced that the Company has received new information regarding the CannTrust cultivation process at their new greenhouse that questions the validity of pesticide free declarations and future sourcing of products to the Company. The Board of Directors of STENOCARE has tasked the management team with identifying additional partners for sourcing medical cannabis products for the Danish market.

For additional information regarding STENOCARE, please contact:

Thomas Skovlund Schnegelsberg, CEO

Phone: +45 31770060

E-mail: [presse@stenocare.com](mailto:presse@stenocare.com)

*This information is information that STENOCARE A/S is obliged to publish in accordance with the EU Market Abuse Regulation. The information was provided by the contact person above for publication on August 20<sup>th</sup>, 2019.*

---

### About STENOCARE A/S

*STENOCARE A/S was founded in 2017 with the purpose of being an active participant in the Danish medical cannabis pilot programme. The company was first to receive the Danish Medicines Agency's permission to import, distribute as well as cultivate and produce medical cannabis. The company offers medical cannabis oil that comply with the strict Danish regulatory requirements. STENOCARE is building a state-of-the-art production facility for the cultivation and production of medical cannabis at the company's premises in Jutland, Denmark.*