

## Interim Report Third Quarter 2019

**STENOCARE A/S ("STENOCARE") today announces its results for the period 01.01.2019 – 30.09.2019. 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:**

*"In Q3-2019, STENOCARE experienced a quarter with full effect from the temporary halt in revenues due to the ongoing change in supplier. This is in stark contrast to Q1-2019 where revenue was DKK 4,316,711 at a profit of DKK 1,204,983. In a business-as-usual scenario, we would have continued our Q1-2019 performance – especially because no other competing products have been approved for the market. We are working diligently to return to this level of performance as soon as new suppliers are in place with approved products. The whole situation is costly and unfortunate, but also opens up to creation of a much stronger and diverse supply chain which is a significant new strength that we expect to be able to benefit from as early as next year.*

*Getting STENOCARE up and running with all licenses required, and delivery of approved products to patients based on prescriptions from doctors, as well as delivery through a distribution infrastructure that includes the major wholesalers and all pharmacies in Denmark, combined with creating the foundation for own production in the highest possible quality, was what we called STENOCARE 1.0. All of this was achieved by end of Q3, with the temporary challenge relating to change in supplier as the unexpected component. With a solution for the supplier challenge in sight, we are now ready to pursue our plans for STENOCARE 2.0. In "2.0" we will accelerate the value creation on basis of the high-quality assets that were built and tested in "1.0". This means that we will lead the way as a continued first-mover with accelerated sales, increasingly based upon own production in Denmark and also establishment in new markets in Europe, with Ireland as an early starter. Other countries are underway."*

**Third quarter 2019 (1 July 2019 – 30 September 2019)**

- Net sales amounted to KDKK 0 (1 124).
- Operating profit was KDKK -3 573 (-349).
- Net financial items amounted to KDKK -675 (0).
- Result per share was DKK -0.37 (-0,04).
- Solidity was 46% (94%).

**First nine months 2019 (1 January 2019 – 30 September 2019)**

- Net sales amounted to KDKK 4 942 (1 124).
- Operating profit was KDKK -3 870 (-2 333).
- Net financial items amounted to KDKK -676 (-2).
- Result per share was DKK -0.40 (-0.30).
- Solidity was 46% (79%).

*The Company's result per share: The result for the period divided by the average number of shares. Total number of shares as of September 30th 2019, amounted to 8,942,762 (6,784,762\*). Average number of shares for the third quarter 2019 is 8,942,762 (6,327,985\*).*

*Solidity: Equity divided by total capital.*

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

**Highlights during 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 the products 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.
- August 2019, the Company announced its Interim Report for the Second Quarter of 2019. The report is available at the Company's website [www.stenocare.dk/investor/EN](http://www.stenocare.dk/investor/EN)
- September 2019, STENOCARE announced a change in the Board of Directors, as Mr. Ian Abramowitz (CannTrust) informed the Board of Directors that he is stepping down from his seat at the Board of STENOCARE
- September 2019, STENOCARE announced that the Company terminates the license agreement with CannTrust, and prepares for new partnerships.
- September 2019, STENOCARE announced that the Company successfully completes its first harvest without use of pesticides.

#### **Highlights after the period**

- October 2019, STENOCARE CEO looked back on the first year as a public company, and shared the ambitions for the future as part of STENOCARE 2.0

#### For additional information regarding STENOCARE, please contact:

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*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 November 6<sup>th</sup>, 2019.*

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#### **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.*