

PROSPECTUS



STENOCARE A/S is a public limited liability company
incorporated in Denmark, CVR no. 39024705

Highlights:

- Subscription Period: From 27 May at 9:00
to 11 June 2020 at 17:00 Danish time.
- Rights Issue: Up to 1,490,460 New Shares.
- Subscription Price: DKK 20.00 per New Share.
- Bonus Shares: One (1) free existing share
for every three (3) New Shares
adding up to (4) four shares in total.
- Trading of Subscription Rights: From 25 May 2020 to 09 June 2020.

**STENOCARE [STENO] has been approved for admission to trading on Nasdaq First North Growth Market Denmark
with first day of trading on 18 May 2020.**

STENOCARE [STENO] is listed on Spotlight Stock Market with last day of trading on 15 May 2020.

Nasdaq First North Growth Market is a registered SME growth market, in accordance with the Directive on Markets in Financial Instruments (EU 2014/65) as implemented in the national legislation of Denmark, Finland and Sweden, operated by an exchange within the Nasdaq group. Issuers on Nasdaq First North Growth Market are not subject to all the same rules as issuers on a regulated main market, as defined in EU legislation (as implemented in national law). Instead they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in an issuer on Nasdaq First North Growth Market may therefore be higher than investing in an issuer on the main market. All issuers with shares admitted to trading on Nasdaq First North Growth Market have a Certified Adviser who monitors that the rules are followed. The respective Nasdaq exchange approves the application for admission to trading.

Certified Adviser:



THE CANNABIS WORLD MAP

Click each continent to view key statistics on healthcare, market size and more



STENOCARE is a leader in the European market

“Danish company STENOCARE was the first company in Denmark to receive authorisation from the Danish Medicines Agency after trial legalisation in January 2018.



The company is now a leader in the European market; its production and distribution network in Denmark was profitable in 2018 and is currently expanding to Ireland among other emerging markets”.

The European Cannabis Report¹

Companies to watch in 2020

Prohibition Partners

February 2020

STENOCARE[®]

“Our goal is to build a leading European brand in high quality, prescription based Medical Cannabis.

We call it STENOCARE 2.0”.



INVITATION TO SUBSCRIBE FOR NEW SHARES

This Prospectus has been prepared in connection with STENOCARE's admission to trading on Nasdaq First North Growth Market Denmark and the subsequent Rights Issue of up to 1,490,460 New Shares of nominal value DKK 0.08 each in STENOCARE A/S to private and institutional investors in Denmark and Sweden. Fully subscribed, the Rights Issue will raise proceeds of up to **DKK 29.8 million**. Reservation has been made for a further subscription of 750,000 New Shares corresponding to **DKK 15.0 million** (the Oversubscription Reserve) on same terms as the Rights Issue with allocation preference granted to Existing Shareholders but without need for Subscription Rights. The Oversubscription reserve will be activated in case of cash subscription in excess of the Rights Issue, to avoid a repetition of the situation experienced at the Company's first IPO where a large number of subscribers had to be rejected due to lack of shares in the IPO issue at that time. Combined, the Rights Issue and the Oversubscription Reserve form the Offering. Fully subscribed, the Offering will raise gross proceeds of DKK 44.8 million and net proceeds of DKK 41.5 million.

The Subscription Price is DKK 20.00 per Offer Share. The shareholders will have preferential rights to subscribe for New Shares in relation to the number of Existing Shares they own at the end of the Record Date on 26 May 2020. For each Existing Share, one subscription right will be obtained. Six (6) Subscription Rights entitle the holder to subscribe for one (1) Offer Share. Subscription can also be made without the support of Subscription Rights.

For every three (3) New Shares subscribed for, the subscriber receives one (1) Bonus Share (1:3) adding up to four (4) shares in total. The Bonus Shares are existing shares, delivered by the Founders of STENOCARE free of charge. This translates into a total **discount of 25%** on the Subscription Price. The Bonus Shares will be delivered in a separate transfer after the subscription for New Shares. Important clarification (for the avoidance of doubt): Please be informed, that the "Bonus Shares" in this Issue are existing shares that are surrendered by and transferred from the Founders to the subscribers that receive allocation in the Issue. Bonus Shares do not constitute a Bonus Share issuance as understood in the Danish Companies Act (§165).

The Subscription Period is from 27 May at 9:00 to 11 June 2020 at 17:00 Danish time, inclusive. STENOCARE has one class of shares only, and the New Shares are identical with Existing Shares. At full subscription including the Oversubscription Reserve, the Company's share capital will increase by DKK 179,236.83 from DKK 715,420.96 to DKK 894,657.79, and the number of shares will increase by 2,240,460 from 8,942,762 to 11,183,222, corresponding to a dilution of 20% for existing shareholders who decide not to participate in the Offering. In the event of full cash subscription, a further 448,927 New Shares may be issued on the same terms as part of a separate debt conversion. This would lead to an aggregate dilution of up to 23%. Shareholders have the opportunity to sell their Subscription Rights to receive compensation for the dilution.

The Offering is pre-subscribed corresponding to 58% of the Rights Issue. This is established by way of pre-subscribers who have entered into a binding agreement to subscribe in cash for New Shares of a total amount of DKK 8.3 million. This includes cash subscription by the Founders of DKK 2.2 million. Pre-subscribers will receive an allotment of all New Shares subscribed for in connection with the allotment of New Shares under the Offering. In addition, existing loans of DKK 9.0 million will be converted within the Offering as much as possible or, to the extent that there is no room for conversion within the Offering, as an addition to the Offering. The combined and already secured presubscription of DKK 17.3 million also represents the minimum subscription of the Issue.

STENOCARE has been approved for admission to trading Nasdaq First North Growth Market Denmark (operated by Nasdaq Copenhagen A/S) with the first day of trading on 18 May 2020 under the symbol "STENO" and will be delisted from Spotlight Stock Market with the last day of trading on 15 May 2020. New Shares are expected to commence trading on 24 June 2020 after registration of the related capital increase with the Danish Business Authority. The New Shares will be delivered electronically against payment under the temporary ISIN code DK0061272317 to the investors' accounts with VP SECURITIES A/S ("VP Securities"). The temporary ISIN code will be replaced by the permanent ISIN code DK0061078425.

This Prospectus has been prepared under Danish law and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any of the New Shares in any jurisdiction outside Denmark and Sweden to any person to whom it would be unlawful to make such an offer in such a jurisdiction. The New Shares have not been and will not be registered under the U.S. Securities Act and are only being offered and sold outside the United States in compliance with Regulation S. The distribution of this Prospectus and the Offering of the New Shares in certain jurisdictions are restricted by law. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about and observe such restrictions. This Prospectus may not be distributed or otherwise made available outside Denmark or Sweden unless such distribution is in accordance with the legal requirements applicable in the relevant jurisdiction. Potential investors are advised to examine all risks and legal claims described in the Prospectus that may be relevant in connection with an investment in STENOCARE Shares. Reference is made to Section 3 "Risk factors" for a review of some of the risk factors that potential investors should consider before investing in STENOCARE Shares.

The date of this Prospectus is 11 May 2020.

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**IMPORTANT: LAST TWO PAGES INCLUDE
CONTACT INFORMATION
>> THE STENOCARE SUBSCRIPTION FORM <<**

INFORMATION INCORPORATED BY REFERENCE

The additional information explicitly listed below has been incorporated by reference into this Prospectus pursuant to article 19 of the Prospectus Regulation.

Disclosure element reference – 2019 Annual Report

(<https://mb.cision.com/Public/17551/3062037/b084baa2f883e6fe.pdf>)

- Management review pages 13-18
- Independent auditor's report pages 19-22
- Financial information and notes pages 23-41

Disclosure element reference – 2017/18 Annual Report

(<https://STENOCARE.dk/cgi-files/mdmgfx/file-1092-597022-17931.pdf>)

- Management review pages 13-17
- Independent auditor's report pages 18-20
- Financial information and notes pages 19-36

Disclosure element reference – 2020 Q1 Report

(<https://stenocare.com/investor-relations/announcements/OFA3E6186546FCEF/>)

THIS PROSPECTUS AND SUBSCRIPTION INFORMATION CAN BE ACCESSED HERE:

Company's website: <https://stenocare.com/investor-relations/share-issue-2020/>

Nasdaq First North Growth Market Denmark 's website: <http://www.nasdaqomxnordic.com/aktier>

Gemstone Capital's website: www.gemstonecapital.com/STENOCARE

SUMMARY – English, Swedish and Danish

Guidance: The Summary covers 6 pages per language version, English, Swedish and Danish. The Summary follows the information requirements and structure set out for an EU Growth Prospectus. The content is numbered in sections 1-4 and items 1.1-4.3. However, in cases where it is not relevant to provide information, the item is replaced by a brief description or an indication of 'not applicable'.



SUMMARY – IN ENGLISH

SUMMARY - Section 1: Introduction	
1.1: Name and ISIN of the Securities	All Shares in STENOCARE A/S are issued under ISIN code DK0061078425.
1.2: Identity and contact details of the Issuer	The Issuer is STENOCARE A/S (CVR 39024705). The address of the Issuer is Nyholmsvej 4, 8930 Randers, Denmark. The legal entity identifier (LEI) code is: 549300NCH67H3GA28R82.
1.3: Identity and contact details of the competent authority that approved the Prospectus	This Prospectus has been approved by the Danish Financial Supervisory Authority (in Danish: Finanstilsynet) as the competent authority under the Prospectus Regulation. The address of the Danish Financial Supervisory Authority is Århusgade 110, 2100 Copenhagen Ø, Denmark – and may also be contacted by telephone (+45 33558282) or email (finansstilsynet@ftnet.dk).
1.4: Date of approval of the EU Growth Prospectus	This Prospectus was approved by the Danish Financial Supervisory Authority on 11 May 2020.
1.5: Warnings	This Summary should be read as an introduction to this Prospectus. Any decision to invest in the New Shares should be based on consideration of this Prospectus as a whole by the investor. The investor could lose all or part of the invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor may, under national law, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons listed in Section 1.2 who have tabled the Summary, including any translation hereof, but only where the Summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus, or where it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the New Shares.
SUMMARY - Section 2: Key information on the Issuer	
2.1: Who is the Issuer of the Securities?	<p>The Company: STENOCARE A/S is a Danish public limited liability company incorporated in Denmark and operating under Danish law. STENOCARE was founded in 2017 and is a first mover in Medical Cannabis under the Danish Pilot Programme that commenced on 1 January 2018. STENOCARE was the first pure licensed provider of Medical Cannabis company to list in Europe, when it was first admitted to trading on Spotlight Stock Market on 26 October 2018.</p> <p>Financial performance: As the first Medical Cannabis provider under the Pilot Programme, STENOCARE reached profitability on a monthly basis towards the end of 2018 and in all of Q1-19, but was forced to suspend operations and temporarily withdraw its products from Q2-19 due to termination of its supplier agreement. Sales and international expansion will be resumed as soon as new products from its new suppliers have been approved by the Danish Medicines Agency (DMA). Due in part to compensation agreed with the previous supplier, the entire financial year 2019 saw a profit before tax of about DKK 2.2 million and a positive EBITDA of DKK 4.4 million.</p> <p>Assets: STENOCARE has collected a number of valuable assets in four categories: 1: Commercial assets (the first and, so far, only supplier of Medical Cannabis oil under the Pilot Programme with sales to 2,000 patients and distribution agreements in place with both leading wholesalers), 2: Regulatory assets (the first to receive all relevant licences from the DMA), 3: Supply chain assets (the first to receive products from an approved supplier and replacement of suppliers in progress), and 4: Strategic partnership (assets) in order to co-develop advanced Medical Cannabis products.</p> <p>Management: STENOCARE is managed by its three Founders, Thomas Schnegelsberg (CEO), Rolf Steno (CCO) and Søren Kjær (COO) along with Peter Bugge Johansen (CFO).</p> <p>Major Shareholders: The table below shows STENOCARE's Major Shareholders before and after the issue, assuming full subscription. To the best of STENOCARE's knowledge, the Company is not directly or indirectly owned or controlled by any other natural or legal person.</p>

	<table><tr><th>Name/1,000s of shares</th><th>Existing Shares*)</th><th>Pre-subscrip-tion</th><th>Minus Bonus Shares **)</th><th>Shares held after issue</th><th>Owner-ship after issue %</th></tr><tr><td>STENO Group IVS¹</td><td>1,917,303</td><td>41,348</td><td>- 354,262</td><td>1,604,390</td><td>13.8%</td></tr><tr><td>Prana Holding ApS²</td><td>1,690,482</td><td>35,442</td><td>- 303,654</td><td>1,422,270</td><td>12.2%</td></tr><tr><td>MS Kjær Holding ApS³</td><td>1,645,027</td><td>35,442</td><td>- 303,654</td><td>1,376,815</td><td>11.8%</td></tr></table> <p>*) one class of shares; one share, one vote. **) at full subscription Owned by: ¹Family of Rolf Steno, ²Thomas Schnegelsberg and spouse, ³Søren Kjær and spouse. Auditors: STENOCARE's independent auditors are Beierholm Statsautoriseret Revisionspartnerselskab (CVR no. 32895468).</p>	Name/1,000s of shares	Existing Shares*)	Pre-subscrip-tion	Minus Bonus Shares **)	Shares held after issue	Owner-ship after issue %	STENO Group IVS ¹	1,917,303	41,348	- 354,262	1,604,390	13.8%	Prana Holding ApS ²	1,690,482	35,442	- 303,654	1,422,270	12.2%	MS Kjær Holding ApS ³	1,645,027	35,442	- 303,654	1,376,815	11.8%																																																																		
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2.2: What is the key financial information regarding the Issuer?	<p>Financial highlights:</p> <p>The table below shows selected financial information for STENOCARE A/S for the period ended 31 December for the financial years 2019 and 2018. The figures for STENOCARE A/S have been extracted from the audited financial statements as at 31 December 2019, prepared in accordance with the Danish Financial Statements Act, and the audited comparable numbers covering all of 2018, respectively. Also included is similar information for Q1 2020 and 2019 which is extracted from the unaudited Q1 2020 report of STENOCARE A/S</p> <table><tr><th>DKK '000</th><th>2019</th><th>2018</th><th>Q1 2020</th><th>Q1 2019</th></tr><tr><td>Net sales</td><td>4,942</td><td>4,145</td><td>93</td><td>4,317</td></tr><tr><td>EBITDA</td><td>4,417*</td><td>-3,591</td><td>-2,626</td><td>1,525</td></tr><tr><td>Profit/loss before tax</td><td>2,246</td><td>-3,605</td><td>-3,579</td><td>1,530</td></tr><tr><td>Year-on-year sales growth</td><td>19%</td><td>n/a</td><td>n/a</td><td>n/a</td></tr><tr><td>Operating profit margin (EBITDA)</td><td>89%</td><td>-86%</td><td>n/a</td><td>35%</td></tr><tr><td>Fixed assets</td><td>8,844</td><td>25</td><td>15,423</td><td>532</td></tr><tr><td>Total assets</td><td>31,608</td><td>21,711</td><td>28,100</td><td>23,805</td></tr><tr><td>Equity</td><td>13,475</td><td>20,472</td><td>10,646</td><td>21,677</td></tr><tr><td>Net financial position (cash/debt)</td><td>5,613</td><td>18,147</td><td>-5,700</td><td>17,408</td></tr><tr><td>Cash flow from operating activities</td><td>-2,545</td><td>-5,574</td><td>-3,785</td><td>-231</td></tr><tr><td>Cash flow from investing activities</td><td>-8,877</td><td>-27</td><td>-6,614</td><td>-508</td></tr><tr><td>Cash flow from financing activities</td><td>15,000</td><td>23,748</td><td>0</td><td>0</td></tr></table> <p>Key Performance Indicators (KPIs):</p> <p>Management has identified net sales, EBITDA margin and earnings per share as the financial KPIs:</p> <table><tr><th></th><th>2019</th><th>2018</th><th>Q1 2020</th><th>Q1 2019</th></tr><tr><td>1. Net sales (1,000DKK)</td><td>4,942</td><td>4,145</td><td>93</td><td>4,317</td></tr><tr><td>2. EBITDA (1,000DKK)</td><td>4,417*</td><td>-3,591</td><td>-2,626</td><td>1,525</td></tr><tr><td>3. EBITDA margin</td><td>89%</td><td>-86%</td><td>n/a</td><td>35%</td></tr><tr><td>4. Earnings per share (DKK)</td><td>0.19</td><td>-0.47</td><td>-0.32</td><td>0.13</td></tr></table> <p>*) Including value of compensation received from previous supplier Re 1) Net sales is defined as income from sales of goods if delivery has taken place and the risk has passed to the buyer before the end of the financial year. Net sales are measured at invoiced value and are determined exclusive of VAT and other taxes. Re 2) EBITDA is earnings before interest, tax, depreciation and amortisation. Re 3) The EBITDA margin is calculated as gross earnings (EBITDA) divided by revenue. Re 4) Earnings per share are net profit for the period divided by the average number of shares for the period.</p>	DKK '000	2019	2018	Q1 2020	Q1 2019	Net sales	4,942	4,145	93	4,317	EBITDA	4,417*	-3,591	-2,626	1,525	Profit/loss before tax	2,246	-3,605	-3,579	1,530	Year-on-year sales growth	19%	n/a	n/a	n/a	Operating profit margin (EBITDA)	89%	-86%	n/a	35%	Fixed assets	8,844	25	15,423	532	Total assets	31,608	21,711	28,100	23,805	Equity	13,475	20,472	10,646	21,677	Net financial position (cash/debt)	5,613	18,147	-5,700	17,408	Cash flow from operating activities	-2,545	-5,574	-3,785	-231	Cash flow from investing activities	-8,877	-27	-6,614	-508	Cash flow from financing activities	15,000	23,748	0	0		2019	2018	Q1 2020	Q1 2019	1. Net sales (1,000DKK)	4,942	4,145	93	4,317	2. EBITDA (1,000DKK)	4,417*	-3,591	-2,626	1,525	3. EBITDA margin	89%	-86%	n/a	35%	4. Earnings per share (DKK)	0.19	-0.47	-0.32	0.13
DKK '000	2019	2018	Q1 2020	Q1 2019																																																																																							
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1. Net sales (1,000DKK)	4,942	4,145	93	4,317																																																																																							
2. EBITDA (1,000DKK)	4,417*	-3,591	-2,626	1,525																																																																																							
3. EBITDA margin	89%	-86%	n/a	35%																																																																																							
4. Earnings per share (DKK)	0.19	-0.47	-0.32	0.13																																																																																							
2.3: What are the key risks that are specific to the Issuer?	<p>The risks that apply to STENOCARE as a company include - but are not limited to - the following (for a more elaborate reference, please read Section 3 carefully):</p> <p>Sales & Market:</p> <p>Risk relating to the fact that only two customers (leading wholesalers) account for all STENOCARE's total operating income in Denmark. STENOCARE is dependent on wholesalers making STENOCARE's products available to pharmacies and hospitals.</p> <p>Risk of overoptimistic market sizing forecasts for the future. The sales potential of STENOCARE is dependent upon the regulatory constraints, the competitive environment and the speed with which other countries legalise the use of Medical Cannabis, allowing STENOCARE to grow internationally.</p>																																																																																										

	<p>Risk that the supplier cannot supply products. STENOCARE is sourcing finished Medical Cannabis products from suppliers that cultivate and produce in their own facilities. Risk could be lack of volume or non-compliance with regulatory requirements.</p> <p>Competitors: Risk that products from one or more competitors will result in worsening sales or worsening revenue opportunities for STENOCARE.</p> <p>Regulatory framework: Risk that STENOCARE will not receive the necessary permits from the DMA for its manufactured and imported products, even though STENOCARE is one of only three companies to date to have obtained a licence to sell imported products. Risk that the Medical Cannabis Pilot Programme may not turn out well and that cannabis after the four-year programme is no longer legal for medical use in Denmark. In such case, STENOCARE's future revenue opportunities may be wholly or partly absent in the Danish market, certain investments in Denmark may have to be written off and STENOCARE's headquarter could be moved to one of the subsidiaries in Europe. In addition, the Company is required to operate in accordance with national legislation in each market in which it is present. Future changes in legislation concerning cannabis, in any particular market, may render the Company's operations in that market illegal. Were the Company to continue to operate in that market, it would trigger a reassessment of the Company's suitability to continue to be admitted to trading on Nasdaq First North Growth Market Denmark.</p> <p>Company resources risk: Risk that STENOCARE's own cultivation facility is hampered by construction failure or delays or cancelled by inability to produce consistent quality or by not being able to obtain the necessary licences from the DMA in relation to complete own production. Risk that a loss of key employees would have adverse consequences for STENOCARE's business operations and its financial performance. STENOCARE's key employees currently consist of the CEO, COO, CCO and CFO, who possess critical insight for the operation and development of STENOCARE.</p> <p>Financial and legal risks: STENOCARE's capital needs may increase as a result of the execution of STENOCARE's investment plans relating to product, production and market development. In the event of lack of funding, there will be a risk that STENOCARE will need extra capital and/or must revise its development plans significantly. The medical effects of Medical Cannabis are not evidenced as known from classic pharmaceuticals. Given that STENOCARE sells Medical Cannabis products, there is a risk that product liability will affect STENOCARE negatively, both in terms of reputation and financially.</p>
SUMMARY - Section 3: Key information on the Securities	
<p>3.1: What are the main features of the Securities?</p>	<p>Main features of the Securities The Offering is a combination of cash subscription for up to 2,240,460 New Shares in total (1,490,460 in the Rights Issue and up to a further 750,000 in the Oversubscription Reserve) and issue of additional New Shares against debt conversion of up to 448,927 New Shares. The maximum number of New Shares as a result of the Issue is 2,689,387. All Shares are denominated in Danish kroner (DKK). As of the Prospectus Date, STENOCARE's registered share capital is DKK 715,420.96 and the number of Existing Shares is 8,942,762. All Existing Shares are issued and paid up in full, and the shares are not divided into share classes.</p> <hr/> <p>Rights attached to the New Shares The New Shares have the same rights as the Existing Shares, including equal voting rights (one share, one vote), pre-emptive rights, redemption, conversion and restrictions or limitations according to the Issuer's Articles of Association. Similarly, the New Shares are equally entitled to receive dividends or proceeds in the event of dissolution or liquidation. To date, STENOCARE has not paid any dividends to shareholders. STENOCARE is in a development phase and any profit is primarily planned for investment in the development of STENOCARE.</p>

	Price per share	DKK 20.00 per share
	Pre-emptive rights (1:6)	All Existing Shareholders at the end of the Record date will receive Subscription Rights (1 per share). Six (6) Subscription Rights are required to subscribe for one New share in the Issue.
	Bonus Shares (1:3)	For every three (3) New Shares subscribed for, subscribers receive one Bonus Share free of charge from the Founders adding up to four (4) shares in total. This corresponds to an increment of 33% and a general discount of 25%. Please see Section 5.4 for elaboration. Important clarification (for the avoidance of doubt): Please be informed, that the “Bonus Shares” in this Issue are existing shares that are surrendered by and transferred from the Founders to the subscribers that receive allocation in the Issue. Bonus Shares do <u>not</u> constitute a Bonus Share issuance as understood in the Danish Companies Act (§165).
	Pre-money valuation	DKK 178.9 million calculated as 8,942,762 shares at DKK 20.00 per share. Valuation applies before as well as after Bonus Share allocation as Bonus Shares are existing shares, leading to a non-dilutive discount in favour of the subscribers.
	Pre-subscription which is the minimum size of the Rights Issue.	The total pre-subscription is DKK 17.3 million or 58%. This includes: a) <u>Cash subscription</u> : Pre-subscription amounts to DKK 8.3 million in cash (corresponding to 414,531 shares) including cash pre-subscription from Founders of DKK 2.2 million. In the event of minimum subscription only (i.e. zero public subscription) the cash proceeds would be around 6.3mdkk net after cost. b) <u>Guaranteed loan conversion</u> : Existing loan-holders have guaranteed to subscribe by way of conversion for DKK 9.0 million (corresponding to 448,928 shares). This conversion will be exercised as a separate capital increase to the extent that cash subscription does not leave room for conversion within the Issue.
	Period of trading in Subscription Rights	First day: 25 May 2020 Last day: 09 June 2020
	Subscription Period	First day of subscription: 27 May 2020 from 9.00 Danish time Last day of subscription: 11 June 2020 ending 17.00 Danish time
	Total proceeds at full subscription	DKK 44.8 million gross (including Oversubscription Reserve of DKK 15 million) and DKK 41.5 million net after cost.
	Total cost of the Issue	Approximately DKK 3.3 million (7.4%) at full subscription.
	Admission for trading on Nasdaq First North Growth Market Denmark	STENOCARE will be delisted from Spotlight Stock Market and admitted to trading on Nasdaq First North Growth Market Denmark. The share is unchanged and carries the same stock ticker: [STENO] and permanent ISIN code: DK0061078425 in VP Securities.
	Temporary ISIN codes	Temporary Shares: DK0061272317 (not traded, will solely be used to subscribe for the New Shares). Subscription Rights: DK0061272234 (traded, no value if unused).
3.2: Where will the Securities be traded?	Until and including 15 May 2020, the Existing Shares are traded on Spotlight Stock Market. STENOCARE's Existing Shares will commence trading on Nasdaq First North Growth Market Denmark on 18 May 2020 under the same ticker STENO and ISIN number DK0061078425.	

3.3: Is any guarantee attached?	No guarantee is attached to the Securities.																																				
3.4: What are the key risks that are specific to the Securities?	<p>The risks that apply to the STENOCARE Securities include but are not limited to the following (for a more elaborate reference, please read Section 3 carefully):</p> <p>Psychological factors: The Medical Cannabis industry and market is still young and maturing. There is a risk that market projections are too high or that they are realised later than expected. This can influence STENOCARE's revenue and operating profit.</p> <p>Public trading of shares: There is a risk that liquidity in the STENOCARE share will fall and that shareholders will not be able to divest their shares or can only divest their shares at a loss. As has been seen since the IPO, there is also a risk that the price of the shares will be subject to significant fluctuations.</p> <p>Dependencies: There is a risk that STENOCARE's share price will be influenced by general movements in share prices and indices relating to the international, and particularly the North American cannabis industry and specific companies in particular.</p>																																				
SUMMARY - Section 4: Key information on the offer of Securities to the public																																					
4.1: Under which conditions and timetable can I invest in this security?	<table> <tr> <th>Expected timetable of the offer:</th><th>Date/period</th></tr> <tr> <td>Publication of the Issue and Company press release</td><td>11 May 2020</td></tr> <tr> <td>Last day of trading in Spotlight Stock Market</td><td>15 May 2020</td></tr> <tr> <td>First day of trading on Nasdaq First North Growth Market Denmark</td><td>18 May 2020</td></tr> <tr> <td>Last day of trading of Existing Shares with Subscription Rights</td><td>20 May 2020</td></tr> <tr> <td>Ex Date: First day of trading of STENOCARE's Existing Shares without the right to receive Subscription Rights</td><td>25 May 2020</td></tr> <tr> <td>Trading of Subscription Rights begins</td><td>25 May 2020</td></tr> <tr> <td>Record Date: The date when allocation of Subscription Rights is determined</td><td>26 May 2020</td></tr> <tr> <td>Offer Period starts</td><td>27 May 2020</td></tr> <tr> <td>Trading of Subscription Rights ends</td><td>09 June 2020</td></tr> <tr> <td>Unused Subscription Rights will be invalid from the end of the Offer Period</td><td>11 June 2020</td></tr> <tr> <td>Offer Periods ends</td><td>11 June 2020</td></tr> <tr> <td>Publication of result of Offer Period (incl. New Shares and pre-allotment)</td><td>15 June 2020</td></tr> <tr> <td>Completion of Offering (incl. settlement of New Shares)</td><td>18 June 2020</td></tr> <tr> <td>Registration of Share Capital increase with the Danish Business Authority</td><td>18 June 2020</td></tr> <tr> <td>First day of trading of New Shares on Nasdaq First North Growth Market Denmark</td><td>24 June 2020</td></tr> <tr> <td>Transfer of Bonus Shares</td><td>24 June 2020</td></tr> <tr> <td>Allotted Temporary Shares are switched in VP Securities' systems from the temporary ISIN code to the permanent ISIN code</td><td>25 June 2020</td></tr> </table> <p>How to subscribe Most banks notify their customers when Rights Issues of shares held by their customers are published. Shareholders should follow the instructions given by their bank. New subscribers should also seek to subscribe through their bank. Subscription can also be made without Subscription Rights. Such subscriptions must also be registered through the bank of the investor by using the special subscription form for subscription without rights as provided at https://stenocare.com/investor-relations/share-issue-2020/ and as the last page of this Prospectus.</p> <p>Allotment of New Shares In the event that the total cash subscription exceeds the number of New Shares available in the Rights Issue, then subscribers with rights will receive their New Shares first. Secondly, the Oversubscription reserve will be activated with preference for Existing Shareholders and thirdly, all other subscribers (without Subscription Rights) will receive a pro-rata allotment or allotment based on a formula to be decided by the Board of Directors, with a view to securing as many subscribers as possible.</p>	Expected timetable of the offer:	Date/period	Publication of the Issue and Company press release	11 May 2020	Last day of trading in Spotlight Stock Market	15 May 2020	First day of trading on Nasdaq First North Growth Market Denmark	18 May 2020	Last day of trading of Existing Shares with Subscription Rights	20 May 2020	Ex Date: First day of trading of STENOCARE's Existing Shares without the right to receive Subscription Rights	25 May 2020	Trading of Subscription Rights begins	25 May 2020	Record Date: The date when allocation of Subscription Rights is determined	26 May 2020	Offer Period starts	27 May 2020	Trading of Subscription Rights ends	09 June 2020	Unused Subscription Rights will be invalid from the end of the Offer Period	11 June 2020	Offer Periods ends	11 June 2020	Publication of result of Offer Period (incl. New Shares and pre-allotment)	15 June 2020	Completion of Offering (incl. settlement of New Shares)	18 June 2020	Registration of Share Capital increase with the Danish Business Authority	18 June 2020	First day of trading of New Shares on Nasdaq First North Growth Market Denmark	24 June 2020	Transfer of Bonus Shares	24 June 2020	Allotted Temporary Shares are switched in VP Securities' systems from the temporary ISIN code to the permanent ISIN code	25 June 2020
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	<p>Dilution resulting from the offer</p> <p>The Offering, at full subscription including the Oversubscription Reserve, will result in an increase in the total number of Shares in the Company by 2,240,460 to 11,183,222 shares, corresponding to a maximum dilution of up to 20% percent. In the event of full subscription, the loan conversion will cause up to an additional 448,927 New Shares to be issued and an increase in the total dilution to 23%.</p> <p>Estimate of total expenses of the offer</p> <p>Assuming completion of the Offering and full subscription for the New Shares, the fees related to the transaction (including advisers' fees and expenses) are estimated to be approximately DKK 3.3 million. No costs are imposed on investors by STENOCARE. However, investors will pay customary transaction and handling fees required by their account-holding banks.</p> <p>Restricted distribution</p> <p>This Offering is directed at Existing Shareholders and subsequently the public markets in Denmark and Sweden, and this Prospectus may not be distributed or otherwise made available outside Denmark or Sweden unless such distribution is in accordance with the legal requirements applicable in the relevant jurisdiction.</p>
<p>4.2: Why has this Prospectus been produced?</p>	<p>Purpose:</p> <p>This Prospectus has been prepared in connection with the STENOCARE A/S' application for approval of admission to trading on Nasdaq First North Growth Market Denmark and its subsequent Rights Issue.</p> <p>Background:</p> <p>STENOCARE A/S has successfully completed its STENOCARE 1.0 Strategy, which was announced and explained in the IPO Memorandum from 2018. With this, STENOCARE has created a strong foundation for the next phase in its growth plan, called STENOCARE 2.0. This foundation consists of commercial, supply chain, regulatory and partnership assets that are described in detail in Section 2 of this Prospectus. The STENOCARE 2.0 Strategy is about establishing STENOCARE as a leading European brand in high quality (pharma-grade) Medical Cannabis. The quest is about gaining a fair share of the European Medical Cannabis market that is predicted to grow to become a multi-billion-euro market in the coming years.</p> <p>Use of funds:</p> <p>STENOCARE enjoyed profitability through 2019 and has cash in the bank to support its basic operation for 12 months or more. The purpose of the Issue is to fund the best possible roll-out of the 2.0 Strategy. Provided that the Offering is fully subscribed, the use of funds will be shared between a) 40% for building further commercial assets (setting up in a range of new countries with local licences and distribution of own branded products, including cash reserve); b) 10% to develop strategic partnership assets (development of advanced formulations and products that can raise the bar in terms of medical effect and precision; and lastly c) 50% for establishment of own pharma-grade production and extraction at scale. However, based on the minimum subscription under the Issue, the Company will have sufficient working capital available for its planned business for at least 12 months following the first day of trading on Nasdaq First North Growth Market Denmark.</p> <p>Advisers:</p> <p>Keswick Global is appointed as Certified Adviser. The Law Firm of Lund Elmer Sandager is legal adviser to STENOCARE. Gemstone Capital is general adviser to STENOCARE.</p> <p>Declaration of interest:</p> <p>Both Keswick Global and Gemstone Capital are paid a predetermined fee for services rendered in connection with the Offering. The Certified Adviser, Keswick Global AG, does not hold shares or the right to acquire shares in the Company. Gemstone Capital holds shares and warrants in STENOCARE amounting to less than one percent of the Existing Shares. Apart from that, no conflicts of interests are deemed to exist among the parties.</p>
<p>4.3: Who is the Offeror applying for admission to trading?</p>	<p>Not relevant. The Issuer is identical to the Offeror of the New Shares, also referred to as the "Company" and "STENOCARE".</p>

SUMMARY IN SWEDISH

Sammanfattning – Avsnitt 1: Introduktion	
1.1: Värdepapperens namn och ISIN-kod	Alla aktier i STENOCARE A/S emitteras under ISIN-kod DK0061078425.
1.2: Emittentens identitet och kontaktuppgifter	Emittent är STENOCARE A/S (CVR 39024705). Emittentens adress är Nyholmsvej 4, 8930 Randers, Danmark. LEI-kod: 549300NCH67H3GA28R82.
1.3: Behörig myndighet som godkände prospektet samt kontaktuppgifter	Prospektet har godkänts av den finansiella tillsynsmyndigheten i Danmark, Finanstilsynet, som är behörig myndighet enligt den danska prospektförordningen (<i>prospektforordningen</i>). Finanstilsynets adress är Århusgade 110, 2100 København Ø, Danmark. Finanstilsynet kan även kontaktas via telefon (+45 33558282) eller e-post (finansstilsynet@ftnet.dk).
1.4: Datum för godkännande av EU Growth Prospectus	Prospektet godkändes av Finanstilsynet den 11 maj 2020.
1.5: Varningar	Denna sammanfattning bör läsas som en introduktion till Prospektet. Varje beslut om att investera i de nya aktierna ska baseras på en bedömning av Prospektet i sin helhet från investerarens sida. Investeraren kan förlora hela eller en del av det investerade kapitalet. Om yrkande avseende informationen i Prospektet anförs vid domstol kan den investerare som är kärande enligt nationell lagstiftning bli tvungen att svara för kostnaderna för översättning av Prospektet innan de rättsliga förfarandena inleds. Civilrättsligt ansvar kan endast åläggas de personer som listas i avsnitt 1.2 som framställt sammanfattningen, inklusive översättningar därav, men endast om sammanfattningen är vilseledande, felaktig eller oförenlig med andra delar av Prospektet, eller om den inte, läst tillsammans med andra delar av Prospektet, ger nyckelinformation som kan hjälpa investerare i övervägandet att investera i de nya aktierna.
SAMMANFATTNING – Avsnitt 2: Nyckelinformation om Emittenten	
2.1: Vem är emittent av värdepapperen?	<p>Bolaget: STENOCARE A/S är ett publikt aktiebolag registrerat i Danmark och som lyder under dansk rätt. STENOCARE grundades 2017 och är ett av de första företagen inom det danska pilotprogrammet för medicinsk cannabis som inleddes den 1 januari 2018. STENOCARE var det första företaget med licens att leverera medicinsk cannabis som bör noterades i Europa, och första handel skedde på Spotlight Stock Market den 26 oktober 2018.</p> <p>Finansiell utveckling: Som första leverantör av medicinsk cannabis inom pilotprogrammet nådde STENOCARE lönsamhet på månadsbasis mot slutet av 2018 och hela första kvartalet 2019. Dock tvingades Bolaget stänga ned verksamheten och återkalla sina produkter från andra kvartalet 2019 på grund av uppsägning av leverantörsavtalet. Försäljningen och den internationella expansionen kommer att återupptas så snart nya produkter från de nya leverantörerna har godkänts av det danska läkemedelsverket (Lægemedelstyrelsen). Delvis på grund av ersättning som överenskommits med den tidigare leverantören uppgick resultatet före skatt för räkenskapsåret 2019 i sin helhet till cirka 2,2 MDKK och EBITDA var positiv med 4,4 MDKK.</p> <p>Tillgångar: STENOCARE har samlat ett antal värdefulla tillgångar i fyra kategorier: 1: Kommersiella tillgångar (den första och hittills enda leverantören av medicinsk cannabisolja inom pilotprogrammet med försäljning till 2 000 patienter och distributionsavtal med båda de ledande grossisterna), 2: Regulatoriska tillgångar (den första som fick alla relevanta licenser från Lægemedelstyrelsen), 3: Tillgångar i försörjningskedjan (den första som fick produkter från en godkänd leverantör; ersättning av leverantörer pågår) och 4: Strategiska samarbeten (tillgångar) för samutveckling av avancerade produkter inom medicinsk cannabis.</p> <p>Ledning: Ledningen för STENOCARE består av dess tre grundare, Thomas Schnegelsberg (CEO), Rolf Steno (CCO) och Søren Kjær (COO), samt Peter Bugge Johansen (CFO).</p> <p>Stora aktieägare: Tabellen nedan redovisar STENOCAREs stora aktieägare före och efter emissionen, om den fulltecknas. Såvitt STENOCARE känner till har ingen annan fysisk eller juridisk person direkt eller indirekt bestämmande inflytande över Bolaget.</p>

	<table><tr><th>Namn/tusen aktier</th><th>Befintliga aktier*)</th><th>Teckningsåtagande</th><th>Minus bonus-aktier**)</th><th>Aktier efter emissionen</th><th>Ägande efter emissionen %</th></tr><tr><td>STENO Group IVS¹</td><td>1 917 303</td><td>41 348</td><td>-354 262</td><td>1 604 390</td><td>13,8 %</td></tr><tr><td>Prana Holding ApS²</td><td>1 690 482</td><td>35 442</td><td>-303 654</td><td>1 422 270</td><td>12,2 %</td></tr><tr><td>MS Kjær Holding ApS³</td><td>1 645 027</td><td>35 442</td><td>-303 654</td><td>1 376 815</td><td>11,8 %</td></tr></table> <p>*) ett aktieslag; en aktie, en röst. **) vid full teckning Ägs av: ¹Rolf Stenos familj, ²Thomas Schnegelsberg med maka, ³Søren Kjær med maka. Revisorer: STENOCAREs oberoende revisorer är Beierholm Statsautoriseret Revisionspartnerselskab (CVR no. 32895468).</p>	Namn/tusen aktier	Befintliga aktier*)	Teckningsåtagande	Minus bonus-aktier**)	Aktier efter emissionen	Ägande efter emissionen %	STENO Group IVS ¹	1 917 303	41 348	-354 262	1 604 390	13,8 %	Prana Holding ApS ²	1 690 482	35 442	-303 654	1 422 270	12,2 %	MS Kjær Holding ApS ³	1 645 027	35 442	-303 654	1 376 815	11,8 %																																																																		
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2.2: Vilken finansiell nyckelinformation finns om Emittenten?	<p>Finansiella nyckeltal:</p> <p>Tabellen nedan visar utvald finansiell information för STENOCARE A/S för helåren 2019 och 2018. Siffrorna för STENOCARE A/S har hämtats från de reviderade finansiella rapporterna för helåret 2019 som upprättats i enlighet med den danska årsredovisningslagen (<i>årsregnskabsloven</i>), respektive de reviderade jämförelsetalen för hela 2018. Dessutom inkluderas samma information för första kvartalet 2020 samt 2019, vilken hämtats från STENOCARE A/S oreviderade delårsrapport för första kvartalet 2020.</p> <table><tr><th>Tusen DKK</th><th>2019</th><th>2018</th><th>Q1 2020</th><th>Q1 2019</th></tr><tr><td>Nettoomsättning</td><td>4 942</td><td>4 145</td><td>93</td><td>4,317</td></tr><tr><td>EBITDA</td><td>4 417*</td><td>-3 591</td><td>-2,626</td><td>1,525</td></tr><tr><td>Resultat före skatt</td><td>2 246</td><td>-3 605</td><td>-3,579</td><td>1,530</td></tr><tr><td>Årlig omsättningstillväxt</td><td>19 %</td><td>n/a</td><td>n/a</td><td>n/a</td></tr><tr><td>Rörelseresultatmarginal (EBITDA-marginal)</td><td>89 %</td><td>-86 %</td><td>n/a</td><td>35%</td></tr><tr><td>Anläggningstillgångar</td><td>8 844</td><td>25</td><td>15,423</td><td>532</td></tr><tr><td>Summa tillgångar</td><td>31 608</td><td>21 711</td><td>28,100</td><td>23,805</td></tr><tr><td>Eget kapital</td><td>13 475</td><td>20 472</td><td>10,646</td><td>21,677</td></tr><tr><td>Finansnetto (kassa/skuld)</td><td>5 613</td><td>18 147</td><td>-5,700</td><td>17,408</td></tr><tr><td>Kassaflöde från den löpande verksamheten</td><td>-2 545</td><td>-5 574</td><td>-3,785</td><td>-231</td></tr><tr><td>Kassaflöde från investeringsverksamheten</td><td>-8,877</td><td>-27</td><td>-6,614</td><td>-508</td></tr><tr><td>Kassaflöde från finansieringsverksamheten</td><td>15,000</td><td>23,748</td><td>0</td><td>0</td></tr></table> <p>Nyckeltal (KPI:er):</p> <p>Ledningen har identifierat nettoomsättning, EBITDA-marginal och resultat per aktie som finansiella KPI:er:</p> <table><tr><th></th><th>2019</th><th>2018</th><th>Q1 2020</th><th>Q1 2019</th></tr><tr><td>5. Nettoomsättning (1 000 DKK)</td><td>4 942</td><td>4 145</td><td>93</td><td>4,317</td></tr><tr><td>6. EBITDA (1 000 DKK)</td><td>4 417*</td><td>-3 591</td><td>-2,626</td><td>1,525</td></tr><tr><td>7. EBITDA-marginal</td><td>89 %</td><td>-86 %</td><td>n/a</td><td>35%</td></tr><tr><td>8. Resultat per aktie (DKK)</td><td>0,19</td><td>-0,47</td><td>-0.32</td><td>0.13</td></tr></table> <p>*) Inklusive värde av ersättning från tidigare leverantören Ang. 1) Nettoomsättning definieras som intäkter från försäljning av varor om leveransen ägt rum och risken överförts till köparen före räkenskapsårets slut. Nettoomsättningen värderas till fakturerat värde och fastställs exklusive moms och andra skatter. Ang. 2) EBITDA är lika med resultat före ränta, skatt, av- och nedskrivningar. Ang. 3) EBITDA-marginalen beräknas som bruttoresultat (EBITDA) dividerat med intäkter. Ang. 4) Resultat per aktie är lika med nettoresultatet för perioden dividerat med det genomsnittliga antalet aktier för perioden.</p>	Tusen DKK	2019	2018	Q1 2020	Q1 2019	Nettoomsättning	4 942	4 145	93	4,317	EBITDA	4 417*	-3 591	-2,626	1,525	Resultat före skatt	2 246	-3 605	-3,579	1,530	Årlig omsättningstillväxt	19 %	n/a	n/a	n/a	Rörelseresultatmarginal (EBITDA-marginal)	89 %	-86 %	n/a	35%	Anläggningstillgångar	8 844	25	15,423	532	Summa tillgångar	31 608	21 711	28,100	23,805	Eget kapital	13 475	20 472	10,646	21,677	Finansnetto (kassa/skuld)	5 613	18 147	-5,700	17,408	Kassaflöde från den löpande verksamheten	-2 545	-5 574	-3,785	-231	Kassaflöde från investeringsverksamheten	-8,877	-27	-6,614	-508	Kassaflöde från finansieringsverksamheten	15,000	23,748	0	0		2019	2018	Q1 2020	Q1 2019	5. Nettoomsättning (1 000 DKK)	4 942	4 145	93	4,317	6. EBITDA (1 000 DKK)	4 417*	-3 591	-2,626	1,525	7. EBITDA-marginal	89 %	-86 %	n/a	35%	8. Resultat per aktie (DKK)	0,19	-0,47	-0.32	0.13
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2.3: Vilka är de största riskerna som är specifika för Emittenten?	<p>De risker som STENOCARE är utsatt för som företag är bland annat, men begränsas inte till, följande (för mer uttömmande information läs avsnitt 3 noggrant):</p> <p>Försäljning och marknad:</p> <p>Risken som det innebär att endast två kunder (ledande grossister) står för STENOCAREs totala rörelseintäkter i Danmark. STENOCARE är beroende av att grossisterna gör STENOCAREs produkter tillgängliga för apotek och sjukhus.</p> <p>Risken för alltför optimistiska prognoser av framtida marknadsstorlek. STENOCAREs försäljningspotential är beroende av regulatoriska begränsningar, konkurrensmiljön och den</p>																																																																																										

hastighet med vilken andra länder legaliserar användningen av medicinsk cannabis, så att STENOCARE kan växa internationellt.

Risken för att leverantören inte kan tillhandahålla produkter. STENOCARE köper färdiga produkter inom medicinsk cannabis från leverantörer som odlar och producerar i sina egna anläggningar. Det finns en risk för otillräckliga volymer eller bristande efterlevnad av regulatoriska krav.

Konkurrenter:

Risken för att produkter från en eller flera konkurrenter kommer att leda till sämre försäljning eller färre intäktsmöjligheter för STENOCARE.

Regulatoriskt regelverk:

Risken för att STENOCARE inte kommer att erhålla nödvändiga tillstånd från Lægemiddelstyrelsen för sina egentillverkade och importerade produkter, även om STENOCARE är en av endast tre företag hittills som har licens att sälja importerade produkter.

Risken för att pilotprogrammet för medicinsk cannabis inte faller väl ut och att cannabis efter fyraårsprogrammet inte längre är tillåtet för medicinskt bruk i Danmark. I sådana fall kan STENOCAREs framtida intäktsmöjligheter helt eller dels försvinna från den danska marknaden, vissa investeringar i Danmark kanske måste skrivas av och STENOCAREs huvudkontor kanske flyttas till ett av dotterbolagen i Europa. Dessutom måste Bolaget driva verksamheten i enlighet med nationell lagstiftning på de marknader där man verkar. Framtida lagändringar gällande cannabis på en viss marknad kan leda till att Bolagets verksamhet på den marknaden blir olaglig. Om Bolaget skulle fortsätta med sin verksamhet på den marknaden skulle det ifrågasätta lämpligheten i att Bolagets aktier fortsätter att handlas på Nasdaq First North Growth Market Denmark.

Risker som förknippas med Bolagets resurser:

Risken för att STENOCAREs egen odlingsanläggning drabbas av konstruktionsfel eller förseningar eller läggs ned på grund av oförmåga att producera enhetlig kvalitet eller oförmåga att erhålla nödvändiga licenser från Lægemiddelstyrelsen avseende den egna produktionen.

Risken för att en förlust av nyckelmedarbetare kan få negativa konsekvenser för STENOCAREs affärsverksamhet och dess finansiella utveckling. STENOCAREs nyckelmedarbetare utgörs för närvarande av CEO, COO, CCO och CFO, som besitter kunskaper som är kritiska för STENOCAREs drift och utveckling.

Finansiella och legala risker:

STENOCAREs kapitalbehov kan öka som en följd av verkställande av STENOCAREs investeringsplaner inom produkt-, produktions- och marknadsutveckling. Om det saknas finansiering finns det en risk för att STENOCARE behöver extrakapital och/eller måste revidera sina utvecklingsplaner väsentligt.

De medicinska effekterna av medicinsk cannabis är inte evidensbaserade, såsom klassiska läkemedel. Med tanke på att STENOCARE säljer produkter inom medicinsk cannabis finns det en risk för att produktansvar får en negativ påverkan på STENOCARE, både vad gäller anseende och i ekonomiskt hänseende.

SAMMANFATTNING – Avsnitt 3: Nyckelinformation om värdepapperen

3.1: Vilka är värdepapperens huvudegenskaper?

Värdepapperens huvudegenskaper

Erbjudandet består av en kombination av kontantteckning upp till 2 240 460 nya aktier totalt (bestående av 1 490 460 aktier i företrädesemissionen och ytterligare 750 000 aktier i övertECKningsreserv) och en emission av ytterligare nya aktier mot en lånekonvertering av upp till 448 927 nya aktier. Maximalt antal nya aktier som en följd av emissionen är 2 689 387. Samtliga aktier är denominerade i danska kronor (DKK). Per prospektdagen uppgick STENOCAREs registrerade aktiekapital till 715 420,96 DKK och antalet befintliga aktier till 8 942 762. Alla befintliga aktier är emitterade och fullt betalda och aktierna är inte indelade i olika aktieslag.

Rättigheter kopplade till nya aktier

Nya aktier har samma rättigheter som befintliga aktier, däribland lika rösträtt (en aktie, en röst), företrädesrätt, inlösen, konvertering och begränsning enligt Emittentens bolagsordning. Nya aktier har också samma rätt till utdelning eller intäkter i händelse av upplösning eller likvidation. Hittills har STENOCARE inte betalat någon utdelning till sina aktieägare. STENOCARE är i en

	utvecklingsfas och eventuella vinster kommer att användas för investeringar i STENOCAREs utveckling.
Pris per aktie	20.00 DKK per aktie
Företrädesrätt (1:6)	Alla befintliga aktieägare vid avstämningsdagens slut kommer att erhålla teckningsrätter (1 per aktie). Sex (6) teckningsrätter krävs för att teckna en ny aktie i emissionen.
Bonusaktier (1:3)	Per tre (3) tecknade nya akter erhålls en bonusaktie utan kostnad från grundarna, vilket motsvarar totalt 4 aktier. Detta motsvarar ett värde på 33 procent och en allmän rabatt på 25 procent. Se avsnitt 5.4 för en närmare beskrivning. Viktigt klargörande (för att undvika tveksamheter): "Bonusaktierna" i denna emission är befintliga aktier som lämnas och överläts av grundarna till de som tecknar och erhåller aktier genom emissionen. Bonusaktierna utgör inte en emission av bonusaktier så som beskrivs i § 165 i den danska bolagslagen (<i>aktieselskabsloven</i>).
Implicit värde (pre-money)	178,9 MDKK. 8 942 762 aktier till 20.00 DKK per aktie. Värderingen gäller såväl före som efter tilldelningen av bonusaktier, eftersom bonusaktierna är befintliga aktier, vilket innebär en rabatt utan utspädningseffekt för tecknarna.
Teckningsåtagande	De totala teckningsåtagandena uppgår till 17,3 MDKK eller 58 procent av företrädesemission. Detta inkluderar: c) <u>Kontantteckning</u> : Teckningsåtaganden uppgår till 8,3 MDKK kontant, vilket inkluderar kontantteckningsåtaganden från grundarna om 2,2 MDKK. d) <u>Garanterad lånekonvertering</u> : Befintliga långivare har garanterat teckning i form av konvertering om 9,0 MDKK. Denna konvertering kommer att inlösas som en separat kapitalökning om kontantteckningen inte lämnar utrymme för konvertering inom emissionen.
Period för handel i teckningsrätter	Första dag: 25 maj 2020 Sista dag: 9 juni 2020
Teckningsperiod	Första teckningsdag: 27 maj 2020 (9:00) Sista teckningsdag: 11 juni 2020 (17:00)
Summa intäkter vid full teckning	44,8 MDKK brutto (inkl. överteckningsreserv om 15 MDKK) och 41,5 MDKK netto efter kostnader.
Summa emissionskostnader	Cirka 3,3 MDKK (7,4 %) vid full teckning.
Upptagande till handel på Nasdaq First North Growth Market Denmark	STENOCARE kommer att avnoteras från Spotlight Stock Market och upptas till handel på Nasdaq First North Growth Market Denmark. Aktien är oförändrad och har samma tickerkod: [STENO] och permanenta ISIN-kod: DK0061078425 i VP Securities.
Tillfälliga ISIN-koder	Tillfälliga aktier: DK0061272317 (inte för handel, endast för teckning av nya aktier). Teckningsrätter: DK0061272234 (handlas, förfaller utan värde om de inte utnyttjas).
3.2: Var kommer värdepapperen att handlas?	Till och med den 15 maj 2020 handlas de befintliga aktierna på Spotlight Stock Market. STENOCAREs befintliga aktier kommer att börja handlas på Nasdaq First North Growth Market Denmark den 18 maj 2020 under samma tickerkod, STENO, och ISIN-kod, DK0061078425.
3.3: Finns det tillhörande garantier?	Värdepapperen har inga tillhörande garantier.

3.4: Vilka är den största riskerna som är specifika för värdepapperen?

De risker som STENOCARE-värdepapperen utsätts för är bland annat, men begränsas inte till, följande (för mer uttömmande information läs avsnitt 3 noggrant):

Psykologiska faktorer:
Medicinsk cannabis är en ny bransch och marknaden mognar fortfarande. Det finns en risk för att marknadsprognoserna är för högt ställda eller att förväntningarna inte uppfylls. Detta kan påverka STENOCAREs intäkter och rörelseresultat.

Offentlig handel i aktier:
Det finns en risk för att likviditeten för STENOCARE-aktien faller och att aktieägarna inte kan sälja sina aktier eller endast göra det med förlust. Liksom varit fallet sedan börsintroduktionen finns det också en risk för att aktiekursen påverkas av betydande fluktuationer.

Beroenden:
Det finns en risk för att kursen på STENOCAREs aktie påverkas av generella aktiekurs- och indexrörelser med koppling till den internationella cannabisbranschen, och i synnerhet i USA, samt specifika företag.

SAMMANFATTNING – Avsnitt 4: Nyckelinformation om erbjudandet av värdepapper till allmänheten

4.1: Vilka villkor och tidsperioder gäller för investering i värdepapperet?

Planerad tidtabell för erbjudandet:	Datum/period
Publicering av pressmeddelande om emissionen och Bolaget	11 maj 2020
Sista dag för handel på Spotlight Stock Market	15 maj 2020
Första dag för handel på Nasdaq First North Growth Market Denmark	18 maj 2020
Sista dag för handel i befintliga aktier med teckningsrätter	20 maj 2020
Ex-datum: Första dag för handel i STENOCAREs befintliga aktier utan rätt att erhålla teckningsrätter	25 maj 2020
Handel i teckningsrätter inleds	25 maj 2020
Avstämningsdag: Det datum då tilldelning av teckningsrätter fastställs	26 maj 2020
Erbjudandeperioden inleds	27 maj 2020
Handel i teckningsrätter avslutas	9 juni 2020
Outnyttjade teckningsrätter förfaller när erbjudandeperioden är slut	11 juni 2020
Erbjudandeperioden upphör	11 juni 2020
Publicering av resultaten av erbjudandeperioden (inkl. nya aktier och förtilldelning)	15 juni 2020
Slutförande av erbjudandet (inkl. avveckling av nya aktier)	18 juni 2020
Registrering av aktiekapitalökning hos Erhvervsstyrelsen.	18 juni 2020
Första dag för handel i nya aktier på Nasdaq First North Growth Market Denmark	24 juni 2020
Överlåtelse av bonusaktier	24 juni 2020
Tilldelade tillfälliga aktier växlas i VP Securities system från den tillfälliga ISIN-koden till den permanenta ISIN-koden.	25 juni 2020

Teckning

De flesta banker meddelar sina kunder när en nyemission i aktier som kunderna äger offentliggörs. Aktieägarna bör följa bankens instruktioner. Nya aktietecknare bör också teckna genom sin bank. Teckning kan även göras utan teckningsrätter. Sådana teckningar ska också registreras via investerarens bank genom det särskilda teckningsformuläret för teckning utan rättigheter (<https://stenocare.com/investor-relations/share-issue-2020>) och på sista sidan i detta prospekt.

Tilldelning av nya aktier

Om kontantteckningen överstiger det totala antalet nya aktier tillgängliga i nyemissionen kommer tecknare med rättigheter erhålla sina nya aktier först. Därefter aktiveras överteckningsreserven med företrädesrätt för tecknare med rättigheter och i tredje ledet erhåller alla övriga tecknare (utan teckningsrätter) en proportionell tilldelning eller tilldelning baserat på en formel som beslutas av styrelsen, med målet att säkerställa så många tecknare som möjligt.

Utspädning till följd av erbjudandet

Erbjudandet kommer vid full teckning, inkl. överteckningsreserven, att resultera i en ökning av det totala antalet aktier i Bolaget med 2 240 460 aktier till 11 183 222 aktier, vilket motsvarar en maximal utspädning på upp till 20 procent. Om erbjudandet fulltecknas kommer

	<p>lånekonverteringen leda till att ytterligare 448 927 nya aktier emitteras och en ökning av den totala utspädningen till 23 procent.</p> <p>Beräkning av totalkostnaderna för erbjudandet</p> <p>Med antagande av att erbjudandet slutförs och att de nya aktierna fulltecknas uppskattas avgifterna för transaktionen (inkl. arvoden till och kostnader för rådgivare) uppgå till cirka 3,3 MDKK. Detta innebär inte några kostnader för investerarna. Dock måste investerarna betala sedvanliga transaktions- och administrationsavgifter som deras depåbanker tar ut.</p> <p>Begränsad distribution</p> <p>Detta erbjudande riktas till befintliga aktieägare och följaktligen till de offentliga marknaderna i Danmark och Sverige. Prospektet får inte distribueras eller på annat sätt göras tillgängligt utanför Danmark eller Sverige, om inte sådan distribution är förenligt med de rättsliga kraven i den berörda jurisdiktionen.</p>
4.2: Varför har detta Prospekt upprättats?	<p>Syfte:</p> <p>Prospektet har upprättats i samband med STENOCARE A/S ansökan om godkännande av upptagning för handel på Nasdaq First North Growth Market Denmark och den påföljande nyemissionen.</p> <p>Bakgrund:</p> <p>STENOCARE A/S har framgångsrikt slutfört sin strategi STENOCARE 1.0, som offentliggjordes och förklarades i börsprospektet från 2018. I och med detta har STENOCARE lagt en stark grund för nästa fas i sin tillväxtplan, STENOCARE 2.0. Denna grund består av kommersiella tillgångar, tillgångar i försörjningskedjan, regulatoriska tillgångar och samarbetstillgångar, vilket beskrivs närmare i avsnitt 2 i detta Prospekt. Strategin STENOCARE 2.0 handlar om att etablera STENOCARE som ett ledande europeiskt varumärke inom högkvalitativ medicinsk cannabis (läkemedelskvalitet). Målet är att vinna en rättvis andel av den europeiska marknaden för medicinsk cannabis som förväntas växa till en marknad värd över en miljard euro under de kommande åren.</p> <p>Användning av intäkterna:</p> <p>STENOCARE har varit lönsamt under hela 2019 och har tillräcklig likviditet för att klara verksamheten i minst ett år. Syftet med emissionen är att finansiera den bästa möjliga lanseringen av 2.0-strategin. Förutsatt att erbjudandet fulltecknas kommer användningen av medlen delas upp enligt följande: a) 40 procent för att bygga upp ytterligare kommersiella tillgångar (expandera till nya länder med lokal licens och distribution av produkter under eget varumärke, inkl. kassareserver), b) 10 procent för att utveckla strategiska samarbetstillgångar (utveckling av avancerade beredningar och produkter som kan höja ribban när det gäller medicinsk effektivitet och precision och till sist c) 50 procent för etablering av egen produktion med läkemedelskvalitet och storskalig utvinning.</p> <p>Rådgivare:</p> <p>Keswick Global har utsetts till Certified Adviser. Advokatfirman Lund Elmer Sandager är juridisk rådgivare till STENOCARE. Gemstone Capital är allmän rådgivare till STENOCARE.</p> <p>Intressedeklaration:</p> <p>Både Keswick Global och Gemstone Capital betalas ett förutbestämt arvode för sina tjänster i samband med erbjudandet. Keswick Global AG, som är Certified Adviser, innehar inga aktier eller rätt att förvärva aktier i Bolaget. Gemstone Capital innehar aktier och teckningsoptioner i STENOCARE, vilka uppgår till mindre än 1 procent av de befintliga aktierna. Utöver det finns det enligt vår bedömning inga intressekonflikter bland parterna.</p>
4.3: Vem ansöker om upptagning till handel?	<p>Inte relevant. Emittenten är densamma som den som erbjuder de nya aktierna, även kallad "Bolaget" och "STENOCARE".</p>

RESUMÉ – DEL 1: Indledning	
1.1: Værdipapirernes betegnelse og (ISIN)	Alle aktierne i STENOCARE A/S er udstedt i ISIN-koden DK0061078425 (<i>international identifikationsnummer</i>)
1.2: Identitet og kontaktoplysninger for Udstederen	Udsteder er STENOCARE A/S (CVR-nr. 39024705). Udsteders adresse er Nyholmsvej 4, 8930 Randers, Danmark. Udsteders LEI-nummer er: 549300NCH67H3GA28R82.
1.3: Identitet og kontaktoplysninger for den kompetente myndighed, der godkender Prospektet	Prospektet er godkendt af Finanstilsynet som kompetent myndighed i henhold til Prospektforordningen. Finanstilsynets adresse er Århusgade 110, 2100 København Ø, Danmark, og tilsynet kan også kontaktes på telefon (+45 33558282) eller e-mail (finanstilsynet@ftnet.dk).
1.4: Dato for godkendelse af EU-vækstprospektet	Dette Prospekt er godkendt af Finanstilsynet den 11. maj 2020.
1.5: Advarsler	Dette Resumé bør læses som en introduktion til Prospektet. Ved enhver beslutning om investering i de Nye Aktier bør Prospektet i sin helhed tages i betragtning. Investor kan tabe det investerede beløb helt eller delvist. Den sagsøgende investor kan, hvis en sag vedrørende oplysningerne i Prospektet indbringes for en domstol, i henhold til national lovgivning være forpligtet til at betale omkostningerne i forbindelse med oversættelse af Prospektet, inden sagen indledes. Kun de personer, som er anført i afsnit 1.2, og som har indgivet Resuméet, herunder eventuelle oversættelser heraf, kan ifalde et civilretligt erstatningsansvar, men kun såfremt Resuméet er misvisende, ukorrekt eller uoverensstemmende, når det læses sammen med de øvrige dele af Prospektet, eller ikke, når det læses sammen med Prospektets andre dele, indeholder nøgleoplysninger, således at investorerne lettere kan tage stilling til, om de vil investere i de Nye Aktier.
RESUMÉ – DEL 2: Vigtige oplysninger om Udsteder	
2.1: Hvem er udstederen af værdipapirerne?	<p>Selskabet: STENOCARE A/S er et dansk aktieselskab, der er etableret i henhold til og underlagt dansk ret. STENOCARE blev grundlagt i 2017 og er “first mover” inden for medicinsk cannabis under den danske forsøgsordning, som blev iværksat den 1. januar 2018. STENOCARE var den første rene licenserede leverandør af medicinsk cannabis, der blev børsnoteret i Europa, da Selskabets aktier blev optaget til handel på Spotlight Stock Market den 26. oktober 2018.</p> <p>Regnskabsmæssige resultater: Som den første leverandør af medicinsk cannabis under forsøgsordningen opnåede STENOCARE lønsomhed på månedsbasis mod udgangen af 2018 og i hele 1. kvartal 2019 men blev tvunget til at indstille driften og midlertidigt trække sine produkter tilbage fra 2. kvartal 2019 som følge af opsigelsen af leverandøraftalen. Salget og den internationale ekspansion vil blive genoptaget, så snart nye produkter fra Selskabets nye leverandører er blevet godkendt af Lægemiddelstyrelsen. Delvist som følge af kompensation, som var aftalt med den tidligere leverandør, opnåedes for hele regnskabsåret 2019 et overskud før skat på ca. DKK 2,2 mio. og et positivt EBITDA på DKK 4,4 mio.</p> <p>Aktiver: STENOCARE har opbygget en række værdifulde aktiver inden for fire kategorier: 1: Kommercielle aktiver (den første og hidtil eneste leverandør af medicinsk cannabisolie under forsøgsordningen med salg til 2.000 patienter og distributionsaftaler indgået med begge de førende grossister. 2: Regulatoriske aktiver (første selskab, der har modtaget alle relevante godkendelser fra Lægemiddelstyrelsen). 3: Forsyningskædeaktiver (første selskab, der har modtaget produkter fra en godkendt leverandør og udskiftning af leverandør undervejs). 4: Strategisk udviklingssamarbejde (aktiver) om i fællesskab med andre at udvikle avancerede produkter inden for medicinsk cannabis.</p> <p>Ledelse: STENOCAREs ledelse består af de tre grundlæggere Thomas Schnegelsberg (CEO), Rolf Steno (CCO) og Søren Kjær (COO) sammen med Peter Bugge Johansen (CFO).</p> <p>Hovedaktionærer: Tabellen nedenfor viser STENOCAREs Hovedaktionærer før og efter udstedelsen under forudsætning af, at aktierne tegnes fuldt ud. STENOCARE bekendt ejes eller kontrolleres Selskabet hverken direkte eller indirekte af nogen anden fysisk eller juridisk person.</p>

	<table><tr><th>Navn/ antal aktier i tusinder</th><th>Eksisterende Aktier*)</th><th>For-tegning</th><th>Fratrukket bonus-aktier **)</th><th>Aktier ejet efter udstedelsen</th><th>Ejerandel efter udstedelsen (%)</th></tr><tr><td>STENO Group IVS¹</td><td>1.917.303</td><td>41.348</td><td>- 354.262</td><td>1.604.390</td><td>13,8%</td></tr><tr><td>Prana Holding ApS²</td><td>1.690.482</td><td>35.442</td><td>- 303.654</td><td>1.422.270</td><td>12,2%</td></tr><tr><td>MS Kjær Holding ApS³</td><td>1.645.027</td><td>5.442</td><td>- 303.654</td><td>1.376.815</td><td>11,8%</td></tr></table> <p>*) én aktieklasse, én aktie, én stemme **) ved fuldtegning Ejet af: ¹Rolf Stenos familie, ²Thomas Schnegelsberg og hustru, ³Søren Kjær og hustru.</p> <p>Revisorer: STENOCAREs uafhængige revisorer er Beierholm Statsautoriseret Revisionspartnerselskab (CVR-nr. 32895468).</p>	Navn/ antal aktier i tusinder	Eksisterende Aktier*)	For-tegning	Fratrukket bonus-aktier **)	Aktier ejet efter udstedelsen	Ejerandel efter udstedelsen (%)	STENO Group IVS ¹	1.917.303	41.348	- 354.262	1.604.390	13,8%	Prana Holding ApS ²	1.690.482	35.442	- 303.654	1.422.270	12,2%	MS Kjær Holding ApS ³	1.645.027	5.442	- 303.654	1.376.815	11,8%																																																																		
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2.2: Hvad er de vigtige regnskabsoplysninger om udsteder?	<p>Hovedtal: Tabellen nedenfor viser udvalgte regnskabsoplysninger for STENOCARE A/S for regnskabsårene 2019 og 2018. Tallene for STENOCARE A/S er uddraget henholdsvis af det reviderede årsregnskab for 2019, som er udarbejdet i overensstemmelse med årsregnskabsloven, og af de reviderede sammenligningstal for hele 2018. Også inkluderet er tilsvarende information for Q1 2020 og Q1 2019 I uddrag fra Q1 2020 regnskabsrapporten fra STENOCARE A/S.</p> <table><tr><th>DKK'000</th><th>2019</th><th>2018</th><th>Q1 2020</th><th>Q1 2019</th></tr><tr><td>Nettoomsætning</td><td>4.942</td><td>4.145</td><td>93</td><td>4,317</td></tr><tr><td>EBITDA</td><td>4.417*</td><td>-3.591</td><td>-2,626</td><td>1,525</td></tr><tr><td>Resultat før skat</td><td>2.246</td><td>-3.605</td><td>-3,579</td><td>1,530</td></tr><tr><td>Årlig salgsvækst</td><td>19%</td><td>n/a</td><td>n/a</td><td>n/a</td></tr><tr><td>Driftsmargin (EBITDA-margin)</td><td>89%</td><td>-86%</td><td>n/a</td><td>35%</td></tr><tr><td>Anlægsaktiver</td><td>8.844</td><td>25</td><td>15,423</td><td>532</td></tr><tr><td>Aktiver i alt</td><td>31.608</td><td>21.711</td><td>28,100</td><td>23,805</td></tr><tr><td>Egenkapital</td><td>13.475</td><td>20.472</td><td>10,646</td><td>21,677</td></tr><tr><td>Finansiel stilling, netto (likvider/gæld)</td><td>5.613</td><td>18.147</td><td>-5,700</td><td>17,408</td></tr><tr><td>Pengestrømme fra driftsaktivitet</td><td>-2.545</td><td>-5.574</td><td>-3,785</td><td>-231</td></tr><tr><td>Pengestrømme fra investeringsaktivitet</td><td>-8.877</td><td>-27</td><td>-6,614</td><td>-508</td></tr><tr><td>Pengestrømme fra finansieringsaktivitet</td><td>15.000</td><td>23.748</td><td>0</td><td>0</td></tr></table> <p>Økonomiske nøgletal: Ledelsen har identificeret nettoomsætning, EBITDA-margin og resultat pr. aktie som økonomiske nøgletal:</p> <table><tr><th></th><th>2019</th><th>2018</th><th>Q1 2020</th><th>Q1 2019</th></tr><tr><td>9. Nettoomsætning (DKK'000)</td><td>4.942</td><td>4.145</td><td>93</td><td>4,317</td></tr><tr><td>10. EBITDA (DKK'000)</td><td>4.417*</td><td>-3.591</td><td>-2,626</td><td>1,525</td></tr><tr><td>11. EBITDA-margin</td><td>89%</td><td>-86%</td><td>n/a</td><td>35%</td></tr><tr><td>12. Resultat pr. aktie (DKK)</td><td>0,19</td><td>-0,47</td><td>-0.32</td><td>0.13</td></tr></table> <p>*) Inklusive værdien af kompensation modtaget fra den tidligere leverandør Vedr. 1) Nettoomsætningen defineres som indtægter fra salg af varer, hvis levering har fundet sted, og risikoen er overgået til køber inden regnskabsårets udgang. Nettoomsætning måles til faktureret værdi og måles ekskl. moms og øvrige afgifter. Vedr. 2) EBITDA er resultat før renter, skat og afskrivninger. Vedr. 3) EBITDA-marginen beregnes som bruttoresultat (EBITDA) divideret med omsætningen. Vedr. 4) Resultat pr. aktie er periodens resultat divideret med det gennemsnitlige antal aktier i perioden.</p>	DKK'000	2019	2018	Q1 2020	Q1 2019	Nettoomsætning	4.942	4.145	93	4,317	EBITDA	4.417*	-3.591	-2,626	1,525	Resultat før skat	2.246	-3.605	-3,579	1,530	Årlig salgsvækst	19%	n/a	n/a	n/a	Driftsmargin (EBITDA-margin)	89%	-86%	n/a	35%	Anlægsaktiver	8.844	25	15,423	532	Aktiver i alt	31.608	21.711	28,100	23,805	Egenkapital	13.475	20.472	10,646	21,677	Finansiel stilling, netto (likvider/gæld)	5.613	18.147	-5,700	17,408	Pengestrømme fra driftsaktivitet	-2.545	-5.574	-3,785	-231	Pengestrømme fra investeringsaktivitet	-8.877	-27	-6,614	-508	Pengestrømme fra finansieringsaktivitet	15.000	23.748	0	0		2019	2018	Q1 2020	Q1 2019	9. Nettoomsætning (DKK'000)	4.942	4.145	93	4,317	10. EBITDA (DKK'000)	4.417*	-3.591	-2,626	1,525	11. EBITDA-margin	89%	-86%	n/a	35%	12. Resultat pr. aktie (DKK)	0,19	-0,47	-0.32	0.13
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2.3: Hvad er de vigtigste risici, der er specifikke for udstederen?	<p>De risici, der gælder for STENOCARE som selskab omfatter men er ikke begrænset til følgende (der henvises til afsnit 3 i det fulde prospekt for en mere udførlig beskrivelse).</p> <p>Salg og marked: Risikoen forbundet med, at blot to kunder (førende grossister) står for alle STENOCAREs</p>																																																																																										

	<p>samlede driftsindtægter i Danmark. STENOCARE er afhængig af, at grossisterne gør STENOCAREs produkter tilgængelige for apoteker og hospitaler.</p> <p>Risikoen for, at prognoserne for markedets fremtidige størrelse er for optimistiske. STENOCAREs salgspotentiale afhænger af myndighedsbegrænsninger, konkurrencen på markedet og den hastighed, hvormed andre lande legaliserer brugen af medicinsk cannabis og dermed give STENOCARE mulighed for at vokse internationalt.</p> <p>Risikoen for, at leverandøren ikke kan levere produkter. STENOCARE indkøber færdige medicinske cannabisprodukter fra leverandører, som dyrker og fremstiller dem på egne anlæg. En risikofaktor kunne være manglende volumen eller manglende overholdelse af myndighedskrav.</p> <p>Konkurrenter:</p> <p>Risikoen for, at produkter fra en eller flere konkurrenter vil føre til en forringelse af salget eller en forringelse af STENOCAREs omsætningsmuligheder.</p> <p>Regulatoriske rammer:</p> <p>Risikoen for, at STENOCARE ikke modtager de nødvendige godkendelser fra Lægemiddelstyrelsen for Selskabets fremstillede og importerede produkter, selvom STENOCARE er én ud af blot tre selskaber, som til dato har opnået licens til at sælge importerede produkter.</p> <p>Risikoen for, at forsøgsordningen med medicinsk cannabis ikke bliver vellykket, og at cannabis efter forsøgsperioden på fire år ikke længere vil være lovligt til medicinsk brug i Danmark. I så fald vil STENOCAREs fremtidige indtægtsmuligheder måske være helt eller delvist forsvundet fra det danske marked, visse investeringer i Danmark vil måske skulle afskrives, og STENOCAREs hovedkontor ville måske blive flyttet til et af datterselskaberne i Europa. Endvidere skal Selskabet drive sin virksomhed i overensstemmelse med national lovgivning på de markeder, hvor det har aktiviteter. Fremtidige ændringer i lovgivningen vedrørende cannabis på de enkelte markeder vil måske medføre, at Selskabets aktiviteter på det pågældende marked bliver ulovlige. Hvis Selskabet fortsat skulle være aktiv på et sådant marked, ville det udløse en revurdering af Selskabets egnethed til fortsat at være optaget til handel på Nasdaq First North Growth Market Denmark.</p> <p>Risici forbundet med Selskabets ressourcer:</p> <p>Risikoen for, at STENOCAREs eget dyrkningsanlæg rammes af bygningsfejl eller forsinkelser, eller at produktionen må indstilles som følge af manglende evne til at fremstille ensartet kvalitet eller ikke kunne opnå de nødvendige godkendelser fra Lægemiddelstyrelsen i forhold til at færdiggøre egen produktion.</p> <p>Risikoen for, at et tab af medarbejdere vil få negative konsekvenser for STENOCAREs drift og økonomiske resultater. STENOCAREs nøglemedarbejdere består i dag af Selskabets CEO, COO, CCO og CFO, som alle besidder kritisk viden om STENOCAREs drift og udvikling.</p> <p>Finansielle og juridiske risici:</p> <p>STENOCAREs kapitalbehov vil måske stige som følge af gennemførelsen af STENOCAREs investeringsplaner vedrørende produkt-, produktions- og markedsudvikling. Hvis der ikke kan indhentes finansiering, vil der være risiko for, at STENOCARE får behov for yderligere kapital og/eller bliver nødt til markant at revidere sine udviklingsplaner.</p> <p>Den medicinske effekt af medicinsk cannabis er ikke evidensbaseret på samme måde som klassiske lægemidler. Da STENOCARE sælger medicinske cannabisprodukter, er der en risiko for, at produktansvar vil kunne påvirke STENOCARE negativt, både med hensyn til omdømme og økonomisk.</p>
RESUMÉ – DEL 3: Vigtige oplysninger om Værdipapirerne	
<p>3.1: Hvad er Værdipapirernes vigtigste karakteristika?</p>	<p>Værdipapirernes vigtigste karakteristika</p> <p>Udbuddet er en kombination af kontant tegning af op til 2.240.460 stk. Nye Aktier i alt (bestående af 1.490.460 aktier i fortegningsemissionen og yderligere 750.000 aktier i overtegningsreserve) og udstedelsen af yderligere Nye Aktier mod gældskonvertering af op til 448.927 stk. Nye Aktier. Det maksimale antal Nye Aktier som følge af Udstedelsen er 2.689.387. Alle Aktier er udstedt i danske kroner (DKK). På Prospektdatoen udgør STENOCAREs registrerede aktiekapital DKK 715.420,96, og antallet af eksisterende aktier er 8.942.762. Alle Eksisterende Aktier er udstedt og fuldt indbetalt, og aktierne er ikke opdelt i aktieklasser.</p> <hr/> <p>Rettigheder knyttet til de Nye Aktier</p>

<p>De Nye Aktier har samme rettigheder som de Eksisterende Aktier, herunder stemmerettigheder (én aktie, én stemme), fortegningsret, indløsning, konvertering og restriktioner eller begrænsninger i henhold til Udsteders vedtægter. Tilsvarende bærer de Nye Aktier samme ret til udbytte eller provenu i tilfælde af opløsning eller likvidation. STENOCARE har hidtil ikke udbetalt udbytte til aktionærerne. STENOCARE er i en udviklingsfase, og et eventuelt overskud planlægges primært anvendt til investering i udviklingen af STENOCARE.</p>	
Kurs pr. aktie	DKK 20,00 pr. aktie
Fortegningsret (1:6)	Alle eksisterende aktionærer ved udgangen af Registreringsdatoen vil modtage Tegningsretter (1 pr. aktie). Der kræves seks (6) Tegningsretter til tegning af én Ny Aktie i Udstedelsen.
Bonus aktier (1:3)	<p>For hver tre (3) Nye Aktier, der tegnes, modtager tegneren én Bonus aktie vederlagsfrit fra Grundlæggerne, svarende til fire aktier i alt. Dette svarer til en værditilvækst på 33% og en generel rabat på 25%. Der henvises til afsnit 5.4 for en yderligere beskrivelse heraf.</p> <p>Vigtig oplysning (for at undgå enhver tvivl): Det oplyses, at "Bonus aktierne" i denne udstedelse er eksisterende aktier, som udleveres og overdrages af Grundlæggerne til de tegnere, der tildeles aktier i Udstedelsen. Bonus aktier udgør ikke en udstedelse af Bonus aktier, som defineret i selskabsloven (§165).</p>
Værdiansættelse (pre-money):	DKK 178,9 mio., beregnet på grundlag af 8,942,762 aktier til DKK 20,00 per styk. Værdiansættelsen gælder både før og efter tildeling af Bonusaktier, da Bonusaktierne er eksisterende aktier, der dermed ikke udvander aktiekapitalen. Aktionærerne modtager således en nettorabat/værdi.
Fortegning i fortegnings-emissionen	<p>Fortegning udgør i alt DKK 17,3 mio., svarende til 58% af fortegningsemissionen. Dette omfatter bl.a.:</p> <p>e) <u>Kontant tegning</u>: Fortegning udgør DKK 8,3 mio. kontant, herunder kontant fortegning fra Grundlæggerne på DKK 2,2 mio.</p> <p>f) <u>Garanteret lånekonvertering</u>: Eksisterende långivere har garanteret at tegne aktier via konvertering for DKK 9,0 mio. Denne konvertering vil blive udnyttet som en særskilt kapitalforhøjelse, såfremt den kontante tegning ikke giver plads til konvertering inden for Udstedelsen.</p>
Periode for handel med Tegningsretter	Første dag: 25. maj 2020 Sidste dag: 9. juni 2020
Tegningsperiode	Første tegningsdag: 27. maj 2020 fra 9:00 Sidste tegningsdag: 11. juni 2020 til 17:00
Samlet provenu ved fuldttegning	DKK 44,8 mio. (inkl. Overtegningsreserve på DKK 15 mio.) og DKK 41,5 mio. netto efter omkostninger.
Samlede omkostninger ved Udstedelsen	Ca. DKK 3,3 mio. (7,4%) ved fuldttegning.
Optagelse til handel på Nasdaq First North Growth Market Denmark	STENOCARE vil blive afnoteret fra Spotlight Stock Market og optaget til handel på Nasdaq First North Growth Market Denmark. Aktierne er uændrede og har samme handelssymbol: [STENO] og den permanente ISIN-kode: DK0061078425 hos VP Securities
Midlertidige ISIN-koder	Midlertidige Aktier: DK0061272317 (ikke i handel, og vil udelukkende blive anvendt til tegning af de Nye Aktier). Tegningsretter: DK0061272234 (i handel, ingen værdi, hvis de ikke udnyttes)

3.2: Hvor vil værdipapirerne blive handlet?	Til og med 15. maj 2020 handles de Eksisterende Aktier på Spotlight Stock Market. Handel med STENOCAREs Eksisterende Aktier på Nasdaq First North Growth Market Denmark begynder den 18. maj 2020 under samme handelssymbol STENO og ISIN-kode DK0061078425.
3.3: Er der en garanti tilknyttet?	Der er ingen garanti knyttet til værdipapirerne.
3.4: Hvad er de vigtigste risici, der er specifikke for værdipapirerne?	<p>De risici, der gælder for STENOCAREs værdipapirer omfatter men er ikke begrænset til følgende (der henvises til afsnit 3 i det fulde prospekt for en mere udførlig beskrivelse).</p> <p>Psykologiske faktorer: Branchen og markedet for medicinsk cannabis er stadigvæk nyt og umodent. Der er risiko for, at markedsprognoserne er for optimistiske, eller at markedspotentialt realiseres senere end forventet. Dette kan påvirke STENOCAREs omsætning og driftsresultat.</p> <p>Offentlig handel med aktier: Der er risiko for, at likviditeten i STENOCARE-aktien vil falde, og at aktionærerne ikke vil kunne afhænde deres aktier eller kun vil kunne afhænde deres aktier med et tab. Som det har vist sig siden børsnoteringen, er der også risiko for, at kursen på aktierne kan svinge markant.</p> <p>Afhængighed: Der er risiko for, at kursen på STENOCARE-aktien vil være påvirket af den generelle udvikling på aktiemarkedet og i indeks relateret til den internationale og især den nordamerikanske cannabisindustri og enkelte selskaber specifikt.</p>

RESUMÉ – DEL 4: Væsentligste oplysninger om udbud af Værdipapirer til offentligheden

4.1: På hvilke betingelser og i henhold til hvilken tidsplan kan jeg investere i dette værdipapir?	Forventet tidsplan for udbuddet:	Dato/periode
	Offentliggørelse af Udstedelsen og Selskabets pressemeddelelse	11. maj 2020
	Sidste handelsdag på Spotlight Stock Market	15. maj 2020
	Første handelsdag på Nasdaq First North Growth Market Denmark	18. maj 2020
	Sidste handelsdag med Eksisterende Aktier med Tegningsretter	20. maj 2020
	Ex Date: Første handelsdag med STENOCAREs Eksisterende Aktier uden retten til at modtage Tegningsretter	25. maj 2020
	Handel med Tegningsretter begynder	25. maj 2020
	Registreringsdato: Den dato, hvor allokering af Tegningsretter fastsættes	26. maj 2020
	Udbudsperioden begynder	27. maj 2020
	Handel med Tegningsretter slutter	9. juni 2020
	Udnyttede Tegningsretter vil være ugyldige, når Udbudsperioden slutter	11. juni 2020
	Udbudsperioden slutter	11. juni 2020
	Offentliggørelse af resultatet af Udbudsperioden (inkl. Nye Aktier og tildeling)	15. juni 2020
	Gennemførelse af Udbuddet (inkl. afregning af Nye Aktier)	18. juni 2020
	Registrering af aktiekapitalforhøjelsen hos Erhvervsstyrelsen	18. juni 2020
	Første handelsdag for de Nye Aktier på Nasdaq First North Growth Market Denmark	24. juni 2020
	Overdragelse af Bonus aktier	24. juni 2020
	Tildelte Midlertidige Aktier ændres i VP Securities' systemer fra den midlertidige ISIN-kode til den permanente ISIN-kode	25. juni 2020
	<p>Sådan tegnes aktierne</p> <p>De fleste danske banker meddeler deres kunder, når der offentliggøres Fortegningsretsemissioner vedrørende aktier, som deres kunder ejer. Aktionærerne anbefales at følge de instrukser, de modtager fra deres bank. Nye tegnere anbefales også at forsøge at tegne aktier via deres bank. Tegning kan også ske uden Tegningsretter. Sådanne tegninger skal desuden registreres via investors bank ved brug af den særlige tegningsblanket for tegning uden rettigheder. Tegningsblanketten kan hentes her (https://stenocare.com/investor-relations/share-issue-2020) og fremgår af sidste side i dette prospekt.</p> <p>Tildeling af Nye Aktier</p> <p>Hvis en samlet kontant tegning overstiger antallet af Nye Aktier, som er tilgængeligt i Fortegningsretsemissionen, vil tegnere med rettigheder modtage deres Nye Aktier først. For det andet vil Overtegningsreserven blive aktiveret med fortrinsret for tegnere med retter, og</p>	

	<p>for det tredje vil alle øvrige tegnere (uden Tegningsretter) modtage en forholdsmæssig tildeling eller tildeling baseret på en formel efter Bestyrelsens valg med henblik på at sikre så mange tegnere som muligt.</p> <p>Udvanding som følge af udbuddet</p> <p>Udbuddet vil ved fuldtegnings, inkl. overtegningsreserven, føre til en forøgelse i det samlede antal Aktier i Selskabet på mellem 2.240.460 og 11.183.222 stk. aktier, svarende til en maksimal udvanding på op til 20%. Hvis Udstedelsen tegnes fuldt ud, vil lånekonverteringen medføre udstedelse af op til yderligere 448.927 stk. Nye Aktier og en forøgelse af den samlede udvanding til 23%.</p> <p>Anslåede udgifter i forbindelse med udbuddet</p> <p>Under forudsætning af gennemførelse af Udbuddet og fuldtegnings af de Nye Aktier, forventes omkostningerne i forbindelse med transaktionen (herunder honorarer og udgifter til rådgivere) at være ca. DKK 3,3 mio. STENOCARE pålægger ikke investorerne nogen omkostninger. Dog skal investorerne afholde de sædvanlige transaktions- og håndteringsgebyrer, som opkræves af deres kontoførende bank.</p> <p>Begrænset distribution</p> <p>Udbuddet er rettet mod eksisterende aktionærer og derefter til de offentlige markeder i Danmark og Sverige, og dette Prospekt må ikke distribueres eller på anden måde gøres tilgængeligt uden for Danmark og Sverige, medmindre en sådan distribution sker i overensstemmelse med gældende lovkrav i den relevante jurisdiktion.</p>
4.2: Hvorfor udarbejdes dette prospekt?	<p>Formål:</p> <p>Dette Prospekt er udarbejdet i forbindelse med STENOCARE A/S' ansøgning om godkendelse til optagelse til handel på Nasdaq First North Growth Market Denmark og dets efterfølgende Fortegningsretsemission.</p> <p>Baggrund:</p> <p>STENOCARE A/S har med succes gennemført sin strategi STENOCARE 1.0, som blev offentliggjort og beskrevet i børsnoteringsprospektet fra 2018. Hermed har STENOCARE skabt et solidt grundlag for den næste fase i vækstplanen, som benævnes STENOCARE 2.0. Dette grundlag består af kommercielle aktiver, forsyningskædeaktiver, regulatoriske aktiver og samarbejdsaktiver, som er beskrevet mere indgående i det fulde Prospekts afsnit 2. Strategien STENOCARE 2.0 går ud på at etablere STENOCARE som et førende europæisk brand inden for medicinsk cannabis af høj kvalitet (på lægemiddelniveau). Målet er at opnå en pæn andel af det europæiske marked for medicinsk cannabis, som forventes at vokse til et marked med en omsætning på et milliardbeløb i euro i de kommende år.</p> <p>Anvendelse af provenu:</p> <p>STENOCARE var lønsom i hele 2019 og har kontante midler i banken til at understøtte sin grundlæggende drift i 12 måneder eller mere. Formålet med Udstedelsen er at finansiere den bedst mulige udrulning af 2.0 Strategien. Forudsat at Udbuddet fuldtegnes, vil provenuet vil blive fordelt således: a) 40% til yderligere opbygning af kommercielle aktiver (etablering i en række nye lande med lokale licenser og distribution af egne brandede produkter, herunder likvide reserver), b) 10% til udvikling af strategiske samarbejdsaktiver (udvikling af avancerede formler og produkter, som kan hæve barren med hensyn til medicinsk effekt og præcision, og endelig c) 50% til etableringen af egen produktion af produkter på lægemiddelniveau og storskala ekstraktion.</p> <p>Rådgivere:</p> <p>Keswick Global er udpeget som certificeret rådgiver. Advokatfirmaet Lund Elmer Sandager er juridisk rådgiver for STENOCARE. Gemstone Capital er generel rådgiver for STENOCARE.</p> <p>Interessetilkendegivelse:</p> <p>Både Keswick Global og Gemstone Capital modtager et forud aftalt honorar for ydelser leveret i forbindelse med Udbuddet. Den certificerede rådgiver, Keswick Global AG, ejer ikke nogen aktier eller retten til at erhverve aktier i Selskabet. Gemstone Capital ejer aktier og warrants i STENOCARE svarende til mindre end én procent af de Eksisterende Aktier. Derudover vurderes der ikke at eksistere nogen interessekonflikter blandt parterne.</p>
4.3: Hvem er Udbyder, der anmoder om optagelse til handel?	<p>Ikke relevant. Udsteder er identisk med Udbyder af de Nye Aktier, og benævnes tillige "Selskabet" og "STENOCARE".</p>

1. PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERT'S REPORTS AND COMPETENT AUTHORITY APPROVAL

1.1. PERSONS RESPONSIBLE

STENOCARE'S Executive Management team and Board of Directors are responsible for the information in this Prospectus.

1.2. DECLARATION OF THOSE RESPONSIBLE

We hereby declare that, to the best of our knowledge, the information contained in this Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

Furthermore, we declare that this Prospectus has been approved by the Danish Financial Supervisory Authority as the competent authority under Regulation (EU) 2017/1129. The Danish Financial Supervisory Authority only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129.

Such approval should not be considered as an endorsement of STENOCARE that is the subject of this Prospectus. Investors should make up their own assessment as to the suitability of investing in STENOCARE. The Prospectus has been drawn up as part of an EU Growth Prospectus in accordance with article 15 of Regulation (EU) 2017/1129.

Copenhagen, 11 May 2020

Board of Directors of STENOCARE A/S

Marianne Wier
(Chairman of the Board)
CEO of Taksatorringen

Rolf Steno Petersen
(Member of the Board)
CCO of STENOCARE

Jeppe Bo Petersen
(Member of the Board)
CEO of Olivia Danmark

Søren Melsing Frederiksen
(Member of the Board)
VP of Galenica AB

Executive Management team of STENOCARE A/S

Thomas Skovlund Schnegelsberg
Chief Executive Officer

Rolf Steno Petersen
Chief Commercial Officer

Søren Kjær
Chief Operating Officer

Peter Bugge Johansen
Chief Financial Officer

1.3. EXPERT INFORMATION

No statement or report attributed to a person as an expert is included in this Prospectus.

1.4. THIRD PARTY INFORMATION

The Prospectus contains information about the STENOCARE's geographic markets and products, market size, market share, market position and other information concerning STENOCARE's operations and markets. Unless stated otherwise, such information is based on STENOCARE's assessment of several different sources, including statistics and information from external industry or market reports, market surveys, publicly available information and commercial publications.

STENOCARE confirms that the information in the Prospectus, which has been sourced from a third party, has been accurately reproduced and that, as far as STENOCARE is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The information includes publicly available historical market data and industry expectations, including the size of the market in which STENOCARE operates.

The material sources of THIRD PARTY INFORMATION on which basis the Prospectus has been prepared are listed in Appendix B in a section that includes a detailed listing of additional sources and end-notes.

The accuracy and completeness of industry and market publications is not guaranteed and has not been verified by STENOCARE. Market information and market statistics, by nature, are forward looking and subject to uncertainty, could be interpreted subjectively and are not necessarily reflective of actual or future market conditions. Potential investors should be aware that the financial information, market information, forecasts and estimated market information contained in the Prospectus do not necessarily constitute reliable indicators of STENOCARE's future results. The contents of STENOCARE's website or any third-party websites referred to herein do not constitute part of the Prospectus.

1.5. STATEMENTS

This Prospectus is published on STENOCARE's website (www.STENOCARE.com). The New Shares are pending admission to trading as part of the already trading Existing Shares of STENOCARE under the symbol "STENO".

This Prospectus has been prepared in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC. The Prospectus has been prepared in English with a Danish and Swedish translation of the Summary. In case of discrepancies, the English version prevails.

STENOCARE is responsible for this Prospectus with respect to the general rules of Danish law, and no other person will give any direct or indirect statements or guarantees about the accuracy or completeness of this Prospectus. Any dispute which may arise as a result of the Offering must be brought before Danish courts of law.

STENOCARE's Certified Adviser is Keswick Global AG, Reg. FN 332389 h, Hoffingergasse 16/1/6, 1120 Vienna, Austria, telephone number +43 (1) 533 88 90 0.

1.5.1. Forward-looking statements

The Prospectus does not include any profit forecasts. The Prospectus does, however, contain certain forward-looking statements that reflect STENOCARE's views with respect to future events and financial and operational performance. Such words as "intends", "assesses", "expects", "can", "plans", "estimates" and other expressions that relate to indications or predictions concerning future development or trends and which are not based on historical facts constitute forward-looking statements. Forward-looking statements are, by nature, associated with known as well as unknown risks and uncertainties, given their dependence on future events and circumstances. Forward-looking statements are no guarantee of future results or trends, and the actual results could differ materially from those contained in the forward-looking statements. Factors that could result in STENOCARE's actual earnings and

performance deviating from the content of the forward-looking statements include, but are not limited to, the descriptions in the section “Risk factors”. Forward-looking statements in the Prospectus apply only as of the date of publication of the Prospectus. STENOCARE does not give any undertaking that STENOCARE will disclose any updates or revisions of forward-looking statements due to new information, future events or other such matters above and beyond what is required according to applicable laws.

1.5.2. Important notices and warnings

This Prospectus has been prepared under Danish law and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any of the New Shares in any jurisdiction outside Denmark and Sweden to any person to whom it would be unlawful to make such an offer in such a jurisdiction.

Potential subscribers of New Shares must themselves assess the degree to which the information in this Prospectus is relevant and whether any purchase should be based on the analyses they find necessary.

No person has been authorised to disclose any information regarding STENOCARE beyond that which is contained within this Prospectus. The disclosure of such information may not be regarded as authorised by STENOCARE or the Certified Adviser.

The disclosure of this Prospectus should not be regarded as an indication that no changes have occurred in the circumstances of STENOCARE following the Prospectus Date, nor that the information contained in this Prospectus is correct at any time after this date.

If STENOCARE becomes aware of matters that necessitate changes to this Prospectus, such changes will be published via Nasdaq First North Growth Market Denmark in accordance with the applicable rules on supplements to prospectus’ as well as on STENOCARE’s website (www.STENOCARE.com).

Potential investors, companies and advisers should be aware that investments in companies that are trading on Nasdaq First North Growth Market may embody an increased degree of risk relative to companies on the Main Market, as companies are typically smaller and thus more sensitive to external and internal influences. Similarly, the liquidity and, thereby, the marketability of the STENOCARE Shares trading on Nasdaq First North Growth Market may be more limited than for investments in shares admitted to trading on the Main Market. Nasdaq First North Growth Market is a multilateral trading facility (MTF) operated by the exchanges that are part of the Nasdaq group. The companies are not subject to the same rules as companies admitted to trading on a regulated market, but rather a set of rules adapted to smaller growth companies. A Certified Adviser monitors that STENOCARE complies with the rules.

Reference is made broadly to Section 3 for a review of Risks associated with STENOCARE and investments in STENOCARE’s Shares. By its nature, this Prospectus is based on historical market data and industry expectations, including STENOCARE’s market expectations.

Investors may not reproduce or distribute this Prospectus in whole or in part, and investors may not disclose the content of this Prospectus or use the information in this Prospectus for any purpose other than considering whether they wish to subscribe for New Shares in the Offering. Investors irrevocably accept this upon receipt of this Prospectus. STENOCARE bears no legal responsibility for any violation of these restrictions by any party.

Investors should research the relevant legislation, including any tax-related consequences that may be relevant prior to any subscription for New Shares. Please also pay special attention to Section 1.5.5 below: “Additional information for persons residing outside Denmark and Sweden”.

This Prospectus cannot, and should not, be considered a recommendation by STENOCARE that its recipients or readers should subscribe for or purchase New Shares. STENOCARE assumes no responsibility for actions in violation of these restrictions.

1.5.3. Important medical disclaimer:

The descriptions in this Prospectus are based on external sources, and STENOCARE is not making concrete recommendations in relation to the use of Medical Cannabis in the treatment of any specific pain or illness. The benefits and risks associated with Medical Cannabis use vary depending on a number of factors, including the amount

of Medical Cannabis used and the concentration of cannabinoids in the product, the frequency of Medical Cannabis use, the patient's age, the medical conditions being treated, previous experience with cannabis or cannabinoids and the use of other prescription or non-prescription drugs. The use of Medical Cannabis should always be under supervision by a qualified Doctor, and information in this Prospectus cannot be used for decisions for recommending and/or commencing cannabis use in treatments.

1.5.4. Presentation of financial information

All financial amounts are presented in Danish kroner ("DKK") unless otherwise indicated. "USD" refers to US dollars. "EUR" refers to euros, and "CAD" refers to Canadian dollars. Certain financial information and other information has been rounded to make the information easily comprehensible to the reader. Accordingly, the figures contained in certain columns may not tally with the total amount specified.

1.5.5. Additional information for persons residing outside Denmark and Sweden

The Offering is made solely in accordance with Danish law. This Prospectus may not be used, distributed, forwarded, reproduced or otherwise made available, and the Offering may not directly or indirectly be offered or sold outside Denmark and Sweden, including in the United States, unless such distribution is in accordance with the legal requirements applicable in the relevant jurisdiction. The STENOCARE Shares are not registered under the U.S. Securities Act and are only being offered and sold outside the United States in compliance with Regulation S.

This Prospectus is not approved, registered, recommended or rejected by any foreign supervisory or stock exchange authority, nor has any such authority made any statement regarding this Prospectus or the Offering or whether this Prospectus or Offering is accurate and complete.

Persons into whose possession this Prospectus comes are required by STENOCARE and the Certified Adviser to seek information about, and act in accordance with, any such restrictions.

1.5.6. Investor Relations

STENOCARE will continue to seek an open dialogue with its shareholders, potential investors and the public. STENOCARE will, on a quarterly basis, publish the state of STENOCARE's development, including relevant financial statements. Similarly, STENOCARE will continually publish information about STENOCARE that is assumed to be of significance to investors' assessment of STENOCARE. STENOCARE has created a dedicated Investor Relations portal on its website at www.STENOCARE.com/investor-relations/.



1.5.7. STATEMENT BY THE CEO

I am humbled that STENOCARE has been selected a leader in the European Medical Cannabis market by the European Cannabis Report (February 2020²). We have completed STENOCARE 1.0, our initial first-mover strategy; going public, being profitable and serving 1'000s of patients in Denmark with our STENOCARE branded products. We still have cash in the bank (more than DKK 10 million as per end of Q1-20) and are emerging stronger than ever with new suppliers, new products in process for approval and our own world class cultivation facility is in progress. Now, with this Offering and with the impact of the global crisis caused by Covid-19 beginning to ease, our intention is to expand our leadership in Denmark and to win the battle for leadership in a range of European countries in the all new Medical Cannabis industry, starting with Ireland. We call it STENOCARE 2.0. The timing is good with legislation of prescription-based Medical Cannabis spreading across Europe.

'STENOCARE 1.0' TARGETS MET

The first cannabis IPO

It was a moving moment when we could ring the bell and start trading on 26 October 2018 on Spotlight Stock Market as the first ever IPO of a licensed provider of Medical Cannabis in Europe. We created a lot of attention, also internationally, and we were well received. So well, that our listing was awarded "the best IPO in Sweden in 2018" by the leading financial media, SvD BörsPlus.

Now a well-established first mover

We were the first company to secure all required licences for cultivation and import of Medical Cannabis as well as approvals for oil and capsule products and the first in the Danish Pilot Programme to deliver Medical Cannabis oil products based on prescriptions from Doctors. We have served more than 2,000 patients, and this has given us invaluable knowledge of how Doctors prescribe, and patients use Medical Cannabis and the practice of products and dosage. We have also gained unique experience in working with the authorities, following Good Manufacturing Practice (GMP) and completing regulatory inspection with the Danish Medicines Agency (DMA). These knowledge assets form the basis of our scalability to other countries such as Ireland – where we are already established with STENOCARE Ireland Ltd.

First new suppliers in place, more to come

STENOCARE has a new multiple-supplier strategy, which was made possible after the termination of the agreement with the previous supplier. We have secured the first new suppliers, Emerald (CAN) and Panaxia (Israel) and see the new situation as a source for additional strength and flexibility. With multiple quality suppliers, we will be able to offer a greater choice of quality products targeted at indications and have a more reliable and predictable supply chain that will enable us to operate and grow rapidly as our market reach increases.

First harvest in place:

Our strategy has always been to not only import but also establish own production of the highest quality. We completed an important milestone with our first harvest without the use of pesticides in our Danish small-scale cultivation facility. This success was made possible by a strategic decision to grow in a highly-controlled indoor facility.

Profits from year-end 2018

We became profitable on a monthly basis towards the end of 2018 and Q1-19 was the first full quarter with sales of DKK 4.3 million. This was after just two quarters as an operational company and one year ahead of plan. Unfortunately, this development was paused in Q2-19 as our Canadian supplier was suspended due to regulatory non-compliance with its operations. Temporarily, this has created a situation where Danish patients cannot receive our Medical Cannabis oil for their treatment, even if they have a prescription ready. It also means that we lose potential sales of DKK 4-5 million and related profits each quarter until new products are approved. Nevertheless, due to a compensation agreement with our previous supplier, we were able to report combined income of more than DKK 16 million (of which DKK 4.9 million was product sales) and a positive EBITDA of DKK 4.4 million for the financial year 2019.

EUROPEAN MARKET LEADERSHIP

STENOCARE 2.0 is about raising the game.

Being recognized already as a European Market leader³ only stimulates us to push harder and confirms that we have a real chance to capture a significant part of the future, multi-billion-euro market for high-end Medical Cannabis in Europe⁴. Our STENOCARE 2.0 strategy is about just that. In essence, we raise our ambitions, both in relation to production, research partnerships, international market positions and last but not least in terms of building a leading quality brand. To achieve and finance this, we seek net proceeds of up to DKK 41.5 million from the current Issue.

Imports: New Products to market, during 2020

It is an obvious, first priority to ensure that new STENOCARE products are brought to market as soon as possible. On March 11, 2020, STENOCARE and Panaxia submitted the first product approval application to the Danish Medicines Agency ("DMA") to have new products approved for the Danish Medical Cannabis Pilot Programme. As a result, we expect to return to normal sales this year (2020).

Own production: Pharma-grade ready in 2021

As a major upgrade to our existing production facility, we are now constructing a larger-scale in-door production facility based on a combination of the best technology from greenhouse and indoor productions ("greenhouse hybrid"). When fully operational, this facility will both provide premium products at scale and be our own "sandbox" to develop and test how to cultivate and produce Medical Cannabis with "pharma-grade" uniformity and documentation. Products from our new facility are expected to be ready and approved during 2021.

Research: Advanced products ready in 2021/22

We have established the first pharma-grade development partnership with Denmark-based Solural Pharma to develop new, advanced Medical Cannabis oil products. This exclusive partnership marks the first, important step towards building a true quality leadership in pharma-grade Medical Cannabis. This includes formulated products that target individual conditions, best-in-class efficacy (better effect at smaller doses), etc. The first formulated products are expected to be ready in 2021-22 provided that tests prove successful.

One-stop quality supplier from 2022

The key to quality leadership is a diverse product portfolio with a mix of high-quality Medical Cannabis products sourced from own production, from strategic suppliers and specially formulated products that target specific conditions. Gradually, this will grow into an attractive and selected portfolio of branded high-quality products that meet the needs of a large, diverse patient group.

Three countries including Denmark by end-2020.

We believe that legislators in several countries will seek to learn from - or even copy - the advanced and highly demanding regime that the DMA has adopted for Medical Cannabis in Denmark. This is a "pharma-style" approach that includes prescription by Doctors, zero tolerance for pesticides, consistency in production and a requirement for high-quality documentation. This poses a significant barrier for growers and may be

implemented – or copied - in other European markets. On these grounds, we can also become a first mover and help define the winning formula for Medical Cannabis in the wider European market. Our immediate target is to be active in two countries outside Denmark by end-2020, including Ireland. By 2025, this means operating in up to 10 markets in close dialogue with local regulators based on the Danish requirements, establishment of distribution through classic pharma channels and a supply chain based on a combination of imports from highly qualified, vetted suppliers and our own production in the highest possible, consistent quality. Our own production will take place in Denmark and, when required, in a secondary facility to be placed in another European market.

Long-term aspiration: New Danish flagship

The market has only just begun to unfold. Experts agree that legalisation will accelerate, competition will emerge, and a more mature market will appear. Our strategy is to lead this development, and our dream is to build what can become a new Danish flagship with global reach in the Medical Cannabis industry, which in Europe alone may grow towards the forecasted total market size of EUR 2.2 billion by 2024²⁾ Experts generally agree that the European Medical Cannabis market is facing a steeper growth curve than most other markets. We believe that STENOCARE is in a position to create a leading brand in this market.

Change of listing platform and capitalisation

Our Application for admission to Nasdaq First North Growth Market Denmark at this time was driven by three distinct advantages. Firstly, by issuing this Prospectus we can perform the platform change and this subsequent Rights Issue in a single process that once again makes STENOCARE a first mover. Secondly, with the Nasdaq brand, we become associated with a strong internationally recognised and respected platform and thirdly, we take the natural first step towards a subsequent upgrade to the SmallCap main market at Nasdaq Copenhagen. Last, but not least, we have been in contact with several of our Swedish shareholders, and the response has been that investing and trading on Nasdaq First North Growth Market Denmark has become a natural thing to do. While we will increase our profile towards Danish investors going forward, we will continue to make ourselves heard in Sweden and increasingly also in the wider international markets.

Our journey continues. **In fact, it just started.**

2. STRATEGY, PERFORMANCE AND BUSINESS ENVIRONMENT

2.1. INFORMATION ABOUT THE ISSUER

STENOCARE was incorporated as a public limited liability company under the laws of Denmark on 19 October 2017.

Registration numbers and codes:

- Danish Business Authority registration under CVR no. 39024705,
- Legal Entity Identifier (LEI) code is: 549300NCH67H3GA28R82.
- CFI (ISO 10962): ESVUFN
- FISN (ISO 18772): Stenocare AS/-

STENOCARE's registered office is situated in the Municipality of Randers, Denmark:

STENOCARE A/S

Nyholmsvej 4,

DK-8930 Randers NØ

Telephone number: (+45 31770060)

Website (Danish): www.STENOCARE.dk

Website (English): www.STENOCARE.com

Information on STENOCARE's website does not form part of this Prospectus unless that information is incorporated by reference into the Prospectus.

2.1.1. Material changes and trend information

Since the end date of the last period for which financial information has been included in this Prospectus, meaning 31 March 2020, no other changes in the borrowing and funding structure have occurred other than any specified in section 7.5.

In February 2020, the quarantined inventory was destroyed. The related cost was covered by the previous supplier and reserved for in the financial statements ending 31 December 2019.

No other trends of significance in relation to production, sales, inventory, cost or selling prices applied from the end of the last financial year until the date of the Prospectus.

2.1.2. Financing

Current funding (cash in bank)

Without further investment in Production equipment, etc., STENOCARE expects to be able to continue its operations based on existing funding until the point at which sales resume (expected during 2020) and until such sales begin to create positive cash flows.

Use of funds from the current Issue

The financing requirements of STENOCARE relate to its desire to invest in further growth. The proceeds from the Offering described in this Prospectus will be dedicated to STENOCARE 2.0, including the creation of a leading European brand within Medical Cannabis with a distinct and unique high-end pharma-grade approach.

Future funding

STENOCARE will identify suitable countries for both export and establishment of an additional cultivation facility outside Denmark. Potential investments in further cultivation facilities outside Denmark are not included in the use of funds from the current issue. It is also likely that STENOCARE will identify significant value in acquiring relevant companies that will accelerate or complement its current business. STENOCARE has made no concrete decisions or plans for this potential scenario, and therefore further funding could be required in the future via debt financing, capital from the operating business, partnerships and/or a new share issue.

2.2. BUSINESS OVERVIEW

2.2.1. STENOCARE is facing a rare opportunity

Market leadership and profits: STENOCARE was established in 2017 in anticipation of the legalisation of Medical Cannabis in Denmark that took place with effect from 1 January 2018, covering a 4-year period, generally referred to as The Danish Pilot Programme. Today, STENOCARE is a public, proven company with a clear first-mover advantage in the high-end, prescribed Medical Cannabis market and ready to scale its model in Denmark and beyond. Uniquely, STENOCARE was the first to gain licences relating to cultivation, manufacturing, import and distribution from the DMA, which is widely recognised for imposing probably the strictest regulatory regime in the world. As a result, STENOCARE was the first to deliver its branded and licensed Medical Cannabis oil products to more than 2,000 patients in Denmark and became profitable on a monthly basis towards the end of 2018 after only few months of sales and also announced a profitable operation in Q1 2019 due to sales and in all of 2019 due to a combination of sales and compensation for lost sales, etc. from STENOCARE's previous supplier.

Legalisation continues: The expected, continued legalization, also beyond the 4-year Pilot Programme, is a key assumption behind STENOCARE's ongoing investments in and opportunities relating to the Danish market. The general sentiment in the market is that once the legalization is "out of the bottle" there is no way back, documented by the fact that so far, no countries have withdrawn their legalisation once granted, due to pressure from users and other stakeholders and awareness of the alternative illegal market. Meanwhile, the medical cannabis industry is gaining pace. Since the STENOCARE IPO in October 2018, six additional European countries (now at a total of 18) are seen to have legalised medical cannabis (either directly or through the introduction of a pilot programme), and several local and international players are getting ready to compete for their share of the estimated hyper growth, over the next 10 years as the wider European Medical Cannabis market reaches a multi-billion EUR level in the coming years. STENOCARE is well positioned to claim its fair share of this market as an upcoming, international market leader in high-quality Medical Cannabis. This is what we call "STENOCARE 2.0".

Massive, yet virgin market: The Medical Cannabis market is in many ways unique. Unlike other new markets that must grow from scratch and build to critical mass, the European Medical Cannabis market has been significant from day one with millions of patients that could benefit from Medical Cannabis. However, unlike the much more mature North American market, recreational cannabis has not been legalised in Europe. This means that, apart from a grey market with CBD products with low resolution <0.2% THC (no "high" sensation), the European Medical Cannabis market is purely medical and prescription-based and in its infancy. Prescription-based Medical Cannabis is therefore a new industry and market for Europe.

European market leader: STENOCARE has already been recognized as a European market leader and is determined to remain a first mover, serving patients with high-end prescription-based Medical Cannabis and building a leading European brand as the market evolves. In the event that the market develops to a size anywhere close to the above projection of several billion USD in the coming years with just modest penetration of the 27 EU nations, STENOCARE would be well positioned to grow into the same league as the leading cannabis companies in North America, many of which have only been around for five years or less.

For more information about the Cannabis market (size, dynamics, etc.), please see Sections 2.6 and 2.8 below.

2.2.2. STENOCARE 1.0: Fast track to early local leadership and collection of critical assets

Job done: STENOCARE set out to become an early leader and first mover in Medical Cannabis in Denmark. This goal was reached in every way and in many cases ahead of the initial timeframe. As a result, STENOCARE became the first profitable player in the industry on a monthly basis towards the end of 2018 and Q1 19 was the first full quarter with products in the market, quarterly sales of DKK 4.3 million and profits of DKK 1.5 million.

Commercial assets: STENOCARE was – and is - is the first in the Pilot Programme to bring Medical Cannabis oil products all the way through the supply chain of wholesalers and pharmacies to the hands of patients. In total, more than 2,000 patients in Denmark have purchased STENOCARE products under the Danish Pilot Programme and prescription-based. **This represents 100% of the oil-based products that have been sold under the Danish Pilot Programme to date.**

STENOCARE has also commenced building international assets by establishing a subsidiary in Ireland and was named a European Market leader by Prohibition Partners in February 2020⁵.

Regulatory assets: The accumulated knowledge about how to apply for and receive licences under the Danish Pilot Programme from the Danish, very strict authorities, is a major part of STENOCARE's collection of assets. First, in December 2017, STENOCARE received its licence to cultivate and produce, and in March 2018 the general license to import, manufacture and distribute was received. In July 2018, the specific product licence to sell the first three imported Medical Cannabis oil products was secured, and in May 2019, the licence to sell specific Medical Cannabis capsules was granted. Then in October 2019, the licences on all products from the previous supplier were withdrawn and the preparations for application for approval of products from the new supplier, Emerald (CAN) commenced. In March 2020, the next supplier, Panaxia was announced and simultaneously, an application for approval of new products from Panaxia was filed with the DMA.

Supply chain assets: In 2019, STENOCARE successfully completed its first harvest without use of pesticides. Now, STENOCARE is upgrading its existing growing facility into a unique and state-of-the-art indoor production facility, and the licence to allow for sale of own products will be applied for when multiple harvests have been completed successfully. The timing for submission of the application will depend upon the timing of completion of our new cultivation facility. In the meantime, STENOCARE is also coming out stronger after STENOCARE's then exclusive supplier was terminated by STENOCARE in Q2 19. This was a set-back and not part of the masterplan, but now new supplier agreements have been concluded with Emerald (CAN) and Panaxia (Israel), and with the new multiple-supplier strategy STENOCARE will have a stronger platform for future expansion. With this, STENOCARE is on track - once the products from one or more of those suppliers are approved by the DMA - to establish a more resilient, higher-quality, wider and more flexible product portfolio for patients.

Strategic partnership assets: STENOCARE pursues partnerships in ways that can best support the brand and general expansion of STENOCARE's market footprint as well as the development of special formulations. The first such partnership was announced by STENOCARE in December 2019 with Solural Pharma.

2.2.3. STENOCARE 2.0: The path to European leadership in Medical Cannabis

The Vision and how to get there: The Vision behind STENOCARE remains to improve the quality of lives of millions of patients who can benefit from the use of high-quality Medical Cannabis products. The Mission – which will lead to the fulfilment of the Vision – is to make STENOCARE a leading European brand in high-quality, prescription-based Medical Cannabis, also referred to as STENOCARE 2.0. The “how” is best addressed by describing the four underlying key strategic elements covering 1: Commercial, 2: Regulatory, 3: Supply chain and 4: Strategic partnerships. The strategy is simple and powerful, yet difficult for others to replicate.

*STENOCARE believes that the keys to European-wide market leadership in Medical Cannabis is a clear and focused **strategy**, supported by unique **assets** and a strong **team** with a proven quality in execution.*

1&2: Commercial and regulatory strategy: By 2025, STENOCARE will expand its operations to up to 10 markets by scaling what works in Denmark and based on close dialogue with local regulators. This is performed with reference to the stamp of approval that STENOCARE has acquired by abiding by the advanced Danish regulatory requirements as well as establishment of distribution through classic pharma channels. This strategy has been vetted by the dialogue with local authorities in other countries and the consequential establishment of STENOCARE Ireland Ltd. More countries are in the pipeline.

3: Supply chain strategy: STENOCARE's multiple-supplier strategy is based on a combination of imports from highly qualified suppliers and own production in the highest possible consistent quality. Going forward, the combination of own production and imports will enable STENOCARE to offer a highly competitive product portfolio targeted at individual patient groups. The Danish cultivation facility is being built to meet pharma-grade requirements, and STENOCARE will make further investments in the facility to create the leading indoor production environment of Medical Cannabis. Own production will continue to take place in Denmark and in a secondary facility to be located in another European market to be decided in due time.

4: Strategic partnerships: The medical cannabis industry landscape is changing rapidly. Being agile and independent is a unique strength that enables STENOCARE to form the best possible partnerships at any time to support its ambitious STENOCARE 2.0 strategy. STENOCARE has already been approached by several vendors and research companies in the pharma industry who would like to source prime quality Medical Cannabis from STENOCARE and develop advanced products in partnership with STENOCARE. This fits well with STENOCARE's continued appetite for partnerships that can add intellectual property (IP) to STENOCARE based on research & development (R&D) and testing.

Please see Sections 2.7 and 2.9 for a more elaborate presentation of the STENOCARE 1.0 assets and 2.0 strategy.

2.3. ORGANISATIONAL STRUCTURE

Operation in Denmark

At the date of the Prospectus, a total of seven persons are employed full time, including four management team members, and the Board of Directors consists of four members, three of whom are non-executive. For CVs and further details, please refer to Section 6.1.

STENOCARE's ability to execute in a small, effective organisational structure has been a key criterion to date. To date, STENOCARE has established and utilised an effective network of trusted consultants and cooperation partners who have contributed to STENOCARE's ability to execute to date, even with a relatively small organisation.

As the STENOCARE 2.0 strategy is implemented, including an increase in production, sales volume and international activities, the organisation will grow. During the next twelve months an additional 10 full-time employees are expected to be added.

Subsidiary in Ireland

STENOCARE Ireland Ltd was incorporated in the Republic of Ireland on 10 July 2019 and is registered under company number 653270. The registered office is situated at South Bank House, 6th floor, Barrow Street, Dublin 4, Ireland, and its directors are Thomas Skovlund Schnegelsberg, Rolf Steno and Peter Bugge Johansen. It has an issued share capital of EUR 1 and 1 share of EUR 1, which is owned by the Company. No financial activity has occurred in the company to date.

2.4. INVESTMENTS

Since its foundation in 2017, STENOCARE has made significant investments in establishing a market-leading position and an array of assets – commercial, regulatory and supply chain assets – and strategic partnerships. These investments, the market they address and the resulting assets are described in detail in Section 2.2 above, in Section 2.7 and in the financial overview in Section 7.

2.5. FROM SEED TO PATIENT

2.5.1. Imported sourcing

STENOCARE's products refer to the Danish Pilot Programme for legalisation of prescription-based Medical Cannabis. STENOCARE offers high-quality Medical Cannabis oil, which is produced by hygienic and high-technology cultivation and processing without the use of pesticides.

After having obtained the first licences to import and sell such products under the Danish Pilot Programme, STENOCARE is now in the process of replacing the previous supplier with new, high-quality vendors. STENOCARE is currently working with the product approvals of the new vendor's products. STENOCARE submitted the first product application during 1H 2020 and renewed approvals are anticipated to be in place during H2 2020. This includes qualifying the production procedures and product quality at the supplier's facility (incl. on-site auditing) as well as the approval application processing at the DMA to meet the regulative requirements and provide documentation for each new product. There is no formal timeline from the DMA to indicate when an approval process is completed as this depends fully on the completeness and quality of the submitted documentation.

Subject to licences being obtained again, STENOCARE will provide new imported Medical Cannabis oil products. The process from seed to patient (as established earlier with the previous supplier) is outlined below:



The pesticide-free cannabis plant is grown by STENOCARE's partner(s).

NOTE: STENOCARE is in the process of establishing its own state-of-the-art cultivation facility (ref. below) and is replacing its previous supplier with several new partners.



Standardised Medical Cannabis products are produced from the cannabis plant. Strict Standards of Procedure (SOP's) regulate every process in the cultivation and production of cannabinoid Active Pharmaceutical Ingredients (API's) to ensure product quality and uniformity.



The Medical Cannabis is exported to STENOCARE in Denmark, based on a renewed licence by the DMA to import Medical Cannabis (in due process).



Subject to renewed licences being obtained for the products delivered by STENOCARE's new supplier(s), STENOCARE provides the product with its Danish label and packages the product in its own packaging with its associated product information sheets.



The Medical Cannabis is distributed to the distributors with whom STENOCARE has signed an agreement.



STENOCARE's distributors are exclusive suppliers of medicines, including the Medical Cannabis products, to pharmacies and hospitals in Denmark. The agreement between STENOCARE and its distributors means that STENOCARE's products have been and will be available on the shelves of all pharmacies and hospitals in Denmark. Thus, there is the possibility for patients to be able to gain quick access to Medical Cannabis if their Doctor writes out a prescription.



A Doctor assesses that a patient should be treated with Medical Cannabis and issues a prescription for Medical Cannabis.



The patient turns to a pharmacy to receive the prescribed product. The end product is labelled with a warning triangle and dose labelling according to instructions from the Doctor.



The Medical Cannabis is dispensed to and administered by the patient.

Product supply agreements with Emerald and Panaxia

In November 2019, STENOCARE entered into a commercial product supply agreement ("Supply Agreement1") with Emerald (Canada) to source finished Medical Cannabis products from their Canadian operation. Then in March 2020, STENOCARE entered into a commercial product supply agreement ("Supply Agreement2") with Panaxia (Israel) to source finished Medical Cannabis products from their Israeli operation. Together with Emerald and Panaxia individually, STENOCARE will work to have their products approved by the DMA for the Danish market, and later also for Ireland. All products sourced under these Supply Agreements will be sold under the STENOCARE brand. The Supply Agreements determine the conditions on which STENOCARE can import finished products, and the terms and conditions including pricing and payment terms. The Supply Agreements are updated annually or when needed, as and when new products are introduced. The Supply Agreements are a sourcing agreement and serve as general sources of products that will be leveraged in parallel with STENOCARE's own products when these are brought to the market. The Supply Agreements have no expiration date. According to the Supply Agreements, the suppliers maintain insurance coverage for product liability claims raised against the products produced by the suppliers. As a reseller of Emerald and Panaxia's products, STENOCARE has all the legally required product insurance policies in effect. Unlike STENOCARE's agreement with its previous supplier, the Supply Agreement does not preclude STENOCARE from entering into supply agreements with other vendors.

2.5.2. Own sourcing

From first harvest to commercial products

STENOCARE completed its first pesticide free harvest in September 2019. Anyone seeking approval for own cultivation from the DMA must master consistency, quality and full compliance with the regulatory requirements. This is done by performing multiple harvests that fall within the required specifications, and, following that, the DMA will perform a full audit of the production, documentation and Standard Operating Procedures from seed to finished product formulation. Following a successful DMA audit, the DMA will issue a permit for using the harvested plants to produce Medical Cannabis products. After consistent products have been cultivated and produced by STENOCARE, each separate product type will need approval from the DMA in order to be covered by the Danish Pilot Programme to be made legally available to patients. The DMA has communicated that they expect the approval process to take approximately 6 to 12 months from the date of submission of the application. Once the product has been approved, STENOCARE will start selling the self-produced Medical Cannabis and start exporting STENOCARE's own products to other countries. Each market will need to approve new products before they can be prescribed to patients, since each country has its own regulatory procedures and requirements.

Pharma-grade production

The DMA places great emphasis on compliance with quality standards and regulatory requirements in the cultivation of cannabis plants without the use of pesticides, and STENOCARE has therefore carefully evaluated various cultivation possibilities. It is STENOCARE'S own assessment that cannabis cultivation under greenhouse conditions will be met with challenges in meeting the strict requirements of quality, uniformity, strengths and no use of pesticides. Therefore, it has been decided to further upgrade the indoor production facilities in Jutland/Denmark into a factory with closed hygienic over-pressurised indoor climate-controlled rooms. This enables STENOCARE to control all elements during cultivation and production, such as temperature, humidity, light, CO₂, air pressure and purification and other factors that may affect the quality, uniformity and strength of the product. The location of cultivation and production in a closed climate-controlled system also enables full control of access to the cannabis plants, which is handled by authorised staff only.

> Construction agreement with Havecon Horticultural Projects BV (The Netherlands)

STENOCARE has entered into a turnkey construction agreement with Havecon, a leading specialist cultivation facility supplier of high-end greenhouse cultivation projects all over the world. Together with Havecon, STENOCARE has developed a state-of-the-art greenhouse hybrid that leverages best practices from traditional greenhouse and pharma clean-room technologies. The agreement governs the entire project of building a cultivation facility at STENOCARE's premises in Jutland, Denmark, with a timeline for delivery of a completed turnkey solution in 2020/21.

Denmark is only the beginning

STENOCARE is investigating a number of options with a view to identifying the most suitable country for both export and location for the potential establishment of an additional production facility elsewhere in Europe. This initiative is labelled "Project Phoenix" and has the objective of ensuring business continuity beyond the Danish Pilot Programme, should it not be extended after December 2021. Currently, there are no indications or voiced interest from the Danish Parliament to terminate the Programme in 2021. In fact – to the contrary – the pressure from patients, lobbyists, leading cannabis-friendly Doctors and competitors is mounting. Along with this, **the current Minister for Health has in Danish media been quoted for being ready to extend the Pilot Programme in order to collect more experience and better enable Parliament to evaluate the Programme (December 2019)⁶**. The Programme was approved by nine of the ten political parties in Parliament and is therefore supported across the political spectrum - meaning that any change of government is not likely to alter support for the Programme. Project Phoenix may require capital beyond the capital raised in the current Issue which the Company may acquire via banks/lenders, cash from operations, partnerships and/or a new share issue.

2.5.3. Research and development partnerships

Development partnership strategy

The STENOCARE 2.0 pharma-grade strategy is to supplement its high-quality generic Medical Cannabis products with enhanced specialised products formulated to target specific patient groups suffering from specific conditions. This will be done in close Research and development partnerships with carefully selected partners across a number of fields. The

first such partnership has already been secured with Solural Pharma, ref. below.

> Product development agreement with Solural Pharma A/S (Denmark)

STENOCARE has entered into a strategic agreement with Solural to develop and test new Medical Cannabis oil products for patients in the markets that STENOCARE serve. The nature of the cooperation is highly synergistic. STENOCARE will provide its high-quality cannabis raw materials and extensive knowledge, reputation and experience relating to the supply and distribution of Medical Cannabis-based products while Solural provides its expertise in product formulation, testing and clinical trials within the traditional pharma industry based on their patented Lymphatic Targeting Technology, which has already been applied successfully in a range of product development projects. Examples are: Oral Testosterone for Male Hypogonadism (also known as testosterone deficiency) and food independent oral Abiraterone Acetate for prostate cancer.

STENOCARE has acquired global exclusivity for all cannabinoid-based products based on the Solural Lymphatic Targeting Technology. The first partnership project, see below, will be a cannabis oil-based oral formulation to be developed and tested for higher and more identical efficacy pre- and post-food intake to ensure optimal patient treatment. This means that patients will require a lower daily dosage of higher-quality Medical Cannabis. Once the new products are released, STENOCARE will distribute these formulated products within STENOCARE's current core markets (Denmark, Ireland) and future new territories to be targeted by STENOCARE.

It is expected that such jointly developed products can be launched, subject to obtaining relevant medicines agency approvals and licences during 2021-2022. STENOCARE will co-invest with Solural in the development of the joint products and the related clinical trials. Solural will receive a licence/royalty of on all related sales. The Agreement has no expiry date, but each party can give notice of termination with a 90-days written notice as follows: STENOCARE can terminate if it is concluded the Solural technology is ineffective for medical cannabis formulations, and Solural can terminate if STENOCARE rejects to use commercial reasonable efforts to develop the products.

2.5.4. Distribution

Distribution in place

Medical suppliers are not allowed to sell and deliver their products directly to pharmacies in Denmark. STENOCARE has established distribution agreements with dominating wholesalers Nomeco A/S and Tjellesen Max Jenne A/S, and this way STENOCARE has secured a distribution channel to all pharmacies and hospitals in Denmark. Within the framework of STENOCARE's business operations, STENOCARE also has the possibility of supplying Medical Cannabis to hospitals without the use of distributors. STENOCARE is currently evaluating this option. STENOCARE has also initiated its international distribution by way of entering into the first non-Danish distribution agreement with Georgelle (Ireland). For details about each wholesaler, please see below:

> Wholesale agreement with Nomeco A/S

STENOCARE has entered into a wholesale agreement with Nomeco A/S (a Phoenix group Company). Nomeco A/S has specialised in wholesale of medicaments and chemicals. This is the largest wholesale partner with an estimated market share of approximately 70 percent in Denmark. The wholesale agreement between Nomeco A/S and STENOCARE was entered into on 1 March 2018. The commission varies with volume of products sold. The agreement between STENOCARE and Nomeco A/S was established on 1 March 2018 and is automatically extended "until further notice". Either party may terminate the agreement by giving six months' written notice. The agreement will automatically terminate without notice on 31 December 2021 unless Nomeco A/S and STENOCARE negotiate subsequent terms no later than six months prior to the expiration date.

> Wholesale agreement with Tjellesen Max Jenne A/S

STENOCARE has also entered into a wholesale agreement with Tjellesen Max Jenne A/S (a McKesson group Company). STENOCARE specialises in wholesale of medical products and products relating to health services with an estimated market share of approximately 30 percent in Denmark. The wholesale agreement between Tjellesen Max Jenne A/S and STENOCARE was entered into on 19 March 2018. The commission varies with volume of products sold. The agreement with Tjellesen Max Jenne A/S was established on 19 March 2018 and is extended annually. Both parties may terminate the agreement by giving written notice not later than six months before the end of a period.

> Wholesale agreement with Georgelle Ltd (Ireland).

STENOCARE has entered into a wholesale distribution agreement with Georgelle, a family-run business in Ireland with a history of over 40 years. Georgelle is one of Ireland's leading wholesale pharmaceutical companies, supplying the country's network of hospitals and 1,700 retail pharmacies with a wide range of Licensed & Exempt Medicinal Products (EMP's). The fee is a function of the recommended retail prices excluding applicable taxes. The agreement between Georgelle and STENOCARE was signed on 26 November 2019 and runs for a minimum term of two years and will be in effect from the date of the first product import applications sent to the Irish authorities. The agreement is automatically extended by 12 months at the end of a period unless either of the parties has given six months' written notice to terminate the agreement.

2.6. PRODUCT AND MARKET SEGMENTS





Medical Cannabis (definition)

The cannabis market, widely defined, is a combination of the categories shown in table 1 below (next page)⁷.

STENOCARE is focused on the high-end Medical Cannabis market segment, defined as products that are prescribed by Doctors as part of a legalised and general licence-based regime for multiple conditions/illnesses in the country in question.

This is use of cannabis under ongoing medical supervision, with an established diagnosis of the target symptom-disease complex, and the cannabis products are used in conjunction with, or in consideration of, other pharmacological and non-pharmacological approaches and with the goal of reaching pre-specified treatment outcomes. The primary purpose of Medical Cannabis use is symptom relief and improved function and overall quality of life.

Medical Cannabis products produced under the regulation and control of the health authorities should not be compared with illegal and/or grey market "medical cannabis" products, see below. Typically, the illegal products are produced from industrial hemp that does not have the same composition (e.g. terpenoids, flavonoids), which is considered to be an important part of the efficacy and entourage effect. Also, the illegal products are often not tested for pesticide content and strengths uniformity. The patients using illegal products have no guarantee that the supplier and the product label provide accurate information.

	<h3>Medical cannabis</h3> <p>Medical cannabis refers to plant-based or plant-derived cannabis products prescribed by a medical practitioner for the treatment of a specific conditions or diseases (eg, epilepsy, pain, MS). Medical cannabis uses the whole unprocessed plant, the processed plant or the chemicals contained within it. It can include high CBD and low THC products though CBD products may also appear as consumer goods. Medical cannabis products are currently prepared as plant materials, oils, tinctures, edibles or capsules.</p>
	<h3>Pharmaceutical cannabis</h3> <p>For the purposes of this report, pharmaceutical cannabis refers to products formulated using pure cannabinoids (either plant extracted or synthetic) that have been through full clinical trials and licensed as a medicine. Examples of products include Sativex, Epidiolex, Cesamet, Marinol and Syndros.</p>
	<h3>Recreational cannabis</h3> <p>Recreational cannabis refers to any cannabis used for non-medical purposes. It includes black market products. It ordinarily has a higher concentration of THC, the psychoactive properties of the cannabis plant. It is illegal in many countries and states. People tend to smoke (or consume via edibles) recreational cannabis or use oils and vaporised products. For the purposes of this report, usage is assumed to be in people aged 15+.</p>
	<h3>CBD</h3> <p>Throughout this report, reference is made to CBD. Whilst there is an emergent market for CBD-infused consumer goods, capsules and oils, these have been excluded from the market size calculations due to a lack of sales data. Although these products may be used for wellness purposes such as to aid sleep, or for pain or anxiety management, they do not require a prescription and have therefore been excluded from the medical market sizing.</p>

STENOCARE's long-term target is to play a role in the pharmaceutical cannabis market (high-end Medical Cannabis) in cooperation with major players in the pharma industry. While STENOCARE will be ready to seize such opportunities as and when they emerge, this is not yet qualified and therefore no further details are provided in this Prospectus.

CBD and Recreational cannabis

The general market for the use of cannabis for purposes other than strictly medical purposes is either illegal or considered a grey zone in Europe. When used in low-dose <0.2% THC context, it is referred to as "CBD" despite the fact that CBD is much more than that. At the same time, recreational cannabis is the "big thing" in North America as it has been legalised in Canada (2018) in Mexico (2019) and also in several US states. This market is by far the largest, yet also the most crowded market. STENOCARE has no focus on this market segment.

2.6.1. Usage and general definition of Medical Cannabis

Cannabis has been used in medicine for 6,000 years, and the range of conditions that are addressed by medical use of cannabis by patients is wide. Medical cannabis is in many ways a unique product category and represents a very unique market opportunity as well. The understanding and awareness of medical cannabis as an alternative to classic medication when seeking relief from pain or illness, etc. is on the rise and the same thing can be said about its legalisation across the globe, including in Europe.

Medical cannabis is a general category term for anything from dried cannabis flowers, cannabis oils, capsules and tablets to oromucosal spray (mouth spray). All products contain either parts of the cannabis plant, active substances from the plant or synthetic cannabinoids, and they are used to alleviate illness and/or pain. The main active and commonly known cannabinoid compounds are tetrahydrocannabinol (THC) and cannabidiol (CBD). THC has properties that can increase appetite and reduce nausea. CBD has a dampening effect on cramps. Thus, the combination of THC and CBD may potentially provide an efficacy to patients suffering from pain, cramps and/or nausea.



Source: illustration from Visual Capitalist⁸

The illustration above shows the conditions that are most likely to be replaced by medical cannabis in the US. Based on a 2016 health affairs study which found an 11% reduction in drug prescriptions⁹ in medical cannabis states, it was estimated that cannabis and related products can replace \$4.4 billion to \$4.9 billion per year of current spending on existing treatments. In addition, multiple sclerosis and epilepsy are major conditions of relevance for the European/Danish market.

Cannabis is increasingly being used as a supplement and/or substitute for pharmaceuticals, such as morphine, as it is seen to provide effects that alleviate pains without the same degree of side effects as opioids. A US survey suggests that 80% of cannabis users have used cannabis as a substitute for other pharmaceuticals, primarily opioids¹⁰.



US opioid substitution usage (August 2019)¹¹

While cannabis has a long history of medical use as an analgesic (pain reliever) and antispasmodic agent, for much of the modern era there has been a general lack of awareness and clinical trials among scientists and Doctors of its

medical benefits. The discovery of the active ingredient THC in the 1960s, as well as the discovery of a system of endogenous cannabinoid receptors¹⁹ and ligands²⁰ in the late 1980s and early 1990s, promoted inquiry into the therapeutic potential of cannabis and its extracts and derivatives. This work revealed that cannabis can provide relief from certain types of conditions, such as severe chronic pain, and lead to the development of various herbal medical cannabis products. These discoveries and the vast commercial opportunities they open up to have caused a variety of pharma companies to undertake almost 400 clinical trials worldwide, of which 119 with the FDA in the US (active or completed) as of June 2018.¹²

2.6.2. Primary target groups and usage pattern

Medical Cannabis can be prescribed for all types of illnesses

There is a total of about 40+ indications in which Medical Cannabis may potentially show results in terms of efficacy. The DMA has made an assessment concerning which patient groups and treatment indications they primarily recommend being treated with Medical Cannabis. These are: multiple sclerosis (MS), chronic pain, spinal cord injury (paraplegia) and nausea and vomiting as a result of chemotherapy, as described below in detail.

IMPORTANT FACT: All types of illnesses are covered by the Danish Pilot Programme – and all Danish Doctors have the authorisation to prescribe Medical Cannabis to all their patients and for all types of illnesses.

Doctor's prescription

It is the individual Doctor who decides which of the Medical Cannabis products a patient is to be treated with. The Cannabis oil formulations represent significant advantages to medical patients:

- 1) Active Pharmaceutical Ingredient (API), which makes the product standardised.
- 2) Easy-to-control dosage for even very low doses.
- 3) Mild taste in a golden coloured oil.

The number of dosages of cannabis medication varies for each patient and is determined by a Doctor. Some patients may need to take Medical Cannabis during a pre-determined treatment period – while other patients may need to take Medical Cannabis for the rest of their lives, see below.

Eighteen months into the lifetime of the four-year Danish Pilot Programme, approximately 15,000 Medical Cannabis prescriptions had been issued. Statistics from the DMA reveal that in 64% of the cases the Doctor has not reported the intended application (10,062 prescriptions). Neuropathic pain is the most frequently reported application with 18.6% of the cases (2,907 prescriptions) and multiple sclerosis accounting for 3.8% (599 prescriptions).¹³

> Multiple sclerosis

In Denmark, approximately 15,000 people suffer from multiple sclerosis (“MS”)¹⁴. In Europe, the number is approximately 270,000 people. MS is a disease that affects the central nervous system, i.e. the brain and spinal cord. MS is an autoimmune disease which causes inflammation and scarring of nerve fibres, which means that impulses from the brain do not flow smoothly to the target nerve as they should. MS patients are forced to live with the disease for the rest of their lives, as there is no effective cure at the present time. Medicinal products can, however, slow down the long-term progression of the disease and alleviate the discomfort that arises from the disease, such as tremors and sensory disturbances, altered sensations, balance difficulties as well as stiffness and pain in the muscles.

> Chronic pain and spinal cord injury (paraplegia)

In Denmark, approximately 850,000 people¹⁵ suffer from chronic pain, either constantly or recurring episodically and continuing for a long period of time. Examples of conditions are osteoarthritis and osteoporosis, but patients with MS and pain from chemotherapy can also count in this category. The pain may be attributable to an infection, disease or wear and tear on the body, and the symptoms that may arise, such as headache, joint pain, back pain and muscle ache. Chronic pain is resistant to treatment or lacks a (known) treatment. A spinal cord injury means that the neural connections between the brain and the body are completely or partially damaged, which may give rise to a situation where volitional motor control ceases to function and/or that feeling disappears.

> Cytotoxic drugs/chemotherapy

In Denmark, approximately 35,000 new people¹⁶ are treated with chemotherapy every year. Cytotoxic drugs, also known as cytostatic or cytotoxic chemotherapy, are a group of medicinal products used primarily in the treatment of cancerous diseases, but can also be used as a treatment for HIV/AIDS, chronic inflammatory diseases and autoimmune diseases. The medicinal products attack the cells in the body for the purpose of eradicating or inhibiting their continued growth. The treatment often causes extreme stress on the body, and in many cases leads to side effects such as loss of appetite and nausea.

The side effects depend on the type of cytotoxic drugs given as well as on how high the doses are and the number of treatments that the patient needs to undergo.

2.6.3. STENOCARE focus areas

STENOCARE will aim build recurring sales, with focus on patients suffering from:

- Nausea and vomiting as a result of cytotoxic drugs/chemotherapy treatment for various cancerous diseases
Need: Could use medical Cannabis for eight weeks per year (average two products per patient per year).
- Multiple sclerosis patients and other chronic indications
Need: Could use Medical Cannabis every month (average twelve products per patient per year).

2.7. OPERATION AND FINANCIAL REVIEW (BUSINESS TO DATE)

Since its inception in 2017, STENOCARE has become an established first mover in Medical Cannabis in Denmark and beyond, starting in Ireland and preparation in other countries (not disclosed for competitive reasons).

This means that STENOCARE 1.0 is completed.

The following introduction describes how STENOCARE has arrived at its current position and its strong collection of assets. The journey has been eventful and largely positive to date besides the issue with STENOCARE's former supplier.

Overview of milestones to date:

	2017	2018	2019/20
Organisation & Structure	Oct: Founder team established and STENOCARE incorporated.	Aug: CFO engaged. Sep: Board established.	Jul-19: Founding of subsidiary in Ireland. Sep-19 Supplier Board member steps down.
Licences	Dec: Licence received to grow and produce (2 months*)	Jan: 4-year legalisation Pilot Programme in Denmark started. Mar: General licence received to import, manufacture and distribute (2 months*). June: Product approvals for three Medical Cannabis oil products (7 months*).	May-19 Product approval received for CBD capsules (5 months*) Oct-19: Licence for all supplier products withdrawn. Nov-19: Application process for licence for products from new supplier commenced. Mar-20: Filing of products approval application for the DMA
Import	Oct: Agreement with first supplier	Sep: First import of products from Canada.	Jul-Sep-19: Supplier cooperation terminated. Nov-19: New supplier agreement signed with Emerald Mar-20: New supplier agreement signed with Panaxia.

... table continued	2017	2018	2019/20
Production	Oct: Lease on cultivation building in Jutland, DK.		Jun-19: Own cultivation commenced. Jul-19: Major cultivation facility project signed. Sep-19: First pesticide-free harvest, successful.
Research			Dec-19: Agreement with Solural Pharma to develop and test advanced products.
Capital		Jan: DKK 2 million in private round. July: DKK 4 million in private round. Oct: DKK 18.6 million in IPO.	May-19: Declared IPO of the year 2018, awarded for best governance (no “red flags”). July-19: DKK 15 million loan facility (for cultivation facility).
Financials For financial review, please also see financial overview.		Profitable on a monthly basis at the end of the year after only few months of operations.	Q1-19: First profitable quarter (1 year ahead of plan). Since Q2-19: Limited sales due to halt in supply in Q2. FYI-19: Positive earnings due to sales and compensation from previous supplier.
* Note: Bracket with number of months means time from application to receipt of license			

2.7.1. Formation and first license (2017)

STENOCARE was formally established on **19 October 2017**. Ahead of this, the Founders had established the vision of creating an international front-runner in what was expected to become a large international market along with the upcoming legalisation of Medical Cannabis. During the first year, and ahead of the formal establishment, the Founder team had established an industrial **building** leasehold in Jutland (Denmark) and, as a result of this intensive preparation, it was possible not only to form STENOCARE in October 2017, but to also sign a partner agreement in order to secure important know-how. In December (two months after filing of the application), STENOCARE received its **first licence** to grow and produce Medical Cannabis and filed its Application for authorisation to import, produce and distribute Medical Cannabis with the DMA.

2.7.2. First commercialisation and IPO (2018)

Together with its advisors, the Founders agreed early on that STENOCARE would be an interesting IPO candidate IPO. To prepare for this at the maximum pace, a private placement of approximately **DKK 2 million** at a pre-money valuation of approximately DKK 20 million was established in January 2018. In March 2018, STENOCARE received its **licence to import**, manufacture and distribute Medical Cannabis and closed **Distribution Agreement** with Denmark’s two leading medicines wholesalers, Nomeco A/S and Tjellesen Max Jenne A/S. Later, in July 2018, **STENOCARE’s first three products** were included on the DMA’s List of admitted medicinal products, and an additional private placement of **DKK 4 million** was closed at a pre-money valuation of approximately DKK 46.8 million. **Sales then commenced in September**, and the first product batch was delivered through distributors to pharmacies in Denmark. On 26 October 2018, STENOCARE completed its **IPO** on Spotlight Stock Market with subscription commitments, from a total of 11,812 investors representing applications for subscriptions totalling DKK 402 million, competing for the **DKK 18.6 million** that was offered (record subscription of more than 2,200%). Before year-end, STENOCARE reached its internal goal of **2,100 treatments** (= products sold) and reached break-even on a monthly basis by year-end, which was only few months from the initiation of sales. Also, STENOCARE filed its application for approval of three new capsule-based Medical Cannabis products with the DMA.

2.7.3. STENOCARE 1.0 completed, fully operational Company (2019/2020)

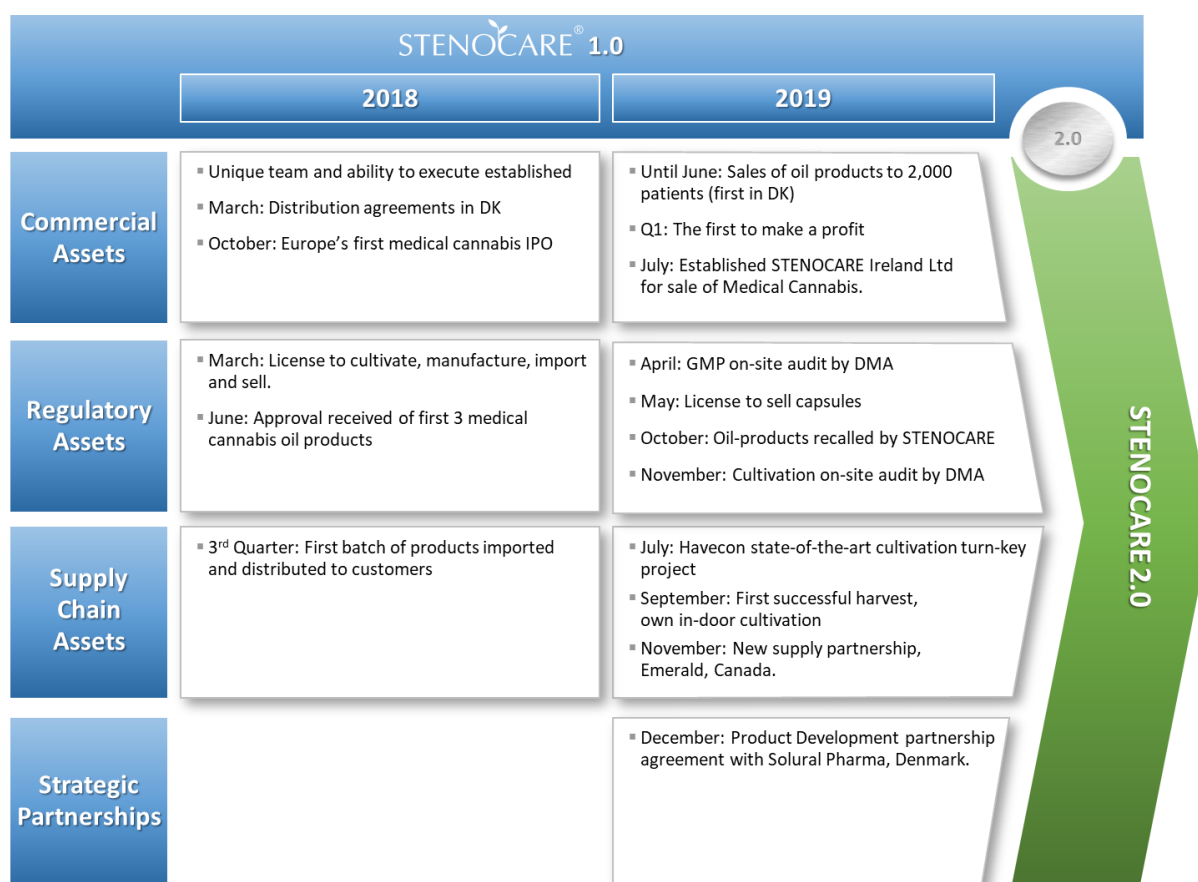
One year ahead of plan, Q1-2019 was the first **profitable** quarter for STENOCARE and in May, STENOCARE received **approvals for its capsule products**. Own **cultivation** commenced in June, and sales were gaining pace as a result of the fact that STENOCARE was (and to date still is) the only vendor to have obtained a licence for oil products under the

Danish Pilot Programme. Significant international interest in STENOCARE started to build and the first wholly-owned subsidiary was established in July in **Ireland** as part of the first international campaign. Then, later in July, regulatory compliance issues relating to STENOCARE's supplier and partner began to surface. Shortly after, STENOCARE launched its major initiative to establish its **state-of-the-art indoor cultivation facility** along with the fact that STENOCARE had secured a DKK 15 million loan facility to partially finance this investment from a consortium of 9 private lenders, without prior relationships with Executive Management or Major Shareholders of the Company. In parallel, the supplier's regulatory issues evolved to a point where, in September and October, the cooperation was terminated. Then, in November the first new Supplier Agreement was signed with **Emerald** (Canada) and in March 2020 an additional Supplier Agreement was signed with **Panaxia** (Israel) and the first application for approval of new products were filed with the DMA. In the meantime, sales came to a halt and will remain at zero until the new products are approved by the authorities. STENOCARE aims for approval of new products during this year, 2020. Following approval, sales can be reinstated to patients who are currently largely unserved. Also, in December 2019, STENOCARE was able to announce a **research** partnership with **Solural Pharma**, which marks the beginning of STENOCARE's dedication to the development of advanced formulations and products based on the highest possible quality Medical Cannabis and targeted at specific conditions. Finally, in December 2019, STENOCARE reached a final settlement agreement concerning compensation from its previous supplier. The terms of the settlement is described in details in Section 7.1.1.

2.7.4. Investments made and assets built

Until 21 December 2019, a total of almost DKK 8 million has been invested in the establishment of the initial production facility. A further investment is planned into the development and enhancement of the production/cultivation facilities, including GMP production facilities. In addition, DKK 4 million is planned to be invested in product development in partnership with Solural, and DKK 5-15 million (or more) is planned to be invested in international expansion.

On its journey so far towards its current position as an early local market leader, STENOCARE has not only developed a strong team with a proven ability to execute, it has also developed a remarkable array of business assets:



Commercial assets. The first to sell. STENOCARE gained access to 100% of pharmacies and hospitals through distribution agreements with all major Danish medicine wholesalers and was the first to supply the Danish market with imported oil products under the Danish Pilot Programme. Having supplied 2,000 patients with its products as the only one under the Programme in Denmark, STENOCARE has accumulated unique feedback and knowledge about patients and Doctors' preferences and experiences – incl. packaging and dosage methods. This is key to become the preferred brand and provides valuable insight for product innovation. **Second country was established** with a subsidiary in Ireland. In October 2018, STENOCARE was **the first provider of Medical Cannabis to go public in Europe**. This was very successful, and STENOCARE gained major international media attention. Also, STENOCARE received the prize as the best IPO in Sweden in 2018 out of 63 IPOs. **The first to make a profit.** As a result of rapidly increasing sales profits were reached on a monthly basis towards the end of 2018 after only few months of sales and Q1 19, STENOCARE's only second commercial quarter, turned profitable one year ahead of budget.

Regulatory assets: The first to have product approval by the DMA to import oil-based products. STENOCARE received approvals to import and sell Medical Cannabis oil and capsules to the Danish market as the first vendor. The unique collection of experiences from the Danish product application process has been converted into a formula for how to complete documentation for the regulatory requirements and working with the regulatory authorities to have new products approved.

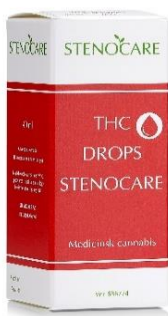
Supply chain assets: A state-of-the-art indoor cultivation facility is under construction in Denmark with a 100% controlled environment and zero pesticides. Specified and contracted with a specialised supplier. Small-scale cultivation has started, and the first harvest completed successfully with no use of pesticides, enabling the approval process for consistency/compliance certificate to commence and, thus, speeding up time to market. Two **new suppliers** of imported products, Emerald (Canada) and Panaxia (Israel), have been contracted. In combination with STENOCARE's own production, this – and other new suppliers - will enable STENOCARE to scale its operations with reduced single supplier dependence and offer a wider range of quality products.

Strategic Partnerships: Finally, STENOCARE has entered into a **joint development partnership** with Danish medical research company Solural Pharma to develop advanced formulations to target specific patient conditions. The STENOCARE imported products (sold until Q2-19¹⁷):



CBD DROPS STENOCARE

Standardised and dosage-consistent oral solution containing 1,000 mg of CBD and 80 mg of THC. Each bottle contains 40 ml of cannabis oil with over 1,000 mg of activated cannabinoids diluted with MCT (Medium Chain-Triglyceride) oil.



THC DROPS STENOCARE

Standardised and dosage-consistent oral solution containing 1,000 mg of THC and less than 60 mg of CBD. Each bottle contains 40 ml of cannabis oil with over 1,000 mg of activated cannabinoids diluted with MCT (Medium Chain-Triglyceride) oil.



1:1 DROPS STENOCARE

Standardised and dosage-consistent oral solution containing 500 mg of CBD and 500 mg of THC. Each bottle contains 40 ml of cannabis oil with over 1,000 mg of activated cannabinoids diluted with MCT (Medium Chain-Triglyceride) oil.

2.8. MARKET OVERVIEW

The European Medical Cannabis industry is forecast to grow rapidly in the coming years with reference to the growth trend seen in the North American markets in recent years (current trend). Furthermore, it is expected that the pharmaceutical industry will be making investments into the industry as more evidence of the efficacy of Medical Cannabis is identified.

The Medical Cannabis market is very old and very new at the same time. As mentioned earlier (in Section 2.6.1), cannabis has been used for medical purposes for 6,000 years. At the same time, the commercial and legal market is young, and it is only in recent years that we have seen a gradual legalisation in nations and regions/states. Also, widespread confusion exists as to the market definition of “medical cannabis”, as in North America the term is used for any medicine related to the use of cannabis, with or without a Doctor’s prescription, whereas in Europe, the term Medical Cannabis generally refers to products that are sold and used under a Doctor’s prescription. In Europe, certain low-concentration products (often referred to as “CBD Novel food”)¹⁸ are sold in the grey market with marketing messages that include the term “medical cannabis”. This market data below is focused on the prescription-based products to the extent possible, which is the relevant market segment for STENOCARE. Please see the STENOCARE’s definition of Medical Cannabis in Section 2.6 above.

The North American market is leading the development of legalisation with the European market as a later adopter (follower). In order to understand current and future market conditions, including the level of maturity, the gradual legalisation and, with that, the effective (dynamic) market sizes, it is necessary to start at North American level in order to then understand the trends and expected development of the European market and within that, the Danish market. Last, but not least, STENOCARE’s ultimate ambition is to build a leading global quality brand within Medical Cannabis, which is another important reason why the following introduction to the market starts with the North American

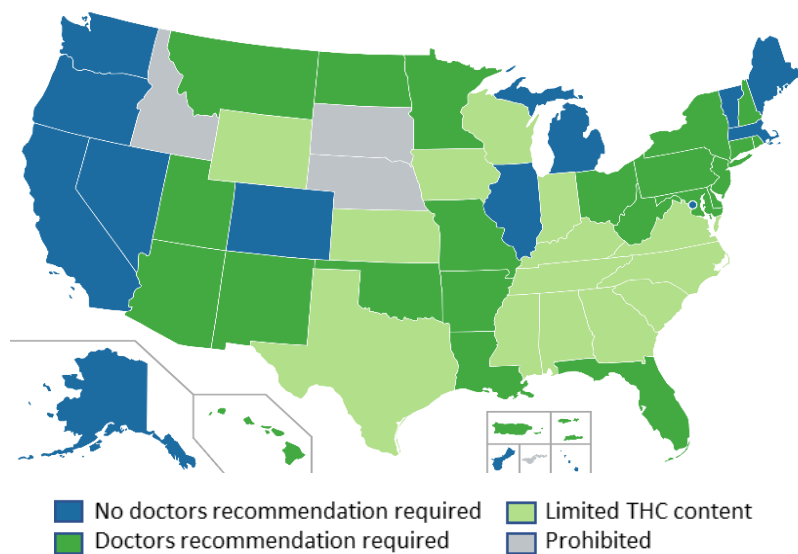


Source: STENOCARE internal observations (please note that “CBC” referred to here is also referred to CBD Novel foods elsewhere).

2.8.1. North America

Canada and 33 states in the US are by far the world's largest legalised Medical Cannabis markets, (see US map¹⁹ to the right). Canada is by far the most mature market and the industry in general is looking to Canada for guidelines as to where the industry is heading. In Canada, Medical Cannabis was legalised in 2001 (only dried products), however, it was not until 2014–2015, with further de-regulation, the introduction of oils and a more flexible prescription procedure, that the market accelerated. The number of patients using medical cannabis in Canada exploded from 4,000 in 2014 to 300,000 in 2018²⁰ with a market value of CAD 1.2 billion in 2018²¹, and is expected to grow to CAD 2.3 billion in 2021.

Legality of Medical cannabis in the US



As in other hyper-growth markets, the cannabis-related financial sector has responded with great interest to the development. A genuine Hype Cycle (as defined by Gartner Group²²) was started and evolved during 2018, triggered by the legalisation of recreational cannabis in Canada and the first US States. The cannabis related stock-market, the supply of bulk products and predictions about the market exploded ... and now, the aftermath from this rush is playing out and while still turbulent, a more mature market climate is underway.

> **Current trend:** The market demand is still in its infancy, yet many players in the industry now realise that technologies, real market positions and genuine brands based on real, value-adding products and last but not least, profitable, funded businesses with IP are a safer bet than sheer production volume of generic raw material.

2.8.2. Europe

Market sizing

The European market is vast and extremely diverse. 50 countries and 740 million people (twice the population of the US & Canada combined) represent a large variety of cultures, as well as business and regulatory frameworks. While 18 countries in Europe have liberalised Medical Cannabis to some extent (see map further down in this section), the market is still only about to take off. Until recently, market data has been rough, inhomogeneous and often inflated. Now, with the most recent European Cannabis Report (Edition 5) that was published in February 2020, market data is based upon bottom up aggregation of available source-data from each country report. According to this new report, the European Medical Cannabis market is estimated to grow to a still significant, yet more realistic EUR 2.2 billion in 2024 with Germany, Czech Republic, Italy and Poland being the largest current markets and the Nordics, UK and France expected to also be significant in value, but lagging a few years in timing²³.

Legalization

European legalisation of Medical Cannabis has been led by progressive countries mostly legalising a few medicinal drugs. The medical communities are generally conservative, partly due to limited data validating the medical properties of cannabis. Increased awareness of the benefits and range of conditions that can be treated with Medical Cannabis has created a strong push from patient communities and this, combined with a constant development of empirical evidence and clinical trials, has accelerated policy-making significantly during the last decade and notably during 2017, 2018 and 2019²⁴.

In terms of legislative progression, Netherlands, Germany, Italy, Portugal, Greece, Poland, Luxembourg and the Czech Republic have been at the forefront. together with Denmark. By mid-2018, 10 European countries had legalised Medical Cannabis. Now, we can add eight additional countries to the list (UK, France, Ireland, Netherlands, Lithuania, Czech Republic, North Macedonia and Slovenia). Three of these countries have legalised by way of a pilot programme, Denmark in 2018 for 4 years, Ireland 2019 for 5 years and France starting 2020 for 2 years.²⁵

Countries that have legalised cannabis in some form



Source: STENOCARE assessment of national legislation

This has led to a situation where almost all the major countries in Europe have liberalised Medical Cannabis through a range of regulatory frameworks with varying degrees of accessibility for patients. The map (above) has been prepared by STENOCARE and is a subjective assessment of the individual countries' current legislative situation. See end-note for various sources²⁶. In February 2019, the EU passed a non-binding resolution in support of legalisation of Medical Cannabis. The resolution seeks to encourage EU nations to increase access to Medical Cannabis, prioritising scientific research and clinical studies. Mirroring the WHO's recommendation, the European Parliament's resolution shows wide support for cannabis legalisation, but it does not change any actual laws at the international or local levels²⁷. At this point, no European country has reversed its liberalised legislation. At the same time, there is a movement towards stricter control of "over-the-counter" CBD Novel Food products with <0.2% THC²⁸.

> **The bottom line:** The progress seen in legalisation in Europa means that companies with knowledge and expertise in meeting national cannabis compliance and the ability to supply high-quality products can position themselves to benefit from the fragmented market conditions.

Cultivation and production

At this time, local European cultivation of medical cannabis under license very small in volume compared to the combined market potential for the region. Legalisation of local cultivation is lacking behind and therefore the markets are largely supplied by the Dutch and Canadian producers²⁹. At the same time, many companies are investing in cultivation and production in Europe. It is, however, unclear how many of these producers have sufficiently controlled environments to enable cultivation at a quality level that complies with the Danish regulatory requirements.

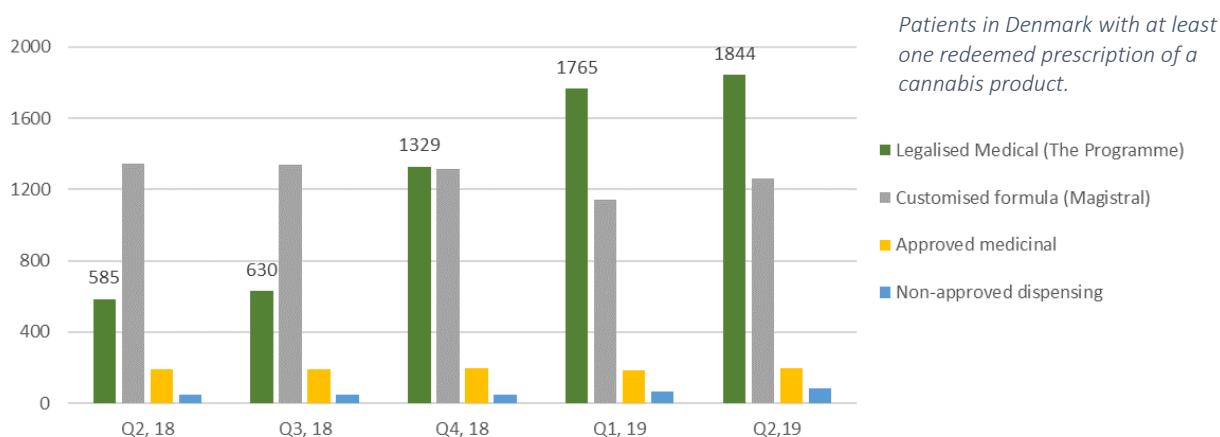
According to Prohibition Partners, Germany has recently raised its required domestic cultivation and import limit from 6,600 kilograms to 10,400 kilograms. Licences has been granted to Aurora, Aphria and Demecan for a total annual production of 2,600 kilograms per year³⁰. Italian cannabis cultivation was handled by the military, but demand has outstripped government supply. The Netherlands, Denmark, Germany and Italy have either issued cultivation licences or plan to invite tenders from global cannabis producers. Also, Greece, Malta and the Czech Republic are planning cannabis cultivation with an export potential. Germany, Italy, the Netherlands, Denmark, Portugal and Greece seem to be the forerunners in medical cannabis production in Europe.

2.8.3. Denmark

Current market size

Since 2011, Sativex (medicinal) and magistral Medical Cannabis products (customised formulation from two pharmacies) have been available to a limited group of Danish patients. In January 2018, the Danish Pilot Programme commenced and still very few cannabis product prescriptions were fulfilled. During Q2 2018, only about 2,000 prescriptions were redeemed for a Medical Cannabis product. It is the assessment of STENOCARE that the number of patients treated with magistral and non-approved dispensing products is relatively stable as the products are either designed for a specific condition or the patient is receiving the medicine under a select subsidy scheme.

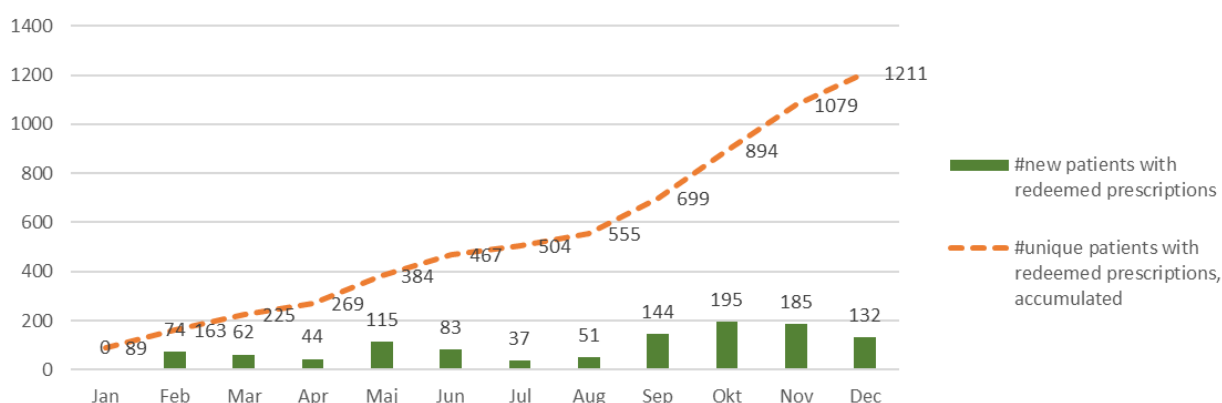
Source: Danish National Health Data Authority³¹



In September 2018, STENOCARE introduced the first Medical Cannabis oils products in Denmark under the four-year Pilot Programme (described below). Sales statistics from the DMA immediately saw increased sales in legalised Medical Cannabis, see below. The data suggests that after the STENOCARE products were available, the total market grew by more than 50%, driven by STENOCARE's products. As a result, STENOCARE quickly became the leading Medical Cannabis supplier in Denmark with the only oil products in the market under the Programme. Towards the end of Q2 2019, STENOCARE pulled its products from the market as STENOCARE's supplier experienced regulatory compliance issues in its production. STENOCARE has since then signed new supply agreements and expects to have products available to patients again during 2020.

By the end of Q1 2019, 267 Doctors³² had prescribed Medical Cannabis products under the Programme. In Q2 2019, this number increased to 323, and about 2,000 patients had been treated with products from STENOCARE. There are approximately 3,600 general practitioners (often referred to as family Doctors) and 1,000 specialist practitioners (Doctors who have completed additional studies to become specialists, also referred to as physicians) in Denmark. During the first 18 months of the Programme, a total of 15,000 prescriptions were issued. The treated conditions were largely unknown³³ (64%), but among the remaining known conditions, neuropathic pains were the most frequent (19%) together with multiple sclerosis (4%). This data is insufficient to conclude on the range of conditions that have been treated with Medical Cannabis during the initial 18 months of the Programme. It is fair to conclude, however, that it is still a very small fraction of Doctors who write out prescriptions and that the number of patients undergoing treatment is small compared to the potential.

Accumulated unique patients with at least one redeemed prescription of legalised Medical Cannabis under The Danish Pilot Programme in 2018



Source: Danish National Health Data Authority³⁴

Market prediction, coming years

STENOCARE has been analysing the data and trends from Canada, which is about six times larger than Denmark in terms of population. Canadian sales of cannabis for medical usage went from 4,000 patients in 2014 to 330,000 in 2018 and 375,000 in 2019, see below.

Canada / historic data for medical cannabis sales (population 37 million)

Year	2015	2016	2017	2018	2019
Number of patients, Average	31.000	89.000	218.000	330.000	375.000
Calculated penetration of population	0,08%	0,19%	0,47%	0,72%	1,01%

Source: Statista, 2019

Danish market / Extrapolation based on Canadian data (above) but with a delay of 5 years (population 5.8 million)

Year	2020	2021	2022	2023	2024
Number of patients, Average	3000	4919	11197	27410	41471
Calculated penetration of population	0,05%	0,08%	0,19%	0,47%	0,72%
Value (market size) in DKK *)	72.900.000	119.526.008	272.091.146	666.055.776	1.007.752.235

Source: STENOCARE own calculated estimates. 9 treatments per year @ 2700DKK each

The Canadian market is well established with sales of approximately CAN\$ 1.2 billion in 2018, corresponding to DKK 6-plus billion, expected to grow to approximately DKK 11.5 billion in 2021. STENOCARE is of the opinion that the market for Medical Cannabis in Denmark may undergo a similar development with about six years delay to what has occurred in the market in Canada. In Canada, Medical Cannabis received an initial impact with approximately 0.0708 percent of the population growing rapidly to a penetration of more than 1% in 2019. Thus, by calculating from the Canadian market penetration, approximately 5,000 patients would be treated in 2021 in Denmark, but product supply is currently limited resulting in an estimated 3000 patients treated in 2020. When applying the historic Canadian patient penetration rate to the Danish market for the coming years, it could be estimated that the total retail value of Medical Cannabis in 2024 will reach DKK 1 billion. The assumption is that the growth rate of Doctors prescribing Medical Cannabis will continue its current trend from 362 to +500 Doctors and that each of them increases the number of patients undergoing treatment – as has been the situation in Canada where +12% of Doctors prescribe Medical Cannabis.

Wider addressable market: 100,000s of potential patients in Denmark³⁵

In Denmark, approximately 50,000 patients are being treated annually for multiple sclerosis or with cytotoxic drugs to fight cancer. Individuals with multiple sclerosis and patients undergoing treatment with cytotoxic drugs are large patient groups in Denmark, with around 35,600 new patients each year. In addition, approximately 850,000 patients in Denmark suffer from chronic pain, of whom approximately 485,000 patients are treated with addictive opiates (i.e. morphine). According to STENOCARE's assessment, there is potential for treating some of these patients with Medical Cannabis as a supplement to morphine. Indications of epilepsy comprise, approximately, an additional 50,000 patients with 4,500 new patients each year³⁶. Although these numbers can be added up to a gross number of about one million

patients, it is STENOCARE's judgement that the more realistic total number of patients that may opt to use Medical Cannabis will be closer to 200,000 (addressable market).

The legal framework for Medical Cannabis in Denmark

The Danish Government strives to develop a strong competitive medical industry in Denmark, based on stringent quality standards to meet patient needs, patient safety and an open competitive market, balanced with imports and locally manufactured Medical Cannabis.

The Act that regulates the legalisation of Medical Cannabis in Denmark imposes some of the strictest requirements in the world. The production process of Medical Cannabis must be carefully controlled and standardised as high-quality products. The products must be cultivated in accordance with Good Agricultural and Collection Practices (GACP), and there is zero tolerance for the use of pesticides – which even excludes the usage of foliar sprays with natural plant protection agents, substances and applications of metals such as copper (Cu). These strict requirements have proved a challenge to interested importers to the Danish market.

Danish Pilot Programme

The current number of patients being treated with Medical Cannabis (The Danish Pilot Programme, medicinal, magistral or dispensing) is below 5,000 patients annually representing a few percent of the gross potential.

Before the four-year Programme came into effect on 1 January 2018, access to Medical Cannabis in Denmark was very limited. Hence, a large proportion of these patients have engaged in illegal self-medication with cannabis in order to relieve pain and treat cramps. The quality, strengths and uniformity of illegal products is not controlled by the authorities and, therefore, have exposed patients to undesirable dangers. STENOCARE estimates that approximately 200,000 people in Denmark have experimented with medical cannabis illegally. This market is likely to diminish going forward as and when the illegal demand is substituted with legal products.

The Programme includes a DKK 64 million product subsidy scheme for the patients. The purpose of the Programme is to provide patients with an alternative to conventional medicinal products, and all Doctors in Denmark are now allowed to issue prescriptions to all patients for Medical Cannabis products that were previously illegal in Denmark. The DMA has issued guidelines for Doctors to help them prescribe Medical Cannabis. Doctors can prescribe Medical Cannabis for all illnesses, yet the DMA recommendation is that patients with multiple sclerosis, selected chronic pain patients and cancer patients who have undergone chemotherapy should be the primary groups of patients. These groups amount to more than 200,000 patients in Denmark³⁷.

> Licences under the Danish Pilot Programme

The Programme enables companies to produce and/or import Medical Cannabis via three different types of licences:

<ul style="list-style-type: none">• "Cultivation": Production of Medical Cannabis,• "Producer": Import and sale of ready-to-market products• "BULK" Cultivation and production of raw materials	Companies licensed by The Danish Medicines Agency			
		Cultivation	Producer	BULK
	Approved	40	6	4
	in process	4	5	2
	Declined	15	8	1

Source: Danish Medicines Agency, Jan2020

A Cultivation/Producer and BULK licence also entitles the holder to be able to export the product – once all necessary approvals from the DMA have been obtained. 40 companies have received approvals to cultivate Medical Cannabis under the Programme, with four additional applications pending. Out of the 40 companies with cultivation licences, no products based on Danish production have been approved to date and all Medical Cannabis products available to patients are imported.

When companies have finished products ready, whether imported or based on their own production, they must be approved by the DMA and included in the DMA's list of admitted medicinal products. This approval process typically takes 6 to 12 months. Only three suppliers have been granted a licence to import and sell medicinal products. At the end of Q2 2019, STENOCARE pulled its products from the market as the former supplier experienced compliance issues in its production.

Competition

At first sight, the Danish market looks crowded. From a "number of applicants" perspective, this is certainly true. But while 40 Cultivation licensed companies have received one or more licences from the DMA and with more expected to be approved, the reality is that to date STENOCARE is still the only Company to have sold Medical Cannabis oil products to patients under the Programme, and there is a significant difference between the capabilities, financial strengths and strategy of the contenders. However, it is clear that competition will emerge, and the market will mature and proliferate over the coming years. This is natural and positive.

> "Pharma vs. Farmer"

When evaluating the competitive situation from a STENOCARE perspective, it is necessary to understand where and how each company defines its key focus. Most competitors are within the cultivation area that require significant capital investments. Most appear to be focused on bulk production in outdoor greenhouse cultivation facilities using agricultural principles mirroring the hype previously seen in North America. It is STENOCARE's assessment that outdoor greenhouse cultivation might be challenged with regard to product approval in Denmark under the strict Danish regulation, involving e.g. zero tolerance on pesticides and requirement for uniformity across cultivation cycles.

It is estimated that DKK 0.5 – 1.0 billion has been invested by the Cultivation license holders since January 2018 in the Danish Medical Cannabis Programme, and at a Cannabis conference in Odense (hosted by Invest in Denmark) in January 2020 it was indicated that a further DKK 2 billion is budgeted in the near term. A significant portion of these investments are said to be backed by large cannabis producers from more mature markets like Canada, and Danish companies with these types of partnerships are clearly aiming for a position as volume leaders in the future in the European market. At the same time, it is unclear how the current size of investments, infrastructure and ongoing production is justified. The big question is if the pre-commercial, large scale investments that we have seen to date will continue or if the path forward for the Danish Medical Cannabis market will be driven by a demand for commercial return on the shorter term.

> STENOCARE is the leading independent vendor

Based on the important criteria of access to capital, the number of competitors can be narrowed down to a smaller group of 5-10 companies, all of which are based largely on capital from international co-owners.

The key companies are: **Aurora Nordic Cannabis** (Aurora 51% ownership), **Canopy Growth Nordic** (Canopy Growth 80% ownership), **Schroll Medical** (Aphria 15% ownership), **TGOD Denmark Production** (TGOD 50% ownership), **Atlas Growers Denmark** (Atlas Biotechnologies 100%) and **Medican** (US/Canadian investors 20-30% ownership).

There are potentially one to three additional companies in the pipeline to join the above group of producers with access to international capital. Of the mentioned competitors, only Atlas and Medican have an indoor cultivation strategy similar to STENOCARE, whereas all others have huge investments in outdoor greenhouse facilities. STENOCARE is the only vendor that is not engaged with a large international co-owner.

> Cash crunch and no revenue

During 2019, the North American cannabis industry experienced a slow-down or even a melt-down during the last three or four quarters. The cannabis index declined rapidly, and the producers experienced an oversupply and for the first time faced challenges attracting new capital. Previously, all vendors were leveraging the hype and high expectations for both medical and recreational cannabis in their capitalisation, yet few have managed to show progress towards a profitable business operation. Nobody questions the potential of the industry, but as often seen in hype cycles (ref. Section 2.8.1 above), a cleansing is a natural next step after the first hype and before the healthy business models emerge and the real market leaders are created. As a result, the tables have turned, and the volume leaders are facing a new reality with a more cautious investor community. Consequently, their Danish partners have also communicated a slow-down and/or pause for several planned projects. This is expected to influence dynamics in the Danish market

because, according to the general knowledge in the market, none of the key competitors have started to generate revenue of significance even though they operate a sizeable production every day.

> Approval by DMA is not easy

Apart from having access to capital – another critical competitive element is being able to supply products to the market. To do so, the high standards of the DMA in Denmark have proved difficult to comply with. After two years of Danish legal cultivation, there is still not one single product approved from any of the 40 licensed Cultivators. However, it should be expected that Danish-produced Medical Cannabis products will be approved during 2020 and that they will first be introduced to the Danish market and then to the European markets. The key competitors are expected to be those who are first to market with a dried flower product. Some competitors have a strategy (and licence) to import finished products (bulk) from international suppliers. This is potentially a fast-track to bring a product to market. However, the high-quality requirements from the DMA have also proved challenging for having finished products approved.

> New/more products on the horizon

Currently, three dried flower products are available to Danish patients. They are sourced from a Dutch supplier, **Bedrocan** and distributed by CannGross in tea bags. These products have been on the market since January 2018 and have found a steady group of patients. When STENOCARE introduced their three Medical Cannabis oil products, they had a +80% market share. STENOCARE has concluded that dried flower products are not attractive from a financial value point of view. One other product from **Aurora Nordic Cannabis** was approved by the DMA in October 2019, and it is expected that this THC Capsule product will be made available to patients during Q1 2020. This product, once introduced, will compete with one of STENOCARE's anticipated new products as soon as the licence is renewed.

Products approved for the Danish Pilot Programme

Formulation	THC products	CBD products	Mixed 1:1 products	Danish Supplier
Dried flower	2		1	CannGross
Oil	1	1	1	STENOCARE
Capsule	1	1		Aurora Nordic Cannabis + STENOCARE

Note: STENOCARE products were withdrawn from the market. Aurora Capsule product not started shipping (Jan2020)

> Competition is good

As mentioned above, barriers to entry are high in countries with strict regulation such as Denmark, but competition will mature the industry, professionalise the supply chain and framework while offering a wider choice of products to the patients. It is expected that the market will open up with more licensed products becoming available in future and as mentioned the first additional products from other vendors are already in process of being approved. This is a natural sign that the market is progressing. STENOCARE expects and welcomes competition as it will serve to expand the market and give grounds to sound competition and creation of a more mature marketplace. However, with its first-mover advantage, unique international suppliers and soon-to-be finalised own cultivation and production facility, STENOCARE expects to remain one of the market leaders in the Danish market going forward.

Opportunities in production

The Danish politicians see a significant opportunity for Denmark to create a new industry and become an international leader of cultivation and production of Medical Cannabis. Bulk producers in Denmark with product approvals will be well positioned to become preferred providers to international markets with similar high requirements for uniformity and quality. In the longer run, this strategy may prove difficult if indeed the European market experiences an explosion in the volume of supply as seen in North America.

Product pricing

There are no regulatory restrictions on the pricing of approved products, i.e. the price of Medical Cannabis is determined solely by the vendor (i.e. STENOCARE) and other suppliers. However, the price must always be competitive. The price of each Medical Cannabis product will be the same for all pharmacies in Denmark. The DMA informs pharmacies, Doctors and patients about the current prices on a dedicated website that covers all medicinal products in Denmark (www.medicinpriser.dk).

Market price of existing products on the market (before product subsidy) – estimated to equal one month's usage³⁸

Name	Type of product	Price incl 25% VAT (DKK)
Bedrocan (5 g packages. Est. 3-4 packages per month)	Tea bags	2,364 – 3,152
Glostrup pharmacy (THC customized formulation, 30 ml)	Oils	1,990 – 5,739
Sativex (30 ml)	Oromucosal	4,452
STENOCARE (the 40 ml product of Sept2018)	Oils	2,795

STENOCARE's initially imported Medical Cannabis was sold at a final price to patients of approximately DKK 2,795 incl. 25% VAT for a 40 ml product. The final price is wholly or partly (50 percent) subsidised by the Danish State. Thus, the patient does not have to bear the full cost.

The risk of discontinuation

The consequences of a potential discontinuation of the Danish Pilot Programme, as described in Section 3.1.3. regulatory Framework Risk should be kept in mind. The Programme will be evaluated and the results will provide a basis for future decisions on how to deal with the various issues relating to Medical Cannabis as well as the possible continuation and/or expansion of the Programme beyond December 2021. In December 2019, the Minister for Health indicated that an extension of the Programme could possibly be granted³⁹ to better gain experience with treatment with Medical Cannabis and, thereby, enabling politicians to evaluate the Pilot Programme and decide how to best proceed with the Danish legislation.

STENOCARE's contingency plan

Although a) it is considered a theoretical scenario expected by few if any, b) no national Pilot Programmes have been discontinued to date and c) the Danish political is tuned in to the opportunities related to establishing Denmark as a leading cannabis growing nation, STENOCARE is well prepared, should the Programme be discontinued.

This is due to the fact that a) the Danish Market will fall in relative importance to STENOCARE in tune with its international expansion, b) imported sourcing from outside Denmark is already in place and could be supplemented with parallel cultivation in locations outside Denmark (and STENOCARE's cultivation equipment could be moved thereto), c) STENOCARE's Headquarters could be moved to another country and d) last but not least, building an international brand does not warrant any particular national anchor. For obvious reasons, STENOCARE's competitors with a "Farmer" approach do not enjoy this option.

Last but not least, the Company is required to operate in accordance with national legislation in each market in which it is present. Future changes in legislation concerning cannabis, in any particular market, may render the Company's operations in that market illegal. Were the Company to continue to operate in that market, it would trigger a reassessment of the Company's suitability to continue to be quoted on the Exchange. For the avoidance of doubt, STENOCARE is committed to always comply with and act in accordance with the legalisation or lack of same in any market.

2.9. OPPORTUNITY, STRATEGY AND FORECAST

2.9.1. Opportunity ahead

As mentioned previously in Section 2.8.3, the Medical Cannabis market in Europe is expected to grow to 2.2 billion EUR in 2024 according to Prohibition Partners (February 2020)⁴⁰.

STENOCARE expects the Danish Medical Cannabis market to grow to DKK 1 billion in 2024, given the recognised demand for Medical Cannabis (currently served by either opioids, such as morphine or cannabis from the grey or outright illegal market), a larger number of licensed suppliers and a more general acceptance of and demand for legalised, Medical Cannabis from patients and Doctors.

However, growth to date has been somewhat weaker than expected since the legalisation in 2018. This is mainly caused by the fact that STENOCARE was forced to temporarily halt its deliveries to the Danish market. Doctors' general reluctance to support the Danish Pilot Programme is also a factor. During the first half of 2019, approx. 2,000 Danish patients received one or more prescriptions for Medical Cannabis, and the trend followed initial projections, but when

STENOCARE stopped supplying Medical Cannabis oil products under the Programme, the growth of new patients slowed down significantly. The number of Danish Doctors who have prescribed Medical Cannabis is 322, which is approx. 9% of the total number of Doctors (comparison with Canada is approx. 12%). The expected ripple effect from these Doctors could not materialise due to lack of products to prescribe.

Overall, the future market for Medical Cannabis will be formed by a mix of a) prescription by Doctors of Medical Cannabis oils, capsules, tablets, etc. (consisting of pure THC and or CBD) to address pain and side-effects from a range of serious illnesses and conditions, b) topical cannabis products that can be purchased with or without prescription in various types of products, as well as c) a partial replacement of what is today the black/illegal market.

It goes without saying that being a first mover into a newly legalised market that is currently served by pharmaceuticals like opiates with unfortunate side-effects, or through illegal sourcing or not at all, is a unique opportunity. It should also be highlighted that STENOCARE remains entirely focused on Medical Cannabis that is prescription-based as defined in Section 2.6. The wider European market is gradually opening, and prescription-based Medical Cannabis is the only segment that distinguishes itself from a “grey zone”. This translates into a strong opportunity to become a leading, high-quality Medical Cannabis brand in Europe. It also creates a unique platform for expansion into other sectors of Medical Cannabis as the industry matures towards its aggregate potential in 2024 of EUR 2.2 billion⁴¹.

2.9.2. STENOCARE 2.0 Strategy explained

Key strategic components

STENOCARE will build its 2.0 version directly on its platform of ASSETS and know-how already built in STENOCARE 1.0, as detailed earlier in Section 2.7.3 and as illustrated above. Individually and together, the four strategic areas of STENOCARE 2.0, create additional valuable assets for STENOCARE to realise its ambition to be a leading European brand for Medical Cannabis and operate a profitable STENOCARE.

STENOCARE is firmly committed to become a leading quality brand for prescription-based Medical Cannabis in Europe by 2025. We call it STENOCARE 2.0.

STENOCARE will establish itself as a **preferred partner** to local authorities, distributors, Doctors and patients in a number of countries and will be strongly engaged in **research**-based formulation development and commercialisation in partnerships with the pharma industry, in order to advance the application of Medical Cannabis for specific conditions and illnesses as a favourable alternative to existing medical treatment options.

All the above is driven by a simple purpose: **to improve quality of life for millions of patients.**



> Commercial strategy: Quality leadership in Denmark and beyond

Commercially, STENOCARE is uniquely positioned due to the knowledge that it has acquired from having Medical Cannabis products approved in the regulatory regime in Denmark. This can be applied to more products and categories in Denmark and beyond, equipping STENOCARE with a strong and targeted product portfolio to compete in the existing and future markets. Priority will be countries that are early in their Medical Cannabis legalisation process to gain a significant foothold on the market and create a market-leader position. With European countries in the process of legalising, there are attractive new markets in the pipeline. The plan aims to create presence and distribution in two or three new countries per year in the coming years, subject to the speed of legalisation and licence approval timelines. For a more detailed description of the internationalisation strategy, see below.

> Regulatory Strategy: Unique regulatory assets pave the way

An important proven asset of STENOCARE is its ability to obtain licences from DMA and other authorities. This ability is core to STENOCARE's international strategy and has already been proven in Denmark and Ireland. More countries are underway (withheld for

competitive reasons). These assets allow for STENOCARE to unlock potential in countries and jurisdictions that may be difficult for others to approach.

> Strategic partnership strategy: Innovate what Medical Cannabis can do for patients

STENOCARE will continuously supplement and improve its offering with high(-er) quality products. The Doctors and patients are looking for more product choice for treatment with Medical Cannabis, and research and development within the Medical Cannabis industry is offering new opportunities to supply targeted products for the growing diverse group of patients. STENOCARE will enter partnerships with companies that have the capabilities to research and develop new formulations and products based on Medical Cannabis. This will elevate STENOCARE into a unique position of being able to offer unique products for patient treatment, that are exclusive to STENOCARE. The strategic partnerships are longer term by nature due to regulatory requirements, testing and development, clinical trials and product approval with the medicine agencies. At the same time this strategy may offer much faster commercial acceleration as and when the STENOCARE products are adopted and distributed with the power of big pharma. It should be noted that big pharma companies are already scouting the Medical Cannabis industry for partners in order to be pro-active

in relation to the anticipated cannibalisation as and when Medical Cannabis becomes an attractive alternative to/substitute for traditional medical products.

> Supply chain strategy: Not the biggest but the best

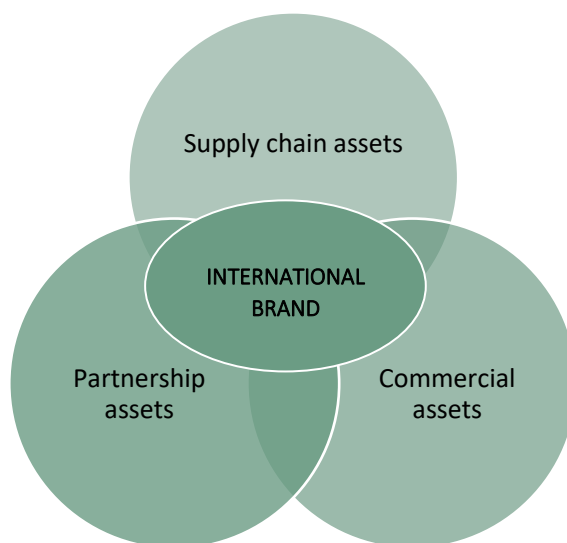
STENOCARE has a multiple-supplier approach that is a key asset for a solid supply chain in the planned international expansion with a broad product portfolio to position STENOCARE as a leading supplier. With a strong offering for prescription-based Medical Cannabis products, STENOCARE can enter new markets with the ambition to be a first mover. STENOCARE has no intention to pursue a volume strategy similar to the large scale cultivators in the market. However, due to the early stage of the industry, it is important to be in control of product quality across the entire value chain

from Seed to Patients. STENOCARE's ambition is to make its Danish facility a pharma-grade Medical Cannabis cultivation showcase. Operating with an indoor setup that emulates pharma principles is an important asset to be successful in the premium segment that STENOCARE is serving. Therefore, STENOCARE is investing in and implementing technologies and standard operating procedures that enable stringent uniformity of production, rigid tracking and documentation of quality, and regulatory compliance with the strict requirements of the DMA. STENOCARE's uncompromising quality strategy will place the STENOCARE in a league of its own, enabling it to supply high-quality products that meet the requirements of patients, medicines agencies and the pharma industry.

2.9.3. International (brand) strategy

> Think global, act local

Individual countries and markets have different cultures, traditions and regulatory regimes, all of which translates into a complex set of barriers of entry in each country, especially in an infant and legislative sensitive industry such as Medical Cannabis. Coming from a very small, open economy (Denmark) with a business culture dependant on its ability to conduct its business internationally, the STENOCARE team knows how to adapt and win, based on local circumstances in new countries. Such adaptability can prove difficult for larger players with a "one size fits all" approach. STENOCARE also benefits from the fact that the Danish authorities enforce what is probably the strictest regulatory regime in the world. In fact, operating under DMA regulation is internationally highly respected and valued by other national agencies. With a target of gaining presence with its STENOCARE branded products in 10 individual markets by 2025, leveraging the tailored approach described above, STENOCARE will establish the basis for a strong international BRAND, preferred by patients across countries and cultures.



> Volume vs. quality

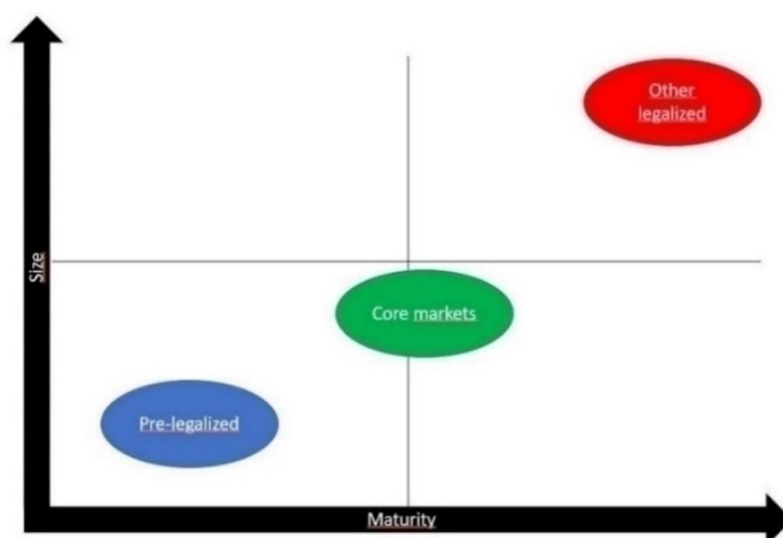
The billion USD Cannabis markets in North America are dominated by **volume centric competitors** with a farmer-type strategy, which is difficult to align with the demands from local authorities in Europe (EU). Also, most vendors here are either a) very small and local or b) larger but owned/controlled by large international (e.g. Canadian) vendors, and therefore also focused on volume. Most (if not all) major European players are based in and/or **seeking out the larger individual markets**, such as Germany and UK⁴²

STENOCARE will **avoid** markets which are a) overly competitive, i.e. **red oceans** or, b) **over-liberalised** to an extent that there is not an attractive market for high-quality prescription-based Medical Cannabis or, c) inaccessible due to **restrictions** that hold back the market from evolving, despite general liberalisation.

> Three-tier front-runner strategy

STENOCARE will leverage its unique position in Denmark to apply for licences to sell Medical Cannabis under the STENOCARE brand in 10 countries within the next five years, starting in **Ireland** where a subsidiary has already been established (July 2019). Sequence, timing and prioritisation will depend on regulatory readiness and a general preference for smaller markets where STENOCARE can obtain a strong, pole position, similar to and based on the “Danish quality formula”, which translates into barriers of entry to all vendors that have a bulk volume strategy.

The local expansion into new markets always takes place in partnership with well-established local pharma distributors. STENOCARE will establish its presence in each market with a view to the local/national market dynamics:



>> Pre-legalised markets: Present without own organisation, assisting in supporting/educating local authorities and be the first to provide full spectrum products through participating in special licensing. Target market share: **DOMINANT**.

>> Core markets: Markets that move from the pre-legalisation phase to legalisation. Present with own organisation and/or legal entity in countries where legalisation is underway and where STENOCARE can become a first mover. Target market share: **HIGH**.

>> Other legalised markets: Countries that are already legalised and have an established infrastructure. Present with local subsidiary and staff if feasible. Leverage STENOCARE brand, most likely through a local partner. Target market share: **LOW**.

2.9.4. Profit forecasts or estimates

STENOCARE does not publish forecasts, estimates or guidance although the Company will review this policy as its business develops.

3. RISK FACTORS

An investment in STENOCARE is associated with various risks. A number of factors influence, or can influence, STENOCARE's operations, both directly and indirectly. A number of risk factors and circumstances of major importance, which are regarded as

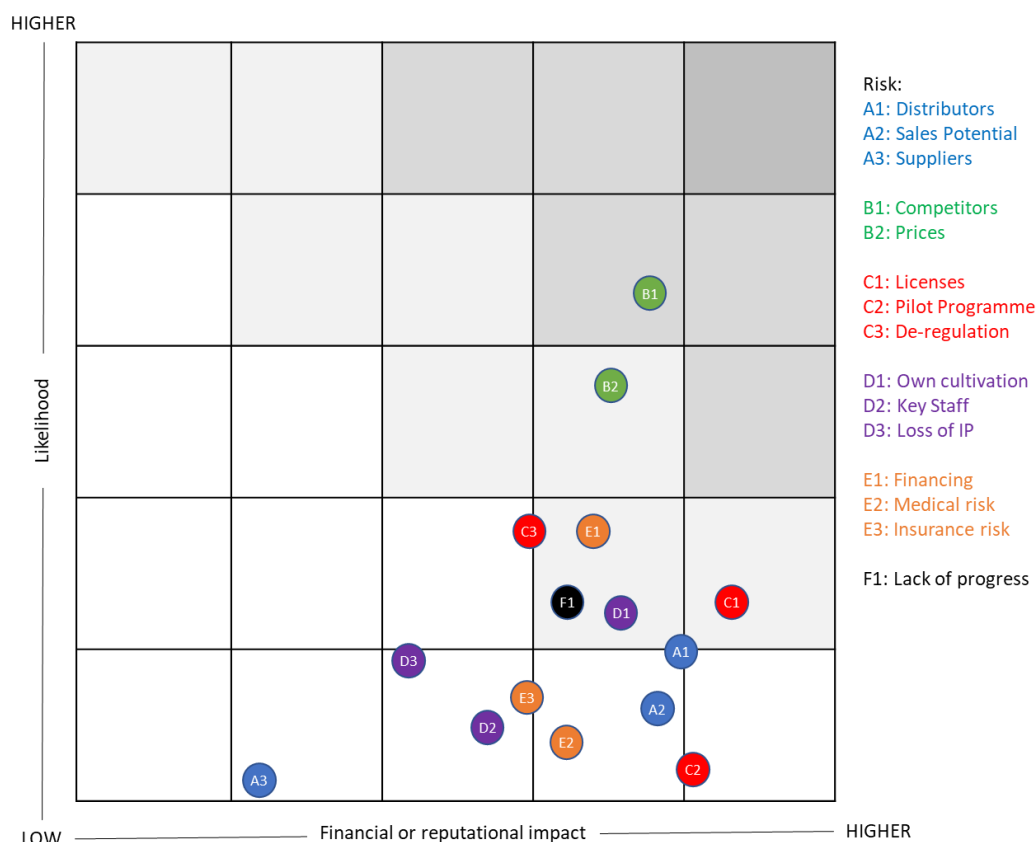
material to STENOCARE's operations and future development, are described below. The risk is listed in order of potential negative impact – from high to low impact in each category, as illustrated to the right. Please note that material risks that are specific to the securities, other risk, etc. (section 3.1 and 3.2 below) are not included in the illustration.

The risks described below are not the only risks to which STENOCARE or its shareholders may be exposed. There are

other risks that are currently unknown to STENOCARE or which STENOCARE currently does not regard as significant, but could also have an adverse impact on STENOCARE's operations, financial position or operating profit. If any of the risks described below, or another risk of which STENOCARE is not aware, actually were to occur, STENOCARE's business operations, financial position and earnings could be materially adversely affected. This could also result in the price of the shares of STENOCARE declining significantly and in an investor losing his/her investment in part or in full.

The Prospectus contains forward-looking statements that could be affected by future events, risks and uncertainties. STENOCARE does not publish revenue or profit forecasts, yet general expectations may change due to many factors, including but not limited to the risks described below and in other parts of the Prospectus. In addition to this Section, investors should also take into account other information in the Prospectus.

A prospective investor should consider carefully the risk factors set forth below before making an investment decision and should consult his or her own expert advisers as to the suitability of an investment in the Shares of STENOCARE. An investment in the STENOCARE Shares is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of the investment.



3.1. MATERIAL RISKS THAT ARE SPECIFIC TO STENOCARE

3.1.1. Sales and market risks (A)

Distributors and customers (A1)

In Denmark, STENOCARE sells its products via distributors as the Danish Act prevents STENOCARE from any direct contact/communication with medical professionals and patients. STENOCARE has established

distributor agreements with Nomeco A/S, Tjellesen Max Jenne A/S and Georgelle. STENOCARE's contacts with distributors were developing favourably until the quarantine was imposed, see below. There is a risk that the related product recall and halt in product supply

will affect the prospects of STENOCARE. STENOCARE is dependent on distributors being able and willing to make STENOCARE's products available to pharmacies and hospitals to the extent that STENOCARE so wishes. The distributor contracts are renewed annually. There is a risk that a distributor will choose to terminate its cooperation with STENOCARE, which may result in loss of revenue for STENOCARE. There is also a risk relating to the fact that a small number of customers (distributors) account for a large proportion of STENOCARE's total operating income. There is also a risk that long-term customers and/or partner relationships cannot be established. In case STENOCARE fails to establish long-term customers and/or partner relationships, there is a risk that STENOCARE's earnings performance will decline.

Sales potential (A2)

STENOCARE was established in 2017 and initiated its sales in the third quarter of 2018. Sales increased gradually until its products, sourced from the former supplier, were quarantined in Q2 19 as a result of internal irregularities within the supplier's operation. Despite the many optimistic market sizing forecasts for the future, and despite the first mover position of STENOCARE, it is impossible to assess the sales potential of STENOCARE as it not only depends on the regulatory constraints, see below, but also on the speed at which other countries legalise the use of Medical Cannabis for prescription to enable STENOCARE to establish its operations in these new countries. The Medical Cannabis industry and markets are very young, for which reason there is limited historical evidence of the extent to which and when competition will form and increase.

Suppliers of products (A3)

STENOCARE is sourcing finished Medical Cannabis products from suppliers that cultivate and produce in their own facilities. These products must be approved

by the DMA and by the local national medical authorities of the supplier to be legally sold by STENOCARE, and the products must continuously be compliant with the quality and regulatory requirements. These products are part of the STENOCARE revenue stream. Even though STENOCARE has a multiple-supplier strategy, there is a risk that any given supplier cannot supply products at any given point in time. This could be lack of volume, delay in delivery and/or non-compliance with regulatory requirements. Non-compliance can temporarily or permanently stop the supply of products to STENOCARE.

Product subsidies (A4)

Product subsidies for patients influence their ability to submit to treatment with Medical Cannabis, and reduced subsidies could hamper the market and sales development in any market. There is no uniform policy in Europe, and this will differentiate the markets. Patients in Denmark receive a 50% product subsidy of the retail price including VAT with an annual cap of DKK 10,000 in Denmark. Other markets have similar or no subsidy schemes for patients. There is a risk that health authorities will react if the aggregated sales values of Medical Cannabis start approaching levels beyond allocated budgets. One such reaction from the health authorities could be that reimbursement conditions are changed, giving a higher level of co-pay to patients. Mandatory price reductions are another option although that would be an unusual measure.

Medical Cannabis is prescription-based (A5)

Medical Cannabis is only available with a prescription from a Doctor. Danish Doctors are hesitant to issue prescriptions for Medical Cannabis to patients. There is a risk that Doctors refuse to prescribe or that STENOCARE is not competitive on pricing, which may result in a total or partial loss of revenue for STENOCARE.

3.1.2. Competition risks (B)

Competitors (B1)

Some of STENOCARE's competitors and potential future competitors are multinational companies with significant financial resources. There is a risk that widespread investment and product development from one or more competitors will result in worsening sales or worsening revenue opportunities for STENOCARE as the competitor may develop products that outperform or outcompete STENOCARE's products and, as a result, take market shares. Furthermore, companies with global operations outside Medical Cannabis may decide to establish businesses within STENOCARE's business area. Despite the fact that the Medical Cannabis

market in Europe is largely undeveloped and forecasted to become a billion euro market, there is a risk that competition will lead to negative sales and profit effects for STENOCARE in the event that competitors develop products with better treatment efficacy and/or better capable of meeting the needs of patients and Doctors.

Prices (B2)

Market prices of Medical Cannabis are expected to fall over time. There is risk that this development will materialise faster than anticipated with decreasing margins as a result.

3.1.3. Regulatory framework risks (C)

Permission/licenses from the DMA (C1)

To be able to manufacture, import and sell Medical Cannabis, the appropriate licences must be obtained from the DMA. To date, STENOCARE has obtained certain licences as described in Section 2.2 and elsewhere. STENOCARE's manufactured and imported products will have to undergo an approval process at the DMA before sales and/or export can commence. Despite the fact that STENOCARE is one of only three companies to date to have obtained a licence to sell imported products and the only one to have obtained an approval of an oil product, there is a risk that STENOCARE will not receive the necessary permits from the DMA or that STENOCARE needs to make adjustments to obtain approvals for new imported products and/or approvals of own products or that received licences will be revoked. There is a risk that STENOCARE will not meet the regulatory requirements for Medical Cannabis in the future and that STENOCARE, directly or through partners, will not receive or maintain the necessary permits as a result thereof. In case STENOCARE does not receive and maintain the necessary permits from the DMA or medicines agencies in new countries in the future, there is a risk that STENOCARE's earnings and financial position will be adversely affected – as was the case with the previous supplier and when their products that were quarantined and recalled from the market.

Pilot Programmes – Denmark and Ireland (C2)

Denmark: As of 1 January 2018, a four-year Medical Cannabis Pilot Programme made it legal for Doctors in Denmark to prescribe Medical Cannabis to all patients. There is a risk that the Programme may not turn out well and that cannabis after the four-year Programme is no longer legal for medical use in Denmark. The consequence of this will be that all local production, imports and sales of Medical Cannabis are stopped for the Danish market. Thus, there is a risk that STENOCARE's future revenue opportunities will be wholly or partly absent in Denmark and that future operations will be moved to STENOCARE's international offices (e.g. STENOCARE Ireland Ltd). STENOCARE may be forced to write off certain parts of its investment in equipment to the extent that equipment etc. cannot be reused or moved into another facility. There is also a risk, that the exchange, in case the operation of the Company is no longer lawful in any of the national markets that it operates, will initiate an assessment of whether the Company can continue to be admitted to trading on Nasdaq First North Growth Market Denmark.

Ireland: As per June 2019, a five-year medical cannabis pilot-programme made it legal for Doctors in Ireland to prescribe Medical Cannabis to patients suffering from Multiple Sclerosis, Epilepsy and effect from chemo therapy. There is a risk that the Programme may not turn out well and that cannabis after the five-year Programme is no longer legal for medical use in Ireland. Please also refer to this Risk section relating to Financing and Capital Needs and the PHOENIX project below.

De-regulation of the Pilot Programme (C3)

The Programme for Medical Cannabis is one of the strictest in the world. STENOCARE is built to comply with this strict regime. This acts as a competitive barrier for new companies to enter the market. There is a risk that the regulatory requirements will be eased in the future, which will mean that the competitive barriers and strengths of a pharma-oriented Medical Cannabis company like STENOCARE will experience competition from lower-grade, lower-price manufacturers or importers.

Permission from other medicines agencies (C4)

When STENOCARE enters a new country to commence sales of Medical Cannabis, there will be local rules and procedures to obtain the required licences from the local medicines agencies. Even though STENOCARE has obtained certain licences from the DMA in Denmark, there is a risk that STENOCARE will not receive the necessary permits from the local medicines agency or that STENOCARE needs to make adjustments to obtain approvals for new imported products and/or approvals of own products or that obtained licences will be revoked.

Political and regulatory risk (C5)

STENOCARE intends to operate in a global market with partners, suppliers and customers in many countries. It is a fact that legalisation of and regulation in relation to Medical Cannabis is an ongoing process that has not yet started in certain countries and, on the other hand, is underway or fully legalised in others. There is a risk that changes in legalisation and regulation will not take place as (fast as) expected. Also, differences in legal systems as well as other relevant regulations related to taxation, duties and fees, as well as other terms that apply to STENOCARE's operations on the international market, may adversely affect STENOCARE. Rules, regulations and legal principles may vary and change regarding substantive law as well as court proceedings and lawsuits. This also leads to the fact that STENOCARE's ability to exercise or enforce its rights and obligations may differ between countries and there is a risk that any disputes or legal proceedings

will become expensive, time-consuming and uncertain. Due to the above-mentioned factors, there is a risk that STENOCARE's operations, financial position and earnings in the future will be adversely affected. There is also a risk that changes in laws, taxes, duties, exchange rates and other conditions for foreign companies will adversely affect STENOCARE.

3.1.4. Company resources risks (D)

Own cultivation (D1)

There is risk that STENOCARE's own cultivation facility - that is planned to be operational during the second half of 2020 - is hampered, delayed, cancelled or otherwise influenced by a lack of ability to produce in consistent quality, by not being able to establish the state-of-the-art production facility that has been contracted and/or by not being able to obtain the necessary licences from the DMA in relation to completing its own production.

Key staff and employees (D2)

STENOCARE is dependent on key persons to conduct its business and maintain permits. At the date of issue of the Prospectus, STENOCARE's key employees consist of the CEO, COO, CCO (the Founders) and CFO and possess critical insight for the operation and development of STENOCARE. There is a risk that a loss of one or more key employees would have adverse consequences for STENOCARE's business operations and its financial results. There is a risk that STENOCARE needs to recruit staff to replace key personnel, which can be a costly process, both in terms of time and cost. The notice period for the mentioned key employees is 12 months from STENOCARE and 6 months from key employees. There is a risk that STENOCARE will incur increased expenses as a result.

Loss of Intellectual property (D3)

The risk of unauthorised disclosure of information is also present, which would generate a risk that competitors may receive information about, and take advantage of, the know-how developed by STENOCARE. There is a risk that STENOCARE's

STENOCARE is also affected by political and economic uncertainties in these countries. There is a risk that STENOCARE will be adversely affected by possible domestic policy decisions. There is a risk that the above-mentioned factors can adversely affect STENOCARE's operations, financial position and results in the future.

competitors, using such dissemination of information, will further develop their products or business otherwise and that STENOCARE thereby faces increased competition, which may adversely affect STENOCARE's operations, financial position and results.

Market growth, acquisitions, etc. (D4)

STENOCARE plans to expand over the coming years, firstly by establishing STENOCARE's market share in Denmark and Ireland, which are the countries in which STENOCARE is already established, and secondly by setting up in new countries in Europe. The Danish and Irish markets are currently operating under their respective Pilot Programmes, which leads to a risk of discontinuation, ref. Section 3.1.3 above. There is a risk that the European market growth in value will not materialise due to the ongoing focus to control the escalating total costs of pharmaceuticals in the health sectors. The Medical Cannabis growth projection constitutes a significant percentage of the total European spend for medicines. There is a risk that establishments will be delayed, resulting in loss of income. Rapid growth may involve STENOCARE making acquisitions of other companies. There is a risk that lack of synergies and less successful integration will affect STENOCARE's operations and results in a negative way. There is also a risk that rapid growth will cause problems at the organisational level. There are also risks in recruiting the right staff, and there may be difficulties in successfully integrating new staff into the organisation.

3.1.5. Finance and legal risks (E)

Financing and capital needs (E1)

STENOCARE's future plans entail significant costs and investment for STENOCARE, including the PHOENIX project, which is about establishing new markets and a secondary cultivation site outside Denmark.

Underperformance in the Danish home market and/or delay in market breakthroughs in new markets and/or the level of ambitions in relation to future investments may result in weaker or delayed revenue and cash

flows for STENOCARE. The timing related to the PHOENIX project may be influenced by the outcome of the current four-year Pilot Programme in Denmark. If, against expectations, the Programme is not continued or converted into a general legalisation Act, then STENOCARE may choose to advance its plans for establishing a cultivation outside Denmark, which will secure supply, but also require further investment, although limited in the event that the physical

equipment in the new Danish factory is moved to the new location. STENOCARE's capital needs may increase as a result of the execution of STENOCARE's investment plans relating to product, production and market development, depending on the availability of balance sheet financing. In the event of lack of funding, there will be a risk that STENOCARE will need extra capital and/or have to revise its development plans significantly, which may delay the development of STENOCARE's operations. Until consistently profitable and if all financing opportunities fail, there is always the risk of default.

Medical risk and product liability (E2)

The medical effects of Medical Cannabis are not evidenced by clinical studies as known from classic pharma. Hence, the effects on the human body, short as well as long term, are associated with medical risk. Given that STENOCARE sells Medical Cannabis products, risks are raised with product liability, there is a risk that STENOCARE's insurance coverage would not be sufficient to cover any future legal requirements. There is a risk that this will affect STENOCARE negatively, both in relation to reputation and financially.

Insurance risk (E3)

STENOCARE has a corporate insurance which includes property and property damage, theft of products, legal protection and product liability as well as general responsibility. Even though the Board of Directors finds that the current insurance protection held by STENOCARE is satisfactory with respect to the nature and extent of the operations, there is a risk that STENOCARE will suffer or incur damages that are not covered in full or in part by the insurance due to the many different causes and complications in the future,

which may adversely affect STENOCARE's operations, results and financial position. This poses the risk that STENOCARE in such a scenario will have to pay damages or repairs from its own funds, which results in a deteriorating financial position for STENOCARE. STENOCARE uses an independent insurance broker in the assessment of risk and choice of insurance coverage.

Disputes (E4)

There is a risk that STENOCARE becomes involved in disputes within the framework of normal business and may be subject to claims regarding contractual matters, product liability and alleged errors in deliveries of STENOCARE's products. There is a risk that such disputes and claims will be time-consuming, disruptive to normal operations and lead to significant costs. It is not possible to predict the outcome of complex disputes. Thus, disputes can have a negative impact on STENOCARE's operations, profit and financial position.

Foreign exchange risk (E5)

As STENOCARE expands its international trade, a larger portion of the sales revenue and cost will be settled in international currency, such as CAN\$. Purchasing of products is made in foreign currency. There is a risk that currency exchange rates will change significantly, and there is a risk that STENOCARE's costs and future revenues are adversely affected by changes in exchange rates. For example, if the Danish currency (DKK), which is STENOCARE's accounting currency, increases in value, there is a risk that STENOCARE's future exports will decrease. This in turn entails a risk of reduced revenue for STENOCARE and a decline in operating profit for STENOCARE.

3.1.6. Other Risks (F)

Lack of progress: Objectives and milestones (F1)

There is a risk that STENOCARE 2.0 objectives will not be achieved within the established timeframe and that it takes longer than planned to reach the milestones established by STENOCARE, which implies a risk that STENOCARE's operations will be adversely affected. The risk of delay can be caused by challenges in obtaining relevant licences from authorities, entering into new partnerships, implementing new cultivation facility, developing own product formulation or having access to skilled resources and capital for investments.

Ethical risk (F2)

STENOCARE conducts its business in a new industry that is opening up due to gradual legalisation. There is a risk that STENOCARE's business and/or the industry in which STENOCARE operates may be perceived as being controversial. As a result, there is a risk of negative publicity or announcements, justified or not, which may adversely affect STENOCARE's business, both in relation to reputation and financially.

3.2. MATERIAL RISKS THAT ARE SPECIFIC TO THE SECURITIES

Psychological factors (G1)

The medical cannabis industry is still young and has seen very high growth in company sizes, capitalisation and de-regulation. This has contributed to a hype for investors – while at the same time there is limited established historical data and limited solid sources of information about the industry. There is a risk that market projections are too high or that they are realised later than expected. This can influence STENOCARE's revenue and operating profit. There is a risk that the securities market is influenced by psychological factors such as trends, rumours and reactions to news that are not directly linked to the marketplace, etc. There is a risk that STENOCARE's shares will be affected in the same way as all other securities that are traded in different markets. There is a risk that psychological factors and their subsequent effects on price developments will adversely affect the market price of STENOCARE's shares.

Public trading of shares (G2)

There is a risk that active trading in STENOCARE's shares will not continue and, consequently, that shareholders will not be able to divest their shares or can only divest their shares at a loss. As has been seen since the IPO, there is also a risk that the price of the shares will be subject to significant fluctuations. For example, above all, the share price may be affected by changes in supply and demand, fluctuations in profit, the ability to achieve profit changes, changes in the general economic situation, legislative and regulatory amendments and changes in other factors. In addition, the general volatility of the share market may lead to the price of the shares being devalued.

Dependencies (G3)

Most publicly traded medical cannabis companies are located in North America (NA), and therefore the global cannabis stock index is equal to the performance in that region. The nature of the cannabis industry in NA is significantly different from the Medical Cannabis industry in Denmark, and therefore the performance indicators will also be different and, by extension, the parameters that influence the share price. There is a risk that STENOCARE's share price will be influenced by general movements in share prices and indices relating to the international and, particularly, the North American cannabis industry in general and specific companies in particular.

Non-secured subscription commitments (G4)

STENOCARE has received subscription commitments in the current new Share Issue. However, the subscription commitments have not been confirmed or secured through advance transaction, bank guarantee or similar. In the event that one or more of those who submitted a subscription commitment do not fulfil their contractual commitments, there is a risk that the new Share Issue will be adversely affected, which in turn may adversely affect STENOCARE's operations through reduced financial resources to drive the business forward.

Sale of shares by Major Shareholders, Board members and Executive Management (G5)

Major Shareholders represented by the Founders which are identical with the Executive Management, with the exception of Peter Bugge Johansen, CFO have committed to extending their lock-up commitment by agreeing not to divest more than 10 percent of their ownership after the Issue and after distribution of Bonus Shares for one (1) year. After allocation of Bonus Shares at full subscription including the Oversubscription Reserve, this lock-up corresponds to a total of 4.0 million shares or 34% of the total number of issued shares after the Issue. However, in the longer term, there is a risk that these parties will divest their shareholdings in STENOCARE in whole or in part. There is a risk that this will have an adverse effect on STENOCARE's share price. There is also a general risk that the CFO and/or the non-executive Board-members may sell their shareholdings in STENOCARE in whole or in part. The CFO and non-executive Board members hold a total of 100.151 shares which corresponds to less than 1% of the shares after the Issue at full subscription including the Oversubscription Reserve.

Dividends (G6)

To date, STENOCARE has not paid any dividends to shareholders. STENOCARE is in a development phase and any profit is primarily planned for investment in STENOCARE's development. There is a risk that future cash flows will not exceed STENOCARE's capital requirements and/or that the Annual General Meeting will not make any decision regarding dividends in the future and/or – or decide that any profit should be invested in realising STENOCARE strategy.

4. TERMS AND CONDITIONS OF THE SECURITIES

4.1. INFORMATION CONCERNING THE SECURITIES TO BE OFFERED

4.1.1. Type and class of shares

At the date of this Prospectus, the number of Existing Shares is 8,942,762. All Shares belong to the same share class with the same rights to STENOCARE's assets and results. The New Shares consist of no more than 2,240,460 New Shares of nominal value DKK 0.08 each. The New Shares are offered under the temporary International Security Identification Number (ISIN) DK0061272317. This temporary ISIN will not be listed on Nasdaq First North Growth Market Denmark. After the Subscription Period, the temporary ISIN will be replaced by the permanent ISIN code DK0061078425 in VP Securities A/S. In the event that the Issue is fully subscribed in cash, an additional 448.927 New Shares will be issued by the Company in connection with a separate conversion of existing loans on the same terms as the Issue.

Issue of Temporary Shares:

To all subscribers subscribing for shares with rights, the resulting payment and delivery of Temporary Shares take place **immediately after subscription**. For subscribers who subscribe without rights, the Temporary Shares are settled on **June 17 2020** which is around four days after the last day of the Subscription Period, subject to allotment.



Conversion into New shares:

All Temporary Shares are converted into New Shares (ISIN DK0061078425) through VP Securities after the Issue has been registered with the Danish Business Authority. This is expected to take place on **25 June 2020** which is the day after the first day of trading of the New Shares on Nasdaq First North Growth Market Denmark.

4.1.2. Form of Securities

The New Shares are registered by name (in Danish: "navneaktier") and are registered electronically. The STENOCARE share register is kept by Computershare A/S, Lottenborgvej 26 D, 1st floor, 2800 Kgs. Lyngby, Denmark. Shareholders in STENOCARE do not receive a physical share certificate. All Shares are denominated in Danish kroner (DKK), issued and fully paid up. Apart from Founders' lock-up agreements, there are no restrictions on the free transfer of All Shares.

4.1.3. Rights attached to the New Shares

The New Shares will have the same rights as the Existing Shares

These include voting rights (one share, one vote), pre-emptive rights in connection with the Offering of New Shares, the right to receive dividends (including the right to dividends for the financial year 2019), conversion and the right to participate in the proceeds in case of a dissolution or liquidation of the Issuer. All Shares can be redeemed in compliance with the procedures and requirements of the Danish Companies Act. According to the Issuer's Articles of Association, no share has special rights, restrictions or limitations (Articles of Association, Appendix C).

Authorisation

The Issue was decided at a meeting of the Board of Directors, on 11 May 2020, supported by the authorisation given at the Company's extraordinary general meeting on 16 March 2020. No other resolutions, authorisations, or approvals have been made to issue New Shares, except for the Offering of the New Shares, including the potential issue of New Shares in connection with loan conversion and the existing authorisation to issue warrants (see Section 8).

4.1.4. Tax

The tax legislation of the investors' home country and of STENOCARE's country of incorporation (Denmark) may have an impact on the income received from the STENOCARE Shares. The following is a summary of the taxation treatment of shares in Denmark and Sweden. The summary is generic, and the purpose is not to provide exhaustive legal or tax advice. It is emphasised that the summary does not address all tax consequences related to an investment in shares. The summary solely addresses Danish and Swedish tax legislation at the date of this Prospectus. There may be changes to the legislation after the date of the Prospectus and even with retrospective effect. The summary does not include special tax legislation and may therefore be irrelevant to some investors, including investors subject to the regulation regarding pensions, professional investors, certain institutional investors, insurance companies, pension companies,

banks, securities traders and investors, whose pension is tax beneficial. The summary neither covers tax treatment of person nor companies, whose business is to buy/sell shares. Investment through ISK (Swedish: Investeringsparkonto) or endowment insurance (Swedish: kapitalförsäkring) is not addressed. The assumption is that a sale of shares is made to a third party.

All investors are advised to consult their tax advisers regarding the applicable tax consequences of the Offering, acquiring, holding, and disposing of shares based on their particular circumstances. Shareholders who may be affected by the tax laws of jurisdictions other than Denmark should consult their tax advisers with respect to the tax consequences applicable to their particular circumstances as such consequences may differ significantly from those described herein.

Tax treatment of investors resident in Denmark

Individuals: Gains from the sale of shares are taxable as capital gains at 27% of the first DKK 55,300 (for cohabiting spouses, a total of DKK 110,600) and 42% of gains above (2020 brackets). These amounts are subject to yearly adjustments. Gains and losses from the sale of shares are calculated as the net difference between the acquisition and the sales price. The acquisition price is generally set by the average method, meaning that each share is acquired at a price equivalent to the average purchase price for all the shareholders' shares in the Company. A loss is deductible. Dividends (in Danish: udbytte) from shares in companies listed on a Multilateral Trading Facility (MTF) are taxed as capital gains (see above). All capital gains must be included when calculating whether the amounts mentioned above are exceeded. 27% withholding tax is levied on dividends distributed on shares (the final tax is calculated in connection with the tax return).

Companies: Gains from sales of shares are taxed at 22% (corporation tax), however, the gains are tax-exempt if the shareholder owns at least 10% of the company's shares (subsidiary company shares), or if shares constitute group company shares as defined in the Danish Capital Gains Act. Losses are deductible unless shares are subsidiary company shares or group company shares. Gains and losses are calculated according to the stock taxation method (in Danish: "lagerbeskatning"). According to the taxation method, each year's taxable gain or loss is calculated as the difference between the market value of the shares at the beginning and end of the tax year. Thus, taxation will be levied on an accrual basis even if no shares have been disposed of and no gains or losses have been realised. Dividends are taxed at 22% unless the shares are subsidiary company share or group company shares, which are tax-exempt. 22% withholding tax is levied on dividends distributed on shares (the final tax is calculated in connection with the tax return).

Tax treatment of investors resident in Sweden

Individuals: Gain from sale of shares are taxable as capital gain with a flat rate of 30% for listed shares. "Listed shares" include shares on a Multilateral Trading Facility (MTF) such as Nasdaq First North Growth Market. Gain and losses from the sale of shares are calculated as the difference between the acquisition and the sales price. The acquisition price is generally set by the average-method, meaning that each share is acquired at a price equivalent to the average purchase price, including bank fees, for all the shareholders' shares in the company. The acquisition price can also be set by a standard method. This method means that you use 20 percent of the sales price, after deduction of the bank fee, as the acquisition price. The remaining 80 percent of the sales price is deemed to be the gain. A loss from sale of shares in a listed company is fully deductible against gains on other listed shares. Any remaining loss is deductible with 70 percent against other capital income such as e.g. interest income. If the result of that still is negative a tax reduction of 30% (up to SEK 100,000 and with 21% above that) is granted. Individuals subject to taxation in Sweden from dividends from listed shares are taxed as capital gain with a flat rate of 30%.

Companies: The gain from sale of shares is taxed with 21.4% at the company level if not the conditions for the Swedish participation exemption regime (In Swedish: "Näringsbetingade andelar") are met. Capital gains from listed companies ("Listed companies" include shares on a Multilateral Trading Facility (MTF) such as Nasdaq First North Growth Market) are only tax-free provided that the investing company holds at least 10% of the share capital or votes. The requirements must have been met for a full year if the capital gain is to be tax-free. If the participation exemption regime is applicable any loss from sale of shares will not be deductible. Dividend income is taxed with 21.4% at the company level if not the conditions for the Swedish participation exemption regime (In Swedish: "Näringsbetingade andelar") is met. Dividends from listed companies domiciled in the EU are tax-free provided that the investing company holds at least 10% of the share capital or votes. The requirements must have been met for a full year if the dividends are to be tax-free.

Danish tax treatment of investors who are resident in Sweden: Dividends on shares in STENOCARE that are submitted to people who are resident in Sweden for tax purposes are subject to 27% withholding tax in Denmark as a starting

point. However, under the Nordic tax agreement, the source tax on shares is usually limited to 15% and if so, the Swedish shareholders must file a claim for a refund of 12% in Denmark. Further, once the dividend is reported by the shareholder in the Swedish tax return, a foreign tax credit should be claimed in the Swedish tax return for the 15% Danish tax already paid in order to avoid double taxation.

Other

Legislation

The New Shares are issued according to the Danish Companies Act (no. 470 of 12/06/2009). The terms and conditions of the New Shares may be changed by following the procedures and requirements of the Danish Companies Act. The New Shares are, moreover, subject to general Danish legislation, including Regulation (EU) 2017/1129, the Danish Act on Capital Markets (no. 650 of 8/6-2017), etc. and the Nasdaq First North Growth Market rulebook. All transactions with STENOCARE's shares are made electronically through authorised banks and securities administrators. New Shares will be registered to the owner in electronic format.

Takeover regulation

There is no takeover regulation applicable to bids for shares admitted to trading on Nasdaq First North Growth Market Denmark (takeover bids). According to section 70 of the Danish Companies Act, any shareholder owning more than 9/10 of the shares in a company may decide that the remaining shareholders' shares should be redeemed by the majority shareholder. This procedure requires that the shareholders are given four (4) weeks' notice to transfer their shares to the redeeming shareholder. Likewise, the minority shareholders owning less than 1/10 of the shares may require to be redeemed pursuant to section 73 of the Danish Companies Act.

Language

STENOCARE communicates to the stock market in English.

Danish Law

STENOCARE is a Danish company operating under Danish law, including the Danish Companies Act (Selskabsloven) and the Capital Markets Act (Kapitalmarkedsløven). Once the Company's shares cease to be traded on the Spotlight Stock Market, the Company will no longer be subject Swedish securities legislation.



5. DETAILS OF THE OFFER / ADMISSION TO TRADING

5.1. TERMS AND CONDITIONS OF THE OFFER OF SECURITIES TO THE PUBLIC

5.1.1. Key terms and conditions

Price per share	DKK 20.00 per share
Pre-emptive rights (1:6)	All Existing Shareholders at the end of the Record date will receive Subscription Rights (1 per share). Six (6) Subscription Rights are required to subscribe for one New share in the Issue.
Bonus Shares (1:3)	For every three (3) New Shares subscribed for, subscribers receive one Bonus Share free of charge from the Founders, adding up to four (4) shares in total. This corresponds to an increment of 33% and a general discount of 25%. Please see Section 5.4 for elaboration. Important clarification (for the avoidance of doubt): Please be informed, that the “Bonus Shares” in this Issue are existing shares that are surrendered by and transferred from the Founders to the subscribers that receive allocation in the Issue. Bonus Shares do <u>not</u> constitute a Bonus Share issuance as understood in the Danish Companies Act (§165).
Implied valuation (pre-money):	DKK 178.9 million. 8,942,762 shares at DKK 20.00 per share. Valuation applies before as well as after Bonus Share allocation as Bonus Shares are existing shares, leading to a non-dilutive discount .
Pre-subscription, which is the minimum size of the Rights Issue.	The total pre-subscription is DKK 17.3 million or 58%. This includes: g) <u>Cash subscription</u> : Pre-subscription amounting to DKK 8.3 million in cash (corresponding to 414,531 shares) including cash pre-subscription from Founders of DKK 2.2 million. In the event of Minimum subscription only (i.e. zero public subscription) the cash proceeds would be around 6.3mdkk net after cost. h) <u>Guaranteed loan conversion</u> : Existing loan-holders have guaranteed to subscribe by way of conversion for DKK 9.0 million (corresponding to 448,928 shares). This conversion will be exercised as a separate capital increase to the extent that cash subscription does not leave room for conversion within the Issue.
Period of trading in Subscription Rights	First day: 25 May 2020 Last day: 09 June 2020
Subscription Period	First day of subscription: 27 May 2020, from 9:00 Danish time Last day of subscription: 11 June 2020, until 17:00 Danish time
HOW TO SUBSCRIBE	Subscription for and trading in Subscription Rights is undertaken through your bank, in accordance with the subscription instructions given by the bank.
Total proceeds at full subscription which is the maximum size of the Issue	DKK 44.8 million gross (including Oversubscription Reserve of DKK 15 million) and DKK 41.5 million net after cost.
Total cost of the Issue	Approximately DKK 3.3 million (7.4%) at full subscription.
Admission for trading on Nasdaq First North Growth Market Denmark	STENOCARE will be delisted from Spotlight Stock Market and admitted to trading on Nasdaq First North Growth Market Denmark. The share is unchanged and carries the same stock ticker: [STENO] and permanent ISIN code: DK0061078425 in VP Securities.
Temporary ISIN codes	Temporary Shares: DK0061272317 (not traded, will solely be used to subscribe for the New Shares). Subscription Rights: DK0061272234 (traded, no value if unused).
Trading of New Shares	The New Shares will also be traded on Nasdaq First North Growth Market Denmark after the Issue has been registered with the Danish Business Authority (Erhvervsstyrelsen) and VP Securities under the parent ISIN code and symbol.

5.1.2. Key elements of the offering

Cash subscription

The New Shares offered for cash subscription consist of no more than 2,240,460 New Shares of nominally DKK 0.08 each. The New Shares are offered under the temporary International Security Identification Number (ISIN) DK0061272317. This temporary ISIN will not be listed on Nasdaq First North Growth Market Denmark. The temporary ISIN will be replaced by the permanent ISIN code DK0061078425 in VP Securities.

The conversion of Loans

Existing loans, totalling DKK 9.0 million have been made available by loan-holders as guaranteed conversion. This means that these loans will be converted within the Issue to the extent that the Issue is not fully subscribed for in cash. The priority is cash subscription before conversion. Any part of the loan conversion that cannot take place within the Issue will be converted in a separate issue of New Shares at the same terms as the Issue. In the event that the Issue is fully subscribed in cash, including the Oversubscription Reserve (maximum scenario), a total of 448,927 additional New Shares will be issued by the Company by way of separate conversion of existing loans at the same terms as the Issue. The exact number of New Shares in the Offering is determined after the Subscription Period when the total amount of Subscription for cash is established. New Shares acquired through conversion have the same rights as New Shares subscribed for in cash. The dates provided below are expected dates and cannot be guaranteed.

Subscription Right ratio

For each Existing Share, one subscription right will be issued free of charge. Six (6) Subscription Rights entitle the holder to subscribe for one (1) Offer Share. Subscription can also be done without the support of Subscription Rights.

Bonus share allocation

For every three (3) New Shares subscribed for and registered in VP Securities on 15 June 2020 (including all shares issued in exchange for cash subscription within the Issue, all shares subscribed in cash through allocation from the Oversubscription Reserve and all shares subscribed for through loan conversion), **the subscriber receives one (1) Bonus Share** through VP Securities on 24 June 2020 end of day, free of charge from the Founders, **adding up to four (4) shares in total**. The Bonus Shares are Existing Shares owned by the Founders and delivered by the Founders through VP as part of the Settlement of the Issue. Note: Bonus Share allotment is based on whole lots of three (1 for 3). Fractions have no value and do not trigger any Bonus Share allotment.

The minimum number of Bonus Shares allocated will be 284,941 shares corresponding to the pre-subscription only, counting cash-based pre-subscription as well as loan conversion. The maximum will be 961,569 Bonus Shares corresponding to 1/3 of full cash subscription for 2,240,460 shares along with additional conversion of loans, corresponding to an additional 448,927 shares. This way, up to 961,569 Bonus shares will be transferred free of charge by the Founders to the subscribers, corresponding to a total value of up to DKK 19.2 million.

Please see Section 5.4 for elaboration and background to allocation of Bonus Shares.

5.1.3. Timeline and how to subscribe

Expected timetable of the offer (all times in CET)

The dates provided below are expected dates and cannot be guaranteed. The company will provide separate announcements to the market, in the event of significant changes in the schedule.

Expected timetable of the offer	Date/period
Publication of the Issue and Company press release	11 May 2020
Last day of trading in Spotlight Stock Market	15 May 2020
First day of trading on Nasdaq First North Growth Market Denmark	18 May 2020
Last day of trading of Existing Shares with Subscription Rights	20 May 2020
Ex-Date: First day of trading of STENOCARE's Existing Shares without the right to receive Subscription Rights	25 May 2020
Trading of Subscription Rights begins	25 May 2020
Record Date: The date when allocation of Subscription Rights is determined	26 May 2020
Offer Period starts	27 May 2020
Trading of Subscription Rights ends	09 June 2020
Unused Subscription Rights will be invalid from the end of the Offer Period	11 June 2020
Offer Periods ends	11 June 2020
Publication of result of Offer Period (incl. New Shares and pre-allotment)	15 June 2020
Completion of Offering (incl. settlement of New Shares)	15 June 2020
Registration of Share Capital increase with the Danish Business Authority	18 June 2020
First day of trading of New Shares on Nasdaq First North Growth Market Denmark	24 June 2020
Transfer of Bonus Shares	24 June 2020
Allotted Temporary Shares are switched in VP Securities' systems from the temporary ISIN code to the permanent ISIN code	25 June 2020

Board decision

The decision to a) apply for admittance to trading on Nasdaq First North Growth Market Denmark, b) announce the delisting of the Company from Spotlight Stock Market (Sweden) and c) to publish the Issue was taken by the Board of Directors on 11 May 2020, immediately prior to the announcement of same as well as the publication of this Prospectus. Last day of Trading on Spotlight Stock Market will be 15 May 2020 and the first day of trading on Nasdaq First North Growth Market Denmark will be 18 May 2020.

Separation of the Share and the Subscription Rights

The last day of trading of Existing Shares with Subscription Rights will be 20 May 2020. The first day of trading of Existing Shares without Subscription Rights (the Ex-Date) will be 25 May 2020. The date at which the allotment of Subscription Rights to Existing Shares is recorded (the Record Date) will be at the end of day on 26 May 2020.

Trading of Subscription Rights: from 25 May 2020 to 09 June 2020

Shareholders have preferential rights to subscribe for New Shares in relation to the number of Existing Shares they own at the Record Date on 26 May 2020. This information is entered in the share register kept by VP on behalf of the Company, and Subscription Rights (ISIN code: DK0061272234) can then be exercised, or traded. The last day of trading of Subscription Rights is 09 June 2020, i.e. two trading days before last day of the general Subscription Period. Banks and securities institutions with the necessary permits are available to act as intermediaries in the purchase and sale of Subscription Rights.

Subscription Period: from 27 May 2020 at 9:00 to 11 June 2020 at 17:00 Danish time

Subscribers pay for the Subscription upon subscription and receive Temporary Shares (ISIN code: DK0061272317). The Board has no right to discontinue the Issue after the Subscription Period has begun. *Please note:* Subscription Rights not used by 11 June 2020 i.e. the last subscription date will be cancelled without notification from VP and no longer of any value. Temporary Shares will not be admitted to trading on Nasdaq First North Growth Market Denmark but will subsequently be converted into New Shares, ref. below.

Subscription for New Shares with or without Subscription Rights is binding and irrevocable and the subscriber cannot cancel its subscription. The subscriber is responsible for ensuring that the subscription takes place in such a way that the New Shares can be paid for and delivered to the specified custody account. Subscription for New Shares can take place with or without rights, see below.

HOW TO SUBSCRIBE

How to subscribe with rights:

Most banks notify you of the Issue if you are already a shareholder of STENOCARE. **Subscription is then executed by you on the basis of the instructions provided by your bank.** This applies no matter if you would like to subscribe by using existing rights or by purchasing new rights. Normally, this can be done by way of digital subscription. Payment for the subscription of New Shares is debited at the time of your subscription.

How to subscribe without rights:

You can also subscribe for New Shares without using Subscription Rights instead of - or in addition to - subscription with rights. An application for subscription for New Shares without Subscription Rights must then be submitted to your own bank during the Subscription Period. The subscription form (for subscription without rights) can be found here: [<https://stenocare.com/investor-relations/share-issue-2020/>] and as the last page of this Prospectus. **Your bank has to forward your subscription form prior to the expiry of the Offer period i.e. no later than 11 June 2020 at 17:00 Danish time to Danske Bank who acts as Settlement Agent.** After allotment, the shareholder's bank will debit the payment and deliver the Temporary Shares, typically around four days after the last day of the Subscription Period. Important: Subscription without rights may result in reduced – or no – allotment.

Note for Shareholders domiciled outside Denmark: Please see below in Section 5.1.4. for special conditions

For further information and guidance, please visit <https://stenocare.com/investor-relations/share-issue-2020/>

Announcement of the result of the issue

The result of the Issue is expected to be announced through a Company Announcement on Nasdaq First North Growth Market Denmark on 15 June 2020.

Completion of the issue

Completion of the Offering, i.e. settlement of all New Shares, including both New shares issued as a result of cash subscription and New Shares as a result of loan-conversion, ref. above and registration of the total Share Capital increase with the Danish Business Authority is expected on 18 June 2020. Transfer of Bonus Shares will be handled by VP in accordance with the instructions from the Founders and is expected to take place on 24 June 2020.

First day of trading of New Shares

Soonest possible after the completion of the Issue, the first day of trading of the New Shares on Nasdaq First North Growth Market Denmark will take place, expected on 24 June 2020. Temporary Shares will convert to New Shares (ISIN Code: DK0061078425) as soon as the Issue has been registered at the Danish Business Authority, expected on 25 June 2020. No special notification is sent out from VP in connection with the conversion.

5.1.4. Special conditions relating to Shareholders domiciled outside Denmark

Most Swedish banks, including Avanza, facilitate subscription for and trading in STENOCARE shares. Swedish shareholders should observe the procedure of the Danish VP Securities and banking system (described above), which is based on binding subscriptions with automatic transfer of shares and payment at the time of subscription.

Shareholders domiciled in a country where participation in the new issue is wholly or partly subject to legal restrictions (for example Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, Switzerland and the United States) or any other jurisdiction where other requirements are applicable than those pursuant to Danish law with a direct VP account, will receive pre-emptive Subscription Rights, but if the shareholder is living in a restricted area, the shareholder will only be able to sell the rights. Please contact your bank for instructions if you hold Subscription Rights and no notice is received prior to the beginning of the Subscription Period.

5.2. PLAN OF DISTRIBUTION AND ALLOTMENT

New Shares in the Rights Issue will first be allotted to pre-subscribers and other subscribers using their Subscription Rights. Then, secondly, in the event of oversubscription, the Oversubscription Reserve will be activated and available to all subscribers, however with preference for Existing Shareholders based on a formula to be decided by the Board.

Thirdly, all other subscribers (without Subscription Rights) will receive pro-rata allotment or allotment based on a formula to be decided by the Board. The general principle of allotment will be to secure the widest possible number of subscribers. In case of full cash subscription or more, no loans will be converted as part of the Issue. Instead, loan conversion will take place as an extension to the Issue.

5.3. PROCESS OF NOTIFYING APPLICANTS OF THE AMOUNTS ALLOTTED

The principle is delivery against payment, and notification is normally provided by the bank of the applicant. No notice is sent out to those who were not allotted New Shares.

5.4. PRICING AND BONUS SHARES

Subscription Price

The Subscription Price is **DKK 20.00** per New Share.

Generally, no brokerage fees will be charged by Danish banks. The delivery of free Bonus Shares (1:3), ref. below, corresponds to a 25% discount applies.

Subscription Rights (1:6)

Each Existing Share carries one Subscription Right, and one New Share can be subscribed for at the Subscription Price for every six (6) Subscription Rights.

Bonus Shares (1:3)

For every three (3) New Shares subscribed for and registered in VP on 15 June 2020 (including all shares issued in exchange for cash subscription within the Issue, all shares subscribed in cash through allocation from the Oversubscription Reserve and all shares subscribed for through loan conversion), one Bonus Share is allotted to each subscriber free of charge, adding up to four (4) shares in total. **The Bonus Shares are Existing Shares owned by the Founders.** The Bonus Shares are delivered by the Founders through VP as part of the Settlement of the Issue through VP Securities on 24 June 2020 by end of day. The allotment in each case is rounded down, and no fraction of B Shares is allotted. This corresponds to a total discount in the issue of 25%, relative to the Subscription Price.

Rationale and background to Founders decision to deliver Bonus Shares:

As announced on January 14, 2020, the previous supplier to STENOCARE returned a total of 1,420,455 shares (15.9% of the outstanding shares) to the Founders including a small portion of 71,022 to Kompas Administration a smaller, early investor. This total amount of shares (the Partnership Shares”) had been delivered by the same parties (Founders + Kompas) shortly after the establishment of the Company in 2017 to the supplier as part of a partnership agreement. At the end of 2019 this partnership agreement was terminated and as a result, the Partnership Shares were returned to the Founders. This means that 1,349,433 Partnership Shares were received (back) by the Founders.

Then, in the announcement on January 20, 2020, the Founders pledged to share 50-60% of these shares with the Company, in effect meaning all Shareholders. After thorough consideration, it was decided that it would be in the best interest of the Company and hence all Shareholders, that the shares are made available directly to all other shareholders as free Bonus Shares in the Issue, rather than indirectly by allocation via the Company. It should be noted, that all Shareholders will benefit from this decision, and not just those that decide to subscribe. This is due to the fact that the Bonus Share allocation will serve to make the Subscription Rights more attractive/valuable. Non subscribing shareholders may sell their Subscription Rights and thereby benefit from the Bonus Share allocation without subscribing.

The percentage of the Founders' Partnership Shares that are delivered by the Founders as Bonus shares will depend upon the outcome of the Issue. At full subscription and additional loan conversion, the total number of Bonus Shares to be delivered is 924,159 shares, corresponding to **68%** of the shares received or 10.3% of the total outstanding shares. At minimum subscription (pre-subscription and committed loan conversion only), the total number of Bonus Shares to be delivered is 247,905 shares, corresponding to 18.4% of the shares received or 2.8% of the total outstanding shares. The delivery of Bonus Shares is handled by the Issuing Bank and will take place through VP Securities after the completion of the Issue in accordance with the timeline in Section 5.1.3 above.

Important clarification (for the avoidance of doubt): "Bonus Shares" in this Issue do not constitute a Bonus Share issuance as understood in the Danish Companies Act, §165.

As specified above, the Bonus Shares in this Issue are Existing Shares delivered by the Founders free of charge for the reasons and with the motivation given. This means, that the **issue of Bonus Shares is non-dilutive** and can be seen as a simple transfer of value from the Founders to all shareholders, given that all shareholders receive tradeable Subscription Rights in the Issue with the Bonus Share offer as an integral part of the rights.

5.5. PLACEMENT AND UNDERWRITING

STENOCARE has obtained subscription commitments corresponding to approximately DKK 17.3 million, which, including cash subscription from founders of DKK 2.2 million and conversion of debt is equivalent to approximately 58% percent of the Rights Issue. No underwriting applies.

Table showing share capital before and after the Issue in case of minimum subscription, defined as the subscription that is secured prior to general subscription and related minimum net proceeds:

Capitalisation *)	Subscription in cash, DKK	Conversion of debt, DKK	# of shares	Share capital
Existing Shares, before			8,942,762	715,420.96
Minimum subscription, cash	8,290,590		414,530	33,162.36
-including Founders pre-subscription:	2,244,590			
Number of shares, share capital after issue, before conversion			9,357,292	748,583.32
Conversion of loans*		8,978,575	448,929	35,914.30
Total, after the Issue - cost (approximately) Net proceeds	8,290,590 - 2,000,000 6,290,590	8,978,575	9,806,220	784,497.62

Table showing share capital before and after if fully subscribed in cash and net proceeds:

Capitalisation*)	Subscription in cash, DKK	Conversion of debt, DKK	# of shares	Share capital
Existing Shares, before			8,942,762	715,420.96
Full subscription, cash**	29,809,207		1,490,460	119,236.83
- incl. Founders subscription	2,244,590			
Oversubscription Reserve	15,000,000		750,000	60,000.00
Number of shares after issue, before conversion			11,183,222	894,657.79
Conversion of loans*		8,978,575	448,927	35,914.16
Total, after the Issue - cost (approximately) Net proceeds	44,809,207 3,300,000 41,509,207	8,978,575	11,632,149	930,571.95

* The subscription price is DKK 20.00, ref. section 5.4 above

** The subscription ratio of the Rights Issue implies 1,490,460.33, Offer Shares. The actual number of Offer Shares is rounded down to 1,490,460 as fraction of shares do not apply.

The tables below present all of the subscription commitments which have been agreed. The subscription commitments have not been secured through advance transaction, bank guarantee or similar.

PRE-SUBSCRIPTION IN CASH	
Name	Amount in Cash, DKK*
Claus Dalsgaard	1,250,000
Jens Olsson	500,000
Leif Tomasson	500,000
Polynom Investment AB v/Niklas Danaliv	500,000
Claus Kristiansen	300,000
Lars Søndergaard	250,000
Mikael Bartroff	250,000
Alexander Schoeneck	200,000
Ken Jarlfort	200,000
Kompas Administration ApS v/Anette Thomasen (Co-founder, now passive investor)	200,000
Birthe Johansen (related to Peter Bugge Johansen)	150,000
Henrik Steuch	150,000
Erik Sedenberg	125,000
Anna Marie og Jimmi Hansen	100,000
Henrik Vollandt	100,000
Jimmie Landermann	100,000
Kent Mårtensson	100,000
Lars Koch Rasmussen	100,000
Martin Bengtsson	100,000
Nick Jørding	100,000
Niklas Danaliv	100,000
Orla Søre	100,000
Thomas Bugge Johansen (related to Peter Bugge Johansen)	100,000
Torben Ishøy & Agnete	100,000
Uffe Pedersen	100,000
Stamgården Invest AB v/Björn Jacobsson	71,000
Anette Thulstrup	50,000
Lars Sylvester Larsen	50,000
TOTAL	5,946,000
Next of kin relationship with Founders or Management team, if any, stated in brackets after name	
PRE-SUBSCRIPTION IN CASH BY FOUNDERS AND MANAGEMENT	
Name (person or company)	Amount in Cash, DKK*
STENO Group IVS ¹⁾	826,970
Prana Holding ApS ²⁾	708,833
MS Kjær Holding ApS ³⁾	708,833
TOTAL, Founders	2,244,635
Peter Bugge Johansen, CFO	100,000
Total, Management	2,344,635

¹⁾ Owned 100 percent by Jens Thulstrup Steno Petersen, son of Board member and CCO Rolf Steno Petersen. Rolf Steno Petersen is the Managing Director of Steno Group IVS

²⁾ Owned 50 percent by CEO Thomas Skovlund Schnegelsberg and 50% by spouse.

³⁾ Owned 50 percent by COO Søren Kjær and 50% by spouse.

No premium compensation has been paid for the cash pre-subscriptions.

PRE-SUBSCRIPTION THROUGH GUARANTEED CONVERSION OF LOANS	
Name (person or company)	Outstanding Loan Conversion, DKK
Gerhard Dal	1,345,575
Paginera Invest v/Johan Gullstrand	1,165,000
Stefan Lundgren	967,750
Oliver Molse	815,500
Modelio Equity AB v/Oscar Molse	815,500
John Moll	815,500
Peter Nilsson	815,500
Kjell Nilsson	815,500
Mikael Blihagen	507,500
Per Nilsson	407,750
Claus Lillelund	406,000
Christian Månsson	101,500
TOTAL	8,978,575

Prior to the publication of this Issue, the converting loan-holders have agreed to buy discounted Shares from the Founders, corresponding to a separate (additional) discount of about 12.5% in aggregate in exchange for accepting to act as guaranteed conversion. The Pre-subscription of the Founders as shown above is their re-investment of all proceeds from this sale of discounted shares.

TOTAL PRE-SUBSCRIPTION, DKK	
Cash pre-subscription, general	5,946,000
Founders pre-subscription	2,244,590
CFO, Peter Bugge Johansen, pre-subscription	100,000
Guaranteed loan conversion	8,978,575
TOTAL	17,269,165

5.6. ADMISSION TO TRADING AND DEALING ARRANGEMENTS

The Existing Shares of STENOCARE A/S have been admitted for trading on Nasdaq First North Growth Market Denmark under the ticker symbol STENO, and the ISIN code is DK0061078425 with the first day of trading on 18 May 2020. Until 15 May 2020 the shares of STENOCARE will be traded on the Danish list of the Spotlight Stock Market in Sweden. The New Shares will also be traded on Nasdaq First North Growth Market Denmark after the Issue has been registered with the Danish Business Authority (Erhvervsstyrelsen) and VP Securities under the parent ISIN code and symbol.

5.7. SELLING SECURITIES HOLDERS

Apart from the transfer of Bonus Shares from the Founders to all Subscribers in the 1:3 ratio (see Section 5.4 above), none of the Existing Shareholders, including Founders, is selling any Securities in the Issue.

5.8. DILUTION

The Rights Issue, at full subscription including the Oversubscription Reserve, will result in an increase in the total number of shares in the Company by 2,240,460 to 11,183,222 shares, corresponding to a maximum dilution of up to 20%. In the event of full subscription, the loan conversion will take place as an extension causing up to additionally 448,927 New Shares to be issued and the total dilution to increase to 23%. In the event of minimum subscription (equalling the combined pre-subscription of DKK 17.3 million), the dilution will be 9%.

5.9. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Members of the Board of Directors and the Executive Management are shareholders in the Issuer, either directly or indirectly, and therefore have financial interests in the Issuer. As a result, these persons have an interest in the Offering. The CFO has been awarded a share-based incentive scheme in the Issuer. Reference is made to Section 6 for a description of the incentive scheme and Section 8.1 below.

5.10. REASONS FOR THE OFFER, USE OF PROCEEDS AND EXPENSES

5.10.1. Reason for the offering

The overall purpose of the Issue is to stimulate the acceleration of STENOCARE on the back of the successful implementation of STENOCARE 1.0. The next big step is STENOCARE 2.0 as described in Sections 2.2.3, 2.9 and elsewhere. Before the current round, STENOCARE is sufficiently funded to continue its operations for more than 12 months.

STENOCARE has been a profitable company from its first quarter of operation (Q4-18) net of IPO cost and for all of 2019. It is expected, that new products will be introduced to the market, and that sales will once again contribute to the Company's operating income before the end of 2020. Also, STENOCARE has cash in the bank (more precisely DKK 11.3 million as per 31 March 2020) which is enough to cover the basic operation until the expected re-emergence of sales as described above.

Consequently, the purpose of and strategy behind the Issue is not to support the financing of ongoing operational deficits, but rather to bolster the Company in its aggressive pursuit of wider European market leadership as described elsewhere in this document under the "STENOCARE 2.0" headline.

STENOCARE is facing a number of unique opportunities, driven by the fact that the Company is already a recognized (early) market leader in a market that is expected to grow faster than most, if not any other market in the coming years.

It should be made clear, that while STENOCARE would be able to continue independently, even without any proceeds and whereas the contemplated investments could be scaled back as required or avoided, that would not be satisfactory. Therefore, in the event of limited subscription in this Issue, STENOCARE will pursue other available financing avenues (debt, equity, or a combination) to secure that ample funds are available to realize STENOCARE 2.0.

5.10.2. Use of Proceeds and expenses

Assuming full subscription including the Oversubscription Reserve and with total transaction costs of DKK 3.3 million, STENOCARE will receive net proceeds of approximately DKK 41.3 million. These funds will be allocated as follows:

DKK 10 to 25 million (about 50%): World class indoor cultivation at scale, phase 2

In addition to the investments planned in the current cultivation facility project (which is fully funded ahead of this Issue), STENOCARE is contemplating to further expand its capabilities and assets by adding GMP compliant processes, in-house extraction and a generally upgraded set-up. This investment is expected to be funded from the current Issue. Details are withheld for competitive reasons.

DKK Up to 5 million (about 10%): Research and development

In its pursuit of a pharma strategy where the development of advanced formulations, designed to address specific conditions and related assets is key, STENOCARE will work in partnership with research organisations, such as Solural Pharma, to take Medical Cannabis to the next level. This is an agenda designed to take STENOCARE and Medical Cannabis beyond the current generic definition and towards special formulations, products and brands for individual needs and medical conditions. The planned investment is not yet committed.

*"By offering this Issue with pre-subscription rights to its existing shareholders and a 25% discount through transfer of **free bonus shares** (existing shares, delivered by myself and my two co-founders, Rolf Steno and Søren Kjær), we wish to first of all acknowledge our base of +4,000 shareholders. At the same time, with our new listing on Nasdaq First North Growth Market Denmark, we hope to welcome many more, new investors to take part in the STENOCARE 2.0 journey".*

Thomas Skovlund Schnegelsberg,
Co-Founder and CEO, STENOCARE A/S

DKK Up to 20 million (about 40%): International expansion and operational buffer

STENOCARE intends to establish its business in more markets where the legislative environment is suitable for expansion for its business. In 2019, a subsidiary was established in Ireland with the aim to import products from STENOCARE's suppliers and later commence export of products from the Danish production facility. Also, STENOCARE has identified a handful of other target countries for expansion. The exact funds required to execute on the international strategy will depend on the extent to which local representation is necessary and the amount of local competition. STENOCARE's current formula for international growth is cash effective as it is driven largely by local distribution partners subject to approval of STENOCARE from local regulators. Further funding to fuel additional international growth may be of relevance at a later point in time. Beyond allocations for the purposes described above, full subscription will lead to the establishment of unallocated working capital reserves of DKK 10-15 million. The STENOCARE management team is very much aware that international expansion and brand-building can be costly and wants to be able to act forcefully should strategic opportunities emerge that would include direct investment. This could be opportunities to purchase (distressed) assets that would allow STENOCARE to buy rather than build in its pursuit of becoming a leading European brand in high-end Medical Cannabis.

Use of funds in case of minimum subscription

In the event of zero public subscription, leading to the minimum subscription of DKK 17.3 million of which DKK 6.2 million would be net cash proceeds, the Company would continue its operations as is, and would expect to do so until sales re-create a break-even and/or profits. This is a result of the Company's lean cost structure and cash in the bank of more than DKK 10m million as per 31 March 2020, as reported in the Q1-20 report combined with the expectation that product sales will be resumed later on this year (2020). In this – most likely theoretical – minimal scenario, certain investments as outlined above would have to be either postponed or financed in alternative ways.

5.11. ADDITIONAL INFORMATION

Subscription guarantee and pre-subscription

The Offering is guaranteed by commitments to convert, granted by existing loan-holders in STENOCARE, amounting to DKK 9.0 million. In addition, pre-subscribers have committed to subscribing in cash for a total of DKK 8.3 million, including DKK 2.2 million from the Founders. The Offering is not subject to any other third-party underwriting agreement.

As a result, the Rights Issue is pre-subscribed by a total of DKK 17.3 million or 58%. Cash subscribers have a first right to subscribe for the remaining, not pre-subscribed Rights Issue of up to the maximum of DKK 12,5 million as well as the Oversubscription Reserve of additional DKK 15 million. The loans offered for conversion will be converted in addition to the Offering to the extent that cash subscription does not allow for the conversion within the Offering.

Calculation of net proceeds in case of full subscription

Certain fees for consultancy services will be payable by the Issuer after the first day of trading. The joint fees for such consultancy services will amount to approximately DKK 2.3 million. Other costs relating to the Issue, including legal, issuing services, VP, marketing, etc., are expected to be kept around DKK 1 million, which means that the total cost relating to the Issue will be around DKK 3.3 million, which translates into approximately 7.4% in total cost of cash proceeds at full subscription including the Oversubscription Reserve.

Transaction advisers

In connection with the Share Issue described in this Prospectus, Keswick Global AG acts as Certified Adviser, and Gemstone Capital ("Gemstone") acts as STENOCARE's general adviser.

Gemstone owns shares and warrants (specified in Section 8.5) in STENOCARE (less than 1%). Keswick Global does not hold shares in STENOCARE.

Issuing agent and Settlement agent

Danske Bank
Corporate Actions
2-12 Holmens Kanal
DK – 1092 Copenhagen K
Email: prospekter@danskebank.dk

For contact information to transaction advisers, please see the last page of this document.

Auditor and legal adviser

The independent auditors of STENOCARE is Jan Molin (principal auditor) of BEIERHOLM Statsautoriseret Revisionspartnerskab. Knud Højgaards Vej 9, DK-2860 Søborg, Denmark. No information included in this Prospectus regarding STENOCARE, other than the information specifically set out below in Section 7, “Financial Information and key performance indicators”, has been audited or reviewed by Beierholm.

The general counsel of STENOCARE is Ulrik Bayer, attorney-at-law (SC) and partner in the Copenhagen-based law firm of Lund Elmer and Sandager.

6. CORPORATE GOVERNANCE

6.1. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

Below you will find STENOCARE's Board of Directors and Executive Management. All of them can be reached at the Company's address, Nyholmsvej 4, DK-8930 Randers NØ, Denmark, or at the Company's email address: info@stenocare.com. Note that the description of the Board of Directors below reflects that which is in place as of the date of this Prospectus. A resolution will be put to the General Meeting of the Company on 14 May 2020 that Rolf Steno Petersen is replaced as a member of the Board by Søren Kjær. This is in line with the Founders' policy of rotating which holds a seat on the Board Both will continue their executive roles following the General Meeting.

Rolf Steno Petersen (CCO) and Søren Kjær (Board member and COO) are brothers-in-law. This aside, there are no family ties between Board members and/or senior executives. Marianne Wier, Jeppe Bo Petersen and Søren Melsing Frederiksen are independent of both management and the Company's major shareholders.

None of the members of the Board of Directors and the Executive Management team, as listed below, has in the previous five years (i) been convicted in relation to fraudulent offences, (ii) involved in any official public incrimination and/or sanction or (iii) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.



Marianne Wier

Title: Non-executive Chairman of the Board of Directors

Term: Since September 2018

Marianne Wier, born in 1963, holds a law degree from Copenhagen University. Ms Wier has a background as a lawyer and has, through her previous experience, acquired extensive knowledge in leadership and a good strategic understanding. Ms Wier's core skills mainly cover development and innovation as well as change management. Ms Wier has been responsible for implementing a major digital transformation regarding efficiency, digital solutions and innovation at Topdanmark with successful business performance results. In addition, she is a good communicator. Previous experience includes, among other things, COO and Deputy Director of Topdanmark, President

and Attorney at Johan Schlüter Law Firm, Group Public Affairs Manager at Danske Bank, and Corporate & Government Affairs Manager at Microsoft Denmark.

Marianne Wier owns 11,363 shares, purchased on 24 October 2018 (first day of trading of IPO), representing 0.13 percent of the issued capital at the date of this Prospectus.

Involvement with and commitments to other companies, over the last five years:

Company	Position	Time period
STENOCARE A/S	Member of the Board and Chairman	September 2018 - Ongoing
Taksatorringen	CEO	December 2018 - Ongoing
Topdanmark	COO, Group Executive VP	April 2016 - February 2018
Topdanmark	VP, Claims Administration	May 2013 - March 2016

Share ownership over 10 percent over the last five years: **None.**



Rolf Steno Petersen

Title: CCO, Co-Founder and board member
Term: Since 2017

Rolf Steno Petersen, born in 1965, is a serial entrepreneur and has extensive experience in business innovation, strategy and global sales and marketing. Mr Petersen has been working as CEO at LFP Scandinavia for 14 years and for Techsage (subsidiaries of Esko-graphics BV) for 16 years with sales in 130+ countries, where Mr Petersen was the inventor and partial patent holder. Mr Petersen has held professional roles within the areas of senior management, global support and service and business development. Mr Petersen holds the position of CCO in STENOCARE.

Rolf Steno Petersen does not own any shares in STENOCARE. However, Mr Petersen is a senior executive of Steno Group IVS, which owns 1,917,303 shares corresponding to approximately 22.1 percent of the votes and capital in STENOCARE at the date of this Prospectus. Steno Group IVS is owned by Jens Thulstrup Steno Petersen, son of Rolf Steno Petersen. Mr Petersen does not hold any warrants.

Involvement with and commitments to other companies, over the last five years:

Company	Position	Time period
STENOCARE A/S	Member of the Board, CCO	October 2017 - Ongoing
Steno Group IVS	Senior executive	May 2015 - Ongoing
INSITES ApS	Senior executive	November 2001 - Ongoing
NORDIC CONSULTING & DEVELOPMENT COMPANY, DANMARK A/S	Member of the Board	May 2004 - Ongoing

Share ownership over 10 percent over the last five years: **None.**



Jeppe Bo Petersen

Title: Non-executive member of the Board of Directors

Term: Since September 2018

Jeppe Bo Petersen, born in 1966, is currently the CEO of Olivia Danmark A/S, which is one of the largest companies in Denmark's within personal aid and support schemes. Mr Petersen has extensive experience within strategic work, operational goals, risk analysis, compliance and sales and marketing. Prior to his contribution at Olivia Danmark A/S, Petersen worked as CFO at, for instance, Valad Europe A/S and Nordicom A/S. In total, Petersen has approximately 30 years of experience within the field of finance.

Jeppe Bo Petersen owns 1,667 shares, purchased on 30 October 2018, representing 0.02 percent of the issued capital at the date of this Prospectus.

Involvement with and commitments to other companies, over the last five years

Company	Position	Time period
STENOCARE A/S	Member of the Board	September 2018 - Ongoing
Olivia Danmark A/S	CEO	November 2016 - Ongoing
Bagsværd Kostskole & Gymnasium	Member of the Board and Chairman	November 2010 - Ongoing
Olivia Danmark A/S	CFO	November 2013 - November 2016
Valad Europe A/S	CFO	December 2007 - October 2013

Share ownership over 10 percent over the last five years: **None**



Søren Melsing Frederiksen

Title: Non-executive member of the Board of Directors

Term: Since September 2018

Søren Melsing Frederiksen, born in 1976, holds a Master of Industrial Drug Development (MIND) from Copenhagen University. Mr Melsing Frederiksen's experience ranges from R&D, project management, sales management, marketing and product launch, and he has been engaged in all elements of the commercial work, including market access, medical affairs, commercial strategy and sales execution. Mr Melsing Frederiksen currently holds the position as VP Sales and Marketing at Galenica AB. Søren Melsing Frederiksen owns 100 percent of the

shares in SML Holding ApS, which owns 73,529 shares corresponding to approximately 0.84 percent of the votes and capital in STENOCARE.

Involvement with and commitments to other companies, over the last five years:

Company	Position	Time period
STENOCARE A/S	Member of the Board	September 2018 - Ongoing
Galenica AB	VP Sales and Marketing	October 2019 - Ongoing
Aspen Pharma Nordic	Head of commercial ops	March 2017 - October 2019
LEO Pharma Nordic	Head of Dermatology	January 2013 - December 2016

Share ownership over 10 percent over the last five years

Company	Capital (%)	Votes (%)	Time period
VBM Laboratoriet A/S	18.4	18.4	Ongoing
VBM Ejendomsselskabet af 2007 ApS	20.0	20.0	Ongoing
SML Holding ApS	100.0	100.0	Ongoing



Thomas Skovlund Schnegelsberg

Title: CEO and Co-Founder

Term: Since 2017

Thomas Skovlund Schnegelsberg, born in 1965, has extensive experience in management, strategy, business development and brand marketing. Mr Skovlund Schnegelsberg used to work for Microsoft in Denmark, Nordic, UK and EMEA, where he was employed in senior leadership roles for some 20 years. In addition, Mr Skovlund Schnegelsberg held the professional role of a board member at Lauritz.com where he spent some 11 years. Mr Skovlund Schnegelsberg holds the position of CEO in STENOCARE. Thomas Skovlund

Schnegelsberg owns 50 percent of the shares in Prana Holding ApS (a closely related party to Thomas Skovlund Schnegelsberg owns the remaining 50 percent), which owns 1,690,482 shares corresponding to approximately 19.5 percent of the votes and capital in STENOCARE. Mr Skovlund Schnegelsberg does not hold any warrants.

Involvement with and commitments to other companies, over the last five years:

Company	Company	Company	Capital (%)
STENOCARE A/S	CEO, Co-Founder	October 2017 - Ongoing	
Bagsværd Kostskole & Gymn.	Vice Chairman of the board	August 2007 - Ongoing	
PRANA HOLDING ApS	CEO, Co-owner	November 2017 - Ongoing	
LAURITZ.COM A/S	Member of the Board	October 2005 - July 2018	
Lauritz.com Group A/S	Member of the Board	April 2016 - July 2018	
Microsoft Danmark	Director (executive)	September 1996 - January 2018	

Share ownership over 10 percent over the last five years:

Company	Capital (%)	Votes (%)	Time period
Prana Holding ApS	50	50	Ongoing



Søren Kjær

Title: COO and Co-Founder

Term: Since 2017;

Søren Kjær, born in 1964, has extensive experience with project management, innovation processes and biotechnology from the horticultural industry. Past experience includes 20 years of consultancy services at DEVCON and participation in EU projects in Ghana. Mr Kjær holds the position of COO in STENOCARE and owns 50 percent of the shares in MS Kjær Holding ApS (a closely related party to Søren Kjær owns the remaining 50 percent), which owns 1,645,027

shares corresponding to approximately 19.0 percent of the shares in STENOCARE. Mr Kjær does not hold any warrants.

Involvement with and commitments to other companies, over the last five years

Company	Position	Time period
STENOCARE A/S	COO & Co-Founder	October 2017 - Ongoing
MS Kjær Holding ApS	CEO, Founder	January 2018 - Ongoing
DEVCON V/SØREN KJÆR	CEO	September 1997 - December 2017
STENOCARE A/S	Member of the Board	October 2017 - June 2018

Share ownership over 10 percent over the last five years

Company	Capital (%)	Votes (%)	Time period
MS Kjær Holding ApS	50	50	Ongoing

Share ownership over 10 percent over the last five years: **None.**



Peter Bugge Johansen

Title: CFO

Term: Since August 2018

Peter Bugge Johansen, born in 1962, State Authorized Public Accountant. Bugge Johansen worked for 20 years at Interdan Holding A/S, the last six years as CEO and before that as CFO. Mr Bugge Johansen has acquired extensive knowledge in financial and strategic issues such as financing, internal and external reporting, change management, group structure, asset management, and mergers and acquisitions. Previous experience includes three years as Tax Manager at A.P. Møller-Mærsk and auditor for 14 years at Deloitte in Denmark and in Italy.

Peter Bugge Johansen owns 13,600 shares, corresponding to 0.16% of STENOCARE, and a 5-year options programme to receive up to 34,000 shares. Full exercise will lead to a total ownership interest of 0.54% (for details, see Section 8.5).

Involvement with and commitments to other companies, over the last five years

Company	Position	Time period
STENOCARE A/S	CFO	August 2018 - Ongoing
Realfiction ApS	Member of the Board	Maj 2018 - Ongoing
Realfiction Holding AB	Member of the Board	Maj 2018 - Ongoing
PP Capital Asset Management Fondsmæglerselskab A/S	Member of the Board	August 2013 – April 2020
PP Capital Holding A/S	Member of the Board	August 2013 – April 2020
ApS Habro Komplementar-21	Member of the Board	January 2005 - Ongoing
K/S Habro-Hampstead	Member of the Board	January 2005 - Ongoing
ApS Habro Komplementar-53	Member of the Board	January 2009 - Ongoing
Habro-Southampton	Member of the Board	January 2009 - Ongoing
ApS Habro Komplementar-56	Member of the Board	January 2009 - Ongoing
Habro-56, Kommanditaktieselskab	Member of the Board	January 2009 - Ongoing
ApS Habro Komplementar-11	Member of the Board	January 2001 - Ongoing
K/S Habro-Tamworth	Member of the Board	January 2001 - Ongoing
Interdan Holding A/S	CEO	January 1998 - September 2017

Share ownership over 10 percent over the last five years

Company	Capital (percent)	Votes (percent)	Time period
ApS Habro Komplementar-21	10	10	Ongoing
K/S Habro-Hampstead	10	10	Ongoing
ApS Habro Komplementar-53	14	14	Ongoing
Habro-Southampton	14	14	Ongoing
ApS Habro Komplementar-56	14	14	Ongoing
Habro-56, Kommanditaktieselskab	14	14	Ongoing
ApS Habro Komplementar-11	10	10	Ongoing
K/S Habro-Tamworth	10	10	Ongoing

6.2.REMUNERATION AND BENEFITS

Employees

As of the date of this Prospectus, STENOCARE has a total of 7 full time employees, of whom 5 are male and 2 are female. This excludes hourly-paid employees and consultants. The number of fulltime employees for 2019 was 6.

During the coming 12 months an additional 10 full time employees are expected to be added.

Remuneration

The table below shows the annual remuneration of members of the Board of Directors and the Executive Management of STENOCARE.

BOARD (DKK)	Board fees	Basic salary	Pension	Other remuneration	Social Fees	Total amount
Marianne Wier, Chairman	200,000					200,000
Søren Melsing Frederiksen	75,000					75,000
Jeppe Bo Petersen	75,000					75,000
Rolf Steno Petersen	0					0

EXECUTIVE MANAGEMENT (DKK)	Board fees	Basic salary	Pension	Other remuneration	Social Fees	Total amount
Thomas Skovlund Schnegelsberg – CEO		804,000	0	12,590	2,268	818,858
Søren Kjær – COO		804,000	0	12,590	2,268	818,858
Rolf Steno Petersen – CCO		804,000	0	12,590	2,268	818,858
Peter Bugge Johansen* - CFO		804,000	0	12,590	2,268	818,858

*) Please also see description of Options programme in favour of Peter Bugge Johansen above.

No provision for pension, retirement or similar benefits is made in the financial statements of STENOCARE.

7. FINANCIAL OVERVIEW

STENOCARE was formed in October 2017, but has only conducted business operations during 2018 and 2019. STENOCARE is not part of a group. STENOCARE has one subsidiary; STENOCARE Ireland Ltd. The subsidiary has no financial activity and no consolidated figures apply. Therefore, this financial overview relates exclusively to STENOCARE A/S with CVR number 39024705. Amounts in brackets relate to the comparable period of the previous year.

Financial calendar 2020

Event	Date
Annual General Meeting *)	14 May 2020
Q2-report	20 August 2020
Q3-report	5 November 2020

*) The timing of the annual General Meeting is announced and called in accordance with the Articles of Association. Under section 93 (1) of the Danish Companies Act, General Meetings are convened and organised by the Board. Under section 94 (1) of the Danish Companies Act, notice to attend the General Meeting shall be made within four (4) weeks and unless the Articles of Association prescribe a longer deadline no later than two (2) weeks before the General Meeting.

Accounting policies

The financial statements have been prepared in accordance with the provisions of the Danish Financial Statements Act (årsregnskabsloven) for accounting class C.

Operational risks and uncertainties

The risks and uncertainties relating to STENOCARE operations are summarised in Section 3 and include (but are not limited to) factors such as development, competition, permissions, capital requirements, customers, suppliers/manufacturers, currencies and interest rates.

7.1. HISTORICAL FINANCIAL INFORMATION

7.1.1. Income statement

In 2019, STENOCARE realized total income of DKK16.2 million and an EBITDA of DKK 4.4 million or 27.2%

Total Net sales for 2019 amounted to DKK 4,941,551 and relate primarily to Q1 2019. Operating profit for the financial year 2019 amounted to DKK 4,417,075. Operating profit is influenced by planned costs related to personnel, production and other income.

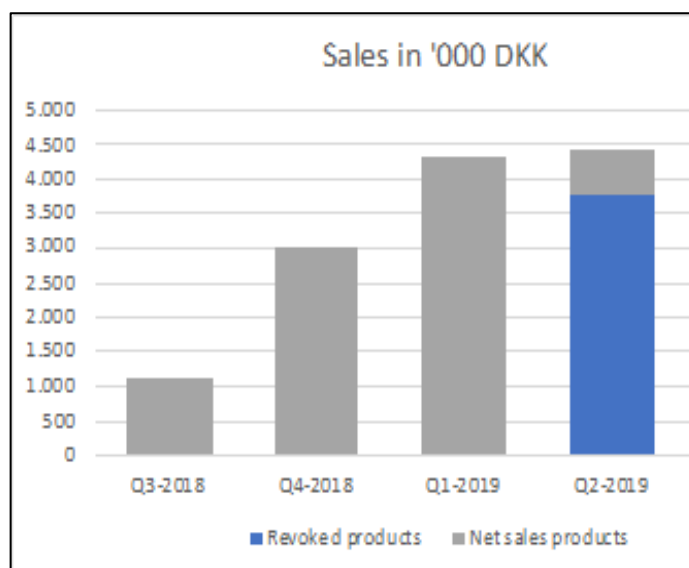
Other income includes a special income realised in Q4 2019 related to the one-off settlement of the agreements with our former supplier. This compensation has cleared all matters between the parties and consisted of CAD 500,000 and 272,727 Existing Shares in STENOCARE, received free of charge. The one-off settlement agreement had a positive effect on the net profit for the period of DKK 8,448,466. Other income increased by 11,255,491. Other external expenses grew by DKK 424,125 and taxes were up by DKK 2,382,901.

As per 31 December 2019, 272,727 Treasury Shares are included in the equity with an associated value of DKK 8,699,994.

Other external expenses include cost of goods sold, rent of premises, professional fees, marketing costs and other administrative expenses. Personnel expenses include salaries and selected professional fees. Financial expenses relate to interest and amortisation of fundraising fee on the unsecured loan to finance the production facility.

STENOCARE's revenue is in a temporary stand-still period due to termination of the previous supplier. An agreement with a new supplier has been concluded, and as soon as renewed product approvals from DMA have been obtained, STENOCARE will re-enter the market. The quarterly sales run-rate in Denmark alone was around DKK 4-5 million by the time the previous products were withdrawn in June 2019.

At the same time, the planned ramp-up of international sales in Ireland and other undisclosed markets was postponed. The figure shows sales each quarter from Q3 2018 when sales activities commenced to Q2 2019. Q3-Q4 2019 are not shown as sales were put on hold due to the termination of the supplier agreement.



INCOME STATEMENT FOR 2019

DKK	01.01.2019 31.12.2019 12 months	01.01.2018 31.12.2018 12 months	19.10.2017 31.12.2018 Approx. 14 months
Net sales	4 941 551	4,144,813	4,144,813
Other Income	11,255,491	0	0
Other external expenses	-7,412,634	-5,269,875	-5,269,875
Personnel expenses	-4,367,333	-2,465,996	-2,465,996
Operating profit before depreciation (EBITDA)	4,417,075	-3,591,058	-3,591,058
Depreciation of tangible assets	-58,925	-1,403	-1,403
Operating profit (EBITA)	4,358,150	-3,592,461	-3,592,461
Financial expenses	-2,111,693	-12,571	-12,571
Profit/loss for the period	2,246,457	-3,605,032	-3,605,032
Tax on profit for the period	-544,036	328,739	328,739
Net profit/loss for the period	1,702,421	-3,276,293	-3,276,293

Note: STENOCARE had no activity in 2017, hence the figures for the periods 19.10.2017 – 31.12.2018 and 01.01.2018 – 31.12.2018 are identical.

7.1.2. Balance sheet

STENOCARE is distributing its Medical Cannabis products through the two leading, authorised distributors in Denmark - NOMEKO and Tjellesen Max Jenne. The distributors keep STENOCARE products in inventory until delivery to the pharmacies and the hospitals when requested by patient prescriptions. To optimise the logistics and minimise distribution costs, the distributors order and receive products from STENOCARE in batches once every quarter. As a result, the distributors keep inventory of STENOCARE products covering 4-5 months of sales.

Total assets at 31.12.2019 amounted to DKK 31,608,368 and consisted primarily of cash at bank and equipment under construction, as the construction of the Medical Cannabis production facility had commenced.

Equity was DKK 13,474,615 and liabilities amounted to DKK 18,133,753, including an unsecured loan to finance the production facility. The Company has no long-term liabilities. The Company has contingent liabilities relating to rent of its cultivation/factory facility, etc. of about DKK 2.0 million.

In Q2 2019 the products in distributors' inventories were withdrawn, and the non-compliant products were quarantined. These products were destroyed in February 2020. The cost of these products and costs of destruction have been paid by the former supplier.

STENOCARE has entered into a facility lease agreement with Hedemann Løvsstad Ejendomsselskab Aps for its 4000 sqm cultivation facility in Jutland, Denmark. The facility is used for STENOCARE's own cultivation and production of Medical Cannabis, and it has been converted for the specific needs of STENOCARE. The agreement describes the lease terms – including the right of first refusal for acquiring the facility at an agreed price. The lease agreement cannot be terminated by Hedemann until May 2023 and includes a DKK 2 million operational lease commitment.

BALANCE SHEET AS AT 31 DECEMBER 2019

DKK	31.12.2019	31.12.2018
Assets		
Furnishing for rented premises	500,603	19,641
Furniture and equipment	126,223	0
Prepayments for property, plant and equipment	7,728,823	0
Total tangible assets	8,355,649	19,641
Subsidiary	7	0
Deposits	488,350	6,000
Total financial assets	488,357	6,000
Total fixed assets	8,844,006	25,641
Inventories	0	84,222
Total inventories	0	84,222
Deferred tax asset	137,390	328,739
Accounts receivable	0	3,049,633
Other receivables	637,829	0
Prepayments	264,047	75,346
Total receivables	1,039,266	3,453,718
Cash at bank	21,725,096	18,146,984
Total current assets	22,764,362	21,684,924
TOTAL ASSETS	31,608,368	21,710,565
Share capital	715,421	715,421
Retained earnings	12,759,194	19,756,767
Total equity	13,474,615	20,472,188
Short-term liabilities		
Loan	16,112,500	0
Income tax	682,044	0
Accounts payable	816,273	602,895
Other payables	522,936	635,482
Total short-term liabilities	18,133,753	1,238,377
TOTAL EQUITY AND LIABILITIES	31,608,368	21,710,565

CHANGE IN EQUITY AS PER 31 DECEMBER 2019

DKK	01.01.2019 31.12.2019 12 months	01.01.2018 31.12.2018 12 months	19.10.2017 31.12.2018 14 months
Equity at start of the period	20,472,188	0	0
Share issues	0	24,989,481	24,989,481
Cost of share issue	0	-1,241,000	-1,241,000
Treasury Shares received in one-off settlement with former supplier	-8,699,994	0	0
Net profit/loss for the period	1,702,421	-3,276,293	-3,276,293
Equity at end of the period	13,474,615	20,472,188	20,472,188

7.1.3. Cash flows and investments

Cash flow from operating activities amounts to DKK -2,544,598. The negative cash flow is due to operating expenses, interest and lack of sales due to the temporary stand-still period caused by the termination of the former supplier agreement.

Investments related mainly to the production facilities under construction, including the first instalment for the hybrid in-door Medical Cannabis cultivation facility, and amounted to a total of DKK 7,728,823. Planned investments are described in Section 2.5. Cash flow for the financial year 2019 amounted to DKK 3,578,112.

DKK	01.01.2019 31.12.2019 12 months	01.01.2018 31.12.2018 12 months	19.10.2017 31.12.2018 14 months
Profit/loss for the period	1,702,421	-3,276,293	-3,276,293
Adjustments	-5,985,337	-314,765	-314,765
Change in working capital	2,408,155	-1,970,824	-1,970,824
Cash flow from operating activities before financial items	-1,874,761	-5,561,882	-5,561,882
Paid financial expenses	-999,193	-12,571	-12,571
Income tax received	329,356	0	0
Cash flow from operating activities	-2,544,598	-5,574,453	-5,574,453
Purchases of financial fixed assets	-482,357	-6,000	-6,000
Purchases of tangible fixed assets	-8,394,933	-21,044	-21,044
Cash flow from investing activities	-8,877,290	-27,044	-27,044
Share issue (net after cost)	0	23,748,481	23,748,481
Loan	15,000,000		
Cash flow from financing activities*)	15,000,000	23,748,481	23,748,481
Cash flow for the period	3,578,112	18,146,984	18,146,984
Cash at the start of the period	18 146 984	0	0
Cash at the end of the period	21,725,096	18,146,984	18,146,984

*) STENOCARE established a DKK 15,000,000 unsecured debt facility, which, along with cash at hand, financed the contract relating to the production facility. The loan was provided in June 2019 by a consortium of not closely related

private individuals and can be repaid or converted, depending on STENOCARE's future decisions in relation to funding of its further growth and expansion. The loan and accrued interest will be converted partially in the present Rights Issue. For details please see Section 8.5.

7.2. INTERIM AND OTHER FINANCIAL INFORMATION

The Company issued its unaudited Q1 2020 report on 7 May 2020. Selected financial highlights from that report are as follows. Please refer to the Q1 report for further information: <https://stenocare.com/investor-relations/announcements/OFA3E6186546FCEF/>.

DKK '000	Q1 2020	Q1 2019
Net sales	93	4,317
EBITDA	-2,626	1,525
Profit/loss before tax	-3,579	1,530
Year-on-year sales growth	n/a	n/a
Operating profit margin (EBITDA margin)	n/a	35%
Fixed assets	15,423	532
Total assets	28,100	23,805
Equity	10,646	21,677
Net financial position (cash/debt)	-5,700	17,408
Cash flow from operating activities	-3,785	-231
Cash flow from investing activities	-6,614	-508
Cash flow from financing activities	0	0

Statement of Capitalisation and Indebtedness as per 31 December 2019

1,000 DKK	31.12.2019	
Total Current Debt	-18,134	Note 1
Guaranteed	0	
Secured	0	
Unguaranteed/Unsecured	-18,134	Note 1
Total Non-Current Debt	0	
Guaranteed	0	
Secured	0	
Unguaranteed/Unsecured	0	
Shareholders Equity	13,474	
Share capital	715	
Legal reserve	0	
Other reserves	12,759	

Note 1: Will be converted as part of the Issue

7.3. AUDITING OF ANNUAL FINANCIAL INFORMATION

The 2019 and before that the 2018 financial statements were audited by the Company's auditors in accordance with the Danish Financial Statements Act (årsregnskabsloven). The Company's auditors signed the Financial Statements for 2019 without supplementary comments (ren påtegning).

7.4. KEY PERFORMANCE INDICATORS (KPI's)

Management has identified net sales, EBITDA, earnings per share and solvency ratio as the financial KPIs as these financial figures reflect the commercial success and the capital structure of the Company. Net sales show the

commercial success of the Company. EBITDA and earnings per share reflect the efficiency of operating expenses. The solvency ratio shows the capital structure and the financing of the Company.

	31.12.2019	31.12.2018
Net sales (1,000DKK)	4,941	4,145
EBITDA (1,000DKK)	4,417	-3,591
Earnings per share (DKK)	0.19	-0.47

2019 Net sales were realised primarily in Q1 as sales in Q2 were discontinued and no sales were realised in Q3 and Q4. This is due to non-compliant products from the former supplier and the consequential temporary halt in sales until products from new suppliers are approved by the authorities and brought to the market.

EBITDA and earnings per share were influenced positively by the special income related to the termination of the agreement with the former supplier and the one-of settlement, in a total amount of DKK 11,255,491, derived from DKK 2,500,550 in cash and the value as at 31 December 2019 of 272,727 Existing Shares that were returned and taken to equity as Treasury Shares.

	31.12.2019	31.12.2018
Solvency ratio (%)	43%	94%

The solvency ratio decreased from 94% to 43% due to the increased activity with operating expenses and the unsecured loan facility to finance the production facilities.

7.5. SIGNIFICANT CHANGES IN THE ISSUER'S FINANCIAL POSITION

Since the end of 2019, it was decided to deploy 34,000 shares out of the total holdings of Treasury Shares of 272,727 that were received from the previous supplier to an options program for the benefit of STENOCARE CFO, Peter Bugge Johansen, as described elsewhere.

New loans of DKK 1.1 million were also established in addition to the DKK 15 million plus accrued interest of DKK 1.8 million that was already on the books at 31 December 2019. The new loans were established on comparable terms with the existing loans and were committed to conversion in the Issue. Please see Section 8.5, Convertible Loans.

According to the payment schedule for the Havecon project, the Company has paid an additional instalment of about DKK 6 million after the year end 2019.

No other significant changes in the financial position have occurred.

7.6. DIVIDEND POLICY

All Shares in STENOCARE are entitled to dividends.

Profit distribution for New Shares that are newly issued in the New Share Issue as described in this Prospectus will be paid on the record day for the dividends occurring after the registration of the New Shares in the share register kept by VP Securities A/S. Dividends are not accumulated. The right to dividends applies to investors who are registered as shareholders in STENOCARE on the record day for the distribution of profit. There are no existing restrictions on dividends or special procedures for shareholders resident outside Denmark, and payment of any distribution of profit is intended to take place via VP Securities A/S in the same manner as for shareholders resident in Denmark. The claim to distribution of profit is limited after ten years. Dividends go to STENOCARE after the limitation. The rights of the shareholders can only be changed in accordance with the procedures specified in the Danish Companies Act. All Shares possess equal rights to profit distribution, as well as to any surplus in the event of liquidation or bankruptcy. At the Annual General Meeting, each share has one vote and each voter can vote for their full number of shares without limitation. All Shares provide shareholders with equal preferential rights with the Issue of warrants and convertibles to the number of shares they own. Under the Companies Act, a shareholder who directly or indirectly holds more than 90

percent of the share capital in a company has the right to redeem the remaining shares from other shareholders in STENOCARE. In a corresponding manner, a shareholder whose shares can be redeemed is entitled to such redemption by the majority shareholder. The New Shares described in this Prospectus are not subject to an offer that is made as a result of a bid obligation, redemption or resolution obligation.

Under section 180 of the Danish Companies Act, the Annual General Meeting is to determine how distribution is to take place of the amount available for distribution in accordance with the financial statements. The Annual General Meeting cannot decide to distribute a dividend higher than what is proposed or accepted by STENOCARE's Board of Directors. Dividends can only be paid from the distributable reserves of STENOCARE, i.e. amounts that are reported as capitalised earnings in the most recent audited Company financial statements and reserves that are non-distributable in accordance with the provisions of the Articles of Association are not payable as dividends.

Under section 182 of the Danish Companies Act, the Annual General Meeting can only decide on an extra dividend once STENOCARE has presented its first annual report. The Annual General Meeting cannot decide to distribute a dividend higher than what is proposed or accepted by the STENOCARE Board of Directors. Only earnings that may be paid as dividends in accordance with section 180 (2) of the Danish Companies Act or earnings and dividend reserves created or made available after the latest financial year for which an annual report has been prepared, may be distributed as an extra dividend, unless the amount has been distributed, spent or is non-distributable. Under section 183 of the Danish Companies Act, a balance sheet must be attached to each decision regarding an extra dividend. The Board will decide whether the balance sheet in the latest annual report is adequate or a more recent quarterly balance sheet is needed in order to evaluate if sufficient earnings are available for extra dividends.

7.7. PRO-FORMA FINANCIAL INFORMATION

The Prospectus contains no pro-forma financial information.

It is the view of Management that without the sudden halt in revenues due to the supplier problems described elsewhere, the pro-forma financial statements for 2019 of the Company would have shown revenue from sales of products of about DKK 20 million, corresponding to the realised levels of sales in Q1/Q2 with limited growth in the second half. This would also have generated significant profits.

STENOCARE has sufficient working capital available for the planned operational business for at least 12 months after first day of trading on Nasdaq First North Growth Market Denmark.

8. SHAREHOLDER AND SECURITY HOLDER INFORMATION

8.1. MAJOR SHAREHOLDERS

At the Prospectus Date, and as far as the Board of Directors is aware, the parties in the table below are the only shareholders who have an interest in STENOCARE's capital or voting rights that is equal to or above 5% of the total Share Capital.

8.1.1. Management and Founder shareholders

STENOCARE is managed by its three Founders, Thomas Schnegelsberg (CEO), Rolf Steno (CCO) and Søren Kjær (COO) along with Peter Bugge Johansen (CFO). The table below shows STENOCARE's Major Shareholders prior to the Issue. To the best of STENOCARE's knowledge, the Company is not directly or indirectly owned or controlled by any other natural or legal person.

Management and Founder Shareholders	Shares held as per 31.12.2019	Shares received back from previous supplier	Shares sold to loan holders to facilitate conversion	Existing shares prior to the Issue	Votes	% of total shares
STENO Group IVS ¹⁾	1,502,841	497,159	-82,697	1,917,303	1,917,303	21.40%
Prana Holding ApS ²⁾	1,335,228	426,137	-70,883	1,690,482	1,690,482	18.90%
MS Kjær Holding ApS ³⁾	1,289,773	426,137	-70,883	1,645,027	1,645,027	18.40%
Peter Bugge Johansen ⁴⁾	13,600	-	0	13,600	13,600	0.15%

¹⁾Owned 100 percent by Jens Thulstrup Steno Petersen, son of CCO and Board member Rolf Steno Petersen. Rolf Steno Petersen is the Managing Director of Steno Group IVS. ²⁾Owned 50 percent by CEO Thomas Skovlund Schnegelsberg and 50% by spouse.

³⁾Owned 50 percent by COO Søren Kjær and 50% by spouse. ⁴⁾Peter Bugge Johansen has a 5-year options programme to receive up to 34,000 shares. Full exercise will lead to a total ownership of 0.54%

Please note that the numbers above reflect the ownership of the Founders at the date of this Prospectus. These numbers reflect that before the Issue, the Founders have received a total of 1,349,433 Existing Shares from STENOCARE's previous partner. Finally, as an integral part of this Offering, the Founders provide one (1) Bonus Share for every three (3) subscribed New Shares in the Issue (ref. Section 5.4 above) adding up to four (4) shares in total.

In case of minimum subscription (pre-subscription only), this contribution will lead to the following change in ownership for each of the Founders:

Name	Existing shares prior to the Issue	Bonus Shares delivered	Shares pre-subscribed for in the Issue	Number of shares after the Issue	% of total shares
STENO Group IVS	1,917,303	-91,334	41,348	1,867,318	19.0%
Prana Holding ApS	1,690,482	-78,286	35,442	1,647,638	16.8%
MS Kjær Holding ApS	1,645,027	-78,286	35,442	1,602,183	16.3%

In case of full subscription, this contribution will lead to the following change in ownership for each of the Founders:

Name	Existing shares prior to the Issue	Bonus Shares delivered	Shares subscribed for in the Issue	Number of shares after the Issue	% of total shares
STENO Group IVS	1,917,303	-340,479	41,348	1,618,172	13.9%
Prana Holding ApS	1,690,482	-291,840	35,442	1,434,084	12.3%
MS Kjær Holding ApS	1,645,027	-291,840	35,442	1,388,629	11.9%

There are no agreements that prevent shareholders from merging or otherwise jointly influence decisions in the Company. Therefore, there is no guarantee that any emerging control will not be misused.

8.1.2. Other major Shareholders and general ownership structure

Top 10 shareholders

#	Name	Number of shares	Ownership
1	Steno Group	1,917,303	21%
2	Prana Holding	1,690,482	19%
3	Ms Kjær Holding	1,645,027	18%
4	Avanza Bank	820,484	9%
5	Nordnet Securities	327,436	4%
6	Kompas Administration	137,756	2%
7	SML Holding	73,529	1%
8	Jytte Esager Rust	51,136	1%
9	Lars Carpens	43,783	0%
10	Lars Søndergaard	41,439	0%
	Total, other	6,748,375	25%
	Total number of outstanding shares	8,942,762	100%

More than 1,700 shareholders are registered under name (navneregistreret) in the shareholder register. STENOCARE has been informed that Avanza (alone) represents more than 3,000 additional shareholders. The number of shareholders represented by Nordnet is not known.

Important statements:

- As far as the Board of Directors is aware, there are no shareholder agreements between the Company's owners.
- No Major Shareholder has different voting rights.
- STENOCARE is not directly or indirectly owned or controlled by any other natural or legal person.
- To the best of the Company's knowledge, no arrangements, including a shareholders' agreement, exists in STENOCARE, the operation of which may at a subsequent date result in or prevent a change of control of STENOCARE.

8.2. LEGAL PROCEEDINGS

STENOCARE is not involved in any legal disputes. STENOCARE was involved in a dispute with its former supplier of Medical Cannabis products. The dispute was settled amicably and with the execution of a settlement agreement, in which STENOCARE received compensation and both parties released and discharged the other party from all claims. The settlement was communicated to the market on 13 January 2020.

During the last 12 months, STENOCARE has not been involved in any other governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), which may have, or have had, in the recent past significant effects on STENOCARE and/or the group of STENOCARE's financial position or profitability.

8.3. MATTERS RELATING TO MANAGEMENT

Rules of procedure of the Board of Directors

All Board members are elected until the next Annual General Meeting. The work of the Board of Directors follows the rules of procedure established by the Board. The work of the CEO is regulated through instructions for the CEO.

Issues concerning audits and matters of compensation will be decided directly by STENOCARE's Board of Directors.

Full disclosure

There are no agreements between STENOCARE and any member of the Board of Directors or any individual member of the Executive Management providing them with compensation or other rights to any benefits after the completion of

the assignment other than what is stated under the heading “Remuneration of members of the Board of Directors and Executive Management”.

Fit & proper

In the past five years, none of the members of the Board of Directors or Executive Management has been

- convicted in fraud-related cases
- subject to business bans
- charged with sanctions from authorities
- banned from being involved in executive management or governing bodies
- banned from holding executive positions or overall functions in business by a Court.
- involved in a bankruptcy, compulsory liquidation or been placed in receivership.

Consultants

As part of its ongoing business, STENOCARE draws on consultants in the following areas: Pharmacist / Qualified Person / Quality Assurance, Finance, Legal Counsel, Pharma GMP-consultant, Building engineers, Public affairs.

Potential conflicts of interest

The Founders are Major Shareholders and members of the Board of Directors and the Executive Management as described in Section 6.1. There is no other arrangement or understanding with Major Shareholders, customers, suppliers or others, pursuant to which any other person was selected as a member of the administrative, management or supervisory bodies or member of senior management.

Since September 2018, STENOCARE has been purchasing repackaging services from Jette Thulstrup, who is married to Rolf Steno. This leads to a potential conflict of interest. Before invoices from Jette Thulstrup are paid by STENOCARE, these must be approved in accordance with STENOCARE’s guidelines for the acceptance of invoices.

Thomas Skovlund Schnegelsberg, CEO is married to Charlotte Skovlund Schnegelsberg, who is on the staff of STENOCARE with responsibility for design, digital marketing and STENOCARE’s website. Søren Kjær, COO is married to Margit Kjær, who is on the staff of STENOCARE with responsibility for cultivation of plants.

The Board of Directors considers the Executive Management to be highly competent with the necessary areas of expertise being represented. The Board agrees and appreciates that operating as a tightly knit unit with as 24/7 mindset is considered a key strength for the dedicated running of the business that is required at this stage. Both the Board and the Executive Management/Founders are aware that the current structure will be supplemented with more key people and experts who will be sourced from the open market in the future. Last but not least, the Board has implemented strict governance measures relating to approval of costs and other measures to avoid conflicts of interests.

Apart from the above, there is no further potential overlap or conflicts of interest in the administration, management and governing bodies or other people in senior positions at STENOCARE, and there are no other natural persons or legal entities involved in the Issue who have financial or other relevant interests in STENOCARE.

Renewed lock-up

STENOCARE’s main shareholders and senior executives see their shareholdings as a long-term investment. Prior to the current Issue, the following parties have agreed to renewed lock-up agreements:

- Steno Group IVS¹
- Prana Holding ApS²
- MS Kjær Holding ApS³

¹ Owned 100 percent by Jens Thulstrup Steno Petersen, son of Board member and CCO Rolf Steno Petersen. Rolf Steno Petersen is the Managing Director of Steno Group IVS.

² Owned 50 percent by CEO Thomas Skovlund Schnegelsberg.

³ Owned 50 percent by COO Søren Kjær.

The renewed lock-up agreements are entered into by the parties above on the one side and the Certified Adviser on the other. With the lock-up agreements, the shareholders involved commit to retaining at least 90 percent of their shareholdings in STENOCARE over the next 12 months, calculated from the date of publication of this Prospectus.

After allocation of Bonus Shares at full subscription including the Oversubscription Reserve, this lock-up corresponds to a total of 4.0 million shares or 34% of the total number of issued shares after the Issue.

As an integral part of the Lock-Up Agreement, the Founders (parties above excl. other board members) have accepted to a) make their Subscription Rights available free of charge, to the extent required by the Certified Advisor and b) not sell their Subscription Rights (in the current Issue) in the market unless authorized to do so by the Certified Advisor in each particular case.

The Certified Adviser may grant exceptions to the lock up arrangements. This includes - but is not limited to - circumstances such as personal financial hardship of a shareholder.

8.4. RELATED PARTY TRANSACTIONS

Prior to the Issue (as described in Section 5.4 above), the Founders received a total of 1,420,455 Existing Shares from STENOCARE's former supplier along with 272,727 Existing Shares that were received by STENOCARE along with CAN\$ 500,000 as part of a final settlement with the Supplier.

Peter Bugge Johansen, the Company's CFO, purchased shares in the market when the insider windows allowed this. The last transaction took place in May 2019 and was a purchase of 400 Existing Shares. Also, Peter Bugge Johansen has received an options programme covering another 34,000 Own Shares over 5 years, see below.

Apart from this, the Founders, Executive Management and Board of Directors have not been involved in any related party transactions, and there are no other special agreements with Major Shareholders, customers, suppliers, administration, management and governing bodies or other parties that include Board members or other members of the Executive Management than those explicitly described above.

8.5. SHARE CAPITAL

- Registered share capital is DKK 715,420.96
- The share ticker is STENO
- Nominal value is DKK 0.08 per share, resulting in a total number of Existing Shares of 8,942,762.
- The Existing Shares have been issued in accordance with the Danish Companies Act are denominated in the Danish currency ("danske kroner"). All Shares are issued and fully paid up.
- There is one type of share. Each share has equal rights to part of the Company's assets and earnings and entitles the holder to one vote at the Annual General Meeting.
- One share is equal to one vote.
- The Company's share register is kept by Computershare A/S, Lottenborgvej 26 D, 1st Floor, 2800 Kgs. Lyngby.
- Shareholders in STENOCARE will not receive a physical share certificate.
- All transactions in the Company's shares take place electronically through authorised banks and securities administrators. New Shares will be registered to the person in electronic format.
- The issuing agent is Danske Bank
- The ISIN code for the shares is DK0061078425.
- As at the date of this Prospectus, the Company has 920 qualified shareholders plus an unspecified number of qualified shareholders whose shares are held through Avanza Bank, estimated by management to be in excess of 1,000.
- As at the date of this Prospectus, 38% of the Company's issued share capital is in public hands.

Authorisations

Authorisations have been granted to allow the Board to conduct capital increases up to DKK 100 million, as well as warrants and exercise of warrants to its Advisors Gemstone Capital (issued and partially exercised) and employees, other than Founders, Board members and key management members (not issued). Also, the Board has been authorised

to issue up to 400,000 shares in future warrant programmes, see Article 5 of the Articles of Association, and to seek adoption of STENOCARE's shares for listing on alternative stock exchanges.

Outstanding matters

Apart from the Issue related to this Prospectus and apart from the section below, "Convertible Loan", there are no new issues under registration at the date of this Prospectus. There are no rights or obligations regarding a resolved but incomplete increase of the share capital or commitment to increase the share capital. Apart from the section below, "Warrants & Options", there are no other outstanding share options, convertible loans or Subscription Rights.

Warrants & Options

The Board of Directors of STENOCARE has issued a warrant programme to Gemstone Capital ApS. The warrant programme gives Gemstone Capital the right to a total of 88,977 New Shares, equivalent to 1 percent of the total number of shares in STENOCARE after the first listing (Spotlight Stock Market). Each warrant gives Gemstone Capital the right to subscribe for one new share in STENOCARE at a subscription price of DKK 8.80. Gemstone Capital has exercised 45,000 warrants at the agreed subscription price of DKK 8.80 per share. At the date of this Prospectus, Gemstone Capital ApS has 43,977 remaining warrants that can be exercised any time over a five-year period from the first day of trading, i.e. 26 October 2018.

On 16 May 2019, the Board of Directors was authorised, in accordance with section 155(2) of the Danish Companies Act, to issue warrants one or more times to the employees of STENOCARE, who, based on the opinion of the Board of Directors, make a special effort for STENOCARE or possess very special qualities to the benefit of STENOCARE. The Board of Directors are authorised to make capital increases resulting from the Board of Directors' exercising of its authorisation. Allocation of warrants cannot be made to STENOCARE's Board of Directors, Executive Management or STENOCARE's original Founders. The Board of Directors' authorisation has not yet been activated and is valid until 31 May 2022. The authorisation means that the Board of Directors is entitled to issue warrants one or more times, giving the designated employees the right to subscribe for up to 400,000 New Shares in the Company of DKK 0.08 each. The shares issued by the Board of Directors through the exercise of its authorisation may be subscribed for at a price fixed by the Board of Directors, see section 159(1) of the Danish Companies Act. The price must reflect the market price at the time of the exercise of the authorisation.

At the Extraordinary General Meeting on March 16, 2020, it was decided/confirmed to issue a 5-year options programme to the CFO of STENOCARE, Peter Bugge Johansen. According to the programme, Mr Johansen will be entitled to receive 6,800 Treasury Shares free of charge after the end of each year over a 5-year period, subject to continued employment and other customary terms. The options programme adds up to a total of 34,000 Existing Shares. The shares are delivered from the balance of Own Shares kept by the Company.

Convertible loans

Just prior to this Issue, STENOCARE had a total of DKK 18.6 million in outstanding loans including accrued interest. It has been agreed with the loan-holders that a total of DKK 9 million will be converted in the context of the current transaction. The remaining DKK 9.6 million may, at the discretion of STENOCARE, remain after the Issue, be repaid in full or in part or be converted. The interest on the loans is 1.5% per month, accrued (no compound interest) and loans that are not converted in the Issue, if any, have a duration of 12 months or more from the completion of the Issue.

Treasury Shares (Own Shares)

At the time of publication of this Prospectus, STENOCARE keeps a total of 34,000 Existing Shares as Own Shares (Treasury Shares), which are reserved for Peter Bugge Johansen, see above. The Treasury Shares have been taken to equity in compliance with the Danish accounting principles.

8.6. MEMORANDUM AND ARTICLES OF ASSOCIATION

STENOCARE is a Danish company operating under Danish law, including the Danish Companies Act (selskabsloven) and the Capital Markets Act (Kapitalmarkedsløven). STENOCARE complies with the rules of Nasdaq First North Growth Market.

There are no provisions in STENOCARE's Articles of Association or STENOCARE's Memorandum of Association that would have the effect of delaying, deferring or preventing any change in the control of STENOCARE. See Appendix B for Articles of Association.

STENOCARE's Memorandum of Association is attached as Appendix D. The following is a listing of some of the important references to the legal framework applying to STENOCARE in accordance with the Articles of Association (Appendix C):

Annual General Meeting

Right of shareholders to make decisions

Under section 76 of the Danish Companies Act, the right of shareholders to make decisions will be exercised at the general meetings of STENOCARE.

Right of shareholders to attend, vote, etc.

Under section 78 of the Danish Companies Act, all shareholders are entitled to attend and speak at general meetings. Under section 80 of the Danish Companies Act, all shareholders are entitled to attend general meetings through a representative. Under section 81 of the Danish Companies Act, shareholders and shareholder representatives must be accompanied by an adviser. Under section 82 of the Danish Companies Act, shareholder agreements are not binding on STENOCARE or with reference to decisions made at general meetings.

Under section 84 (5) of the Danish Companies Act, the Articles of Association for public limited liability companies for which shares are not traded on a regulated market contain provisions, for example, regarding the right of shareholders to attend general meetings and vote in accordance with their shares must be determined on the basis of the shareholding of the shareholder on the date of registration. The shareholding and voting rights for a shareholder must be determined on the date of registration on the basis of the number of shares held by the shareholder in accordance with the share register and any notifications of ownership that STENOCARE obtains for the purpose of registration in the share register. The registration date is one (1) week before the general meeting.

Time and place

Under section 87 of the Danish Companies Act, the shareholder meetings are to be held at the Company's headquarters or in Greater Copenhagen, at the decision of the Board of Directors.

Under section 88 of the Danish Companies Act, the Annual General Meeting must decide on the following:

- adoption of the annual report;
- allocation of profit or loss as described in the annual report;
- appointment of the external auditors for the Company;
- any other business matters that are to be decided by the general meeting in accordance with the Company Articles of Association.

The Annual General Meeting must be held in good time so that the approved annual report can be submitted to the Danish Business Authority no later than five (5) months after the end of the financial year.

The annual report must be made available to the general meeting no later than two (2) weeks before the annual general meeting.

Matters at the General Meeting

Under section 90 of the Danish Companies Act, all shareholders are entitled to have a specific issue included on the agenda of an Annual General Meeting. A request from shareholders to add a certain issue to the agenda must be made in writing no later than six weeks before the Annual General Meeting.

Notice to attend general meetings

Under section 93 (1) of the Danish Companies Act, General Meetings are convened and organised by the Board. Under section 94 (1) of the Danish Companies Act, notice to attend the General Meeting shall be made within four (4) weeks and unless the Articles of Association prescribe a longer deadline no later than two (2) weeks before the General Meeting.

Under section 98 of the Danish Companies Act, the agenda, complete proposals for shareholders resolutions and, if it is an Annual General Meeting, also the annual report must be available for review by shareholders no later than two (2) weeks before the General Meeting.

Under section 95 of the Danish Companies Act, notice to attend general meetings must be made in accordance with the Articles of Association. The Articles of Association of STENOCARE (see section "Articles of Association" in this Prospectus) state that notice to attend the General meeting must take place no earlier than four (4) weeks and no later than two (2) weeks before the meeting, and that the notice to attend the meeting (this both the annual General Meetings and Extraordinary General Meetings) is to be made either by communication through the Company homepage, by email to all shareholders or by using electronic communication. Furthermore, STENOCARE also has to communicate it through a press release on Nasdaq First North Growth Market Denmark.

Votes

Under section 104 of the Danish Companies Act, each shareholder must vote on his shares in aggregate, unless otherwise provided by the Articles of Association.

Under section 105 of the Danish Companies Act, unless otherwise stated in the Danish Companies Act or in the Articles of Association, all resolutions at general meetings will be adopted by a simple majority of the shares that are represented at the meeting. In the event of an equal number of votes, there will be no resolution on the proposal, except in the case of different personal selections, when a ballot will be held with an equal number of votes.

Under section 106 of the Danish Companies Act, resolutions on amendments to the Articles of Association must be made by at least two-thirds of the votes cast and the shares represented at the general meeting.

Specific exceptions apply.

Under section 107 of the Danish Companies Act, resolutions on amendments to the Articles of Association that will mean an increase in shareholder obligations to the Company are only valid if all shareholders vote for the proposal.

Under section 107(2) of the Danish Companies Act, certain resolutions on changes to the Articles of Association, such as decisions affecting a decrease in shareholder rights, obtaining dividends or distribution of the Company's assets, including subscribing for shares in the Company at an advantageous price, for the benefit of people other than shareholders and employees of the Company or its subsidiaries, will only be valid if they are voted for by a nine-tenths majority vote and nine-tenths of the share capital is simultaneously represented at the general meeting.

Resolution rules for different issues

The Danish Companies Act stipulates that resolutions on both a preferential share issue and a new share issue require a qualified majority of a minimum of two-thirds of a majority vote at the general meeting. Similar rules apply to resolutions on offsetting and non-cash issues, see section 107 of the Danish Companies Act.

Invalid resolutions at general meetings

Under section 108 of the Danish Companies Act, the general meeting must not vote for proposals that can obviously lead to unfair advantages for certain shareholders over other shareholders or over the Company.

Under section 109 of the Danish Companies Act, a shareholder or member of the board or management (CEO) may initiate a legal process with respect to a resolution made at a general meeting that has not been resolved in a legal manner or that is in contravention of the Danish Companies Act or against the Company's Articles of Association.

Shareholder right of initiative

Under section 89 of the Danish Companies Act, minority shareholders of at least five percent of All Shares in the Company or the smaller share permitted by the Articles of Association, may request in writing that an Extraordinary General Meeting is held at which a given matter is to be addressed. Notice to attend such a general meeting must be issued within two weeks from receipt of the request from the minority shareholder.

Special review

Under section 150 of the Danish Companies Act, at the Annual General Meeting or at a general meeting at which the Issue has been raised on the agenda, a shareholder may submit proposals for a review of Company management and financial accounts. If the proposal is adopted by a simple majority, it is thereafter incumbent on the meeting to select one or several reviewers. If the proposal is not adopted, shareholders may request in Court that a reviewer is appointed for at least 25 percent of All Shares in the Company. Such a request must have been received by the Court no later than four weeks from the general meeting.

Minority auditor

Under section 144 of the Danish Companies Act, a shareholder may request that the Danish Business Authority appoint an auditor to participate in the audit along with the auditor(s) of the Company, provided that shareholders who hold at least one-tenth (1/10) of All Shares in the Company have voted for this at a general meeting at which auditor selection is to take place and that the request is made within two weeks of the meeting.

Transparency reporting and deferred publication of insider information

Those in Executive Management and their associates in STENOCARE will report transactions conducted in the Company's financial instruments to the Danish equivalent of the Financial Supervisory Authority (FSA). Therefore, investors may contact the FSA to read the completed transparency transactions (www.finanstilsynet.dk).

If STENOCARE decides to postpone insider information for publication, the Certified Advisor must be informed. When the insider information finally has been disclosed, the FSA must be notified. In addition, it should be recalled that the Company must comply with the provisions stipulated in the Market Abuse Regulation and the Danish Capital Markets Act (kapitalmarkedsloven).

9. DOCUMENTS AVAILABLE

For more information, please refer to www.STENOCARE.dk. Information from sources other than this Prospectus is not covered by the terms and conditions of the Prospectus.

9.1.SIGNIFICANT AGREEMENTS

For an outline of Significant Agreements, please see Section 2.

APPENDICES

Appendix A: Glossary

Appendix B: Articles of Association

Appendix C: Certificate of Association

Appendix D1: Third Party Information

Appendix D2: End-notes

APPENDIX A: GLOSSARY

The following explanations are not intended as technical definitions and are provided purely for assistance in understanding certain Terms as used in this Prospectus.

All Shares	The term “All Shares” is defined as all of the shares of STENOCARE or “STENOCARE Shares”, in issue from time to time. All Shares include Existing Shares which in turn include Own Shares (Treasury Shares). All Shares also include Shares (New Shares) issued in the context of the Offering as well as other New Shares that may be issued from time to time.
Articles of Association	The current Articles of Association (“Vedtægter”), as shown in Appendix C.
Beierholm	BEIERHOLM Statsautoriseret Revisionspartnerskab CVR no. 32 89 54 68. Beierholm is the auditor of STENOCARE.
Board of Directors	Marianne Wier (Chairman), Rolf Steno Petersen, Jeppe Bo Petersen, Søren Melsing Frederiksen.
Bonus Shares	Bonus Shares are the Existing Shares delivered by the Founders to subscribers for New Shares that receive allocation. For every three New Shares subscribed and allocated ((including all shares issued in exchange for cash subscription within the Issue, all shares subscribed in cash through allocation from the Oversubscription Reserve and all shares subscribed for through loan conversion), one Bonus Share is allotted. NOTE: The transfer for Bonus Shares does NOT involve the Company and is done directly and free of charge from the Founders to the Subscribers through VP as part of the settlement process after the subscription period. Please refer to Section 5.4 for more information. Please be informed, that the Bonus Shares in this Issue do <u>not</u> constitute a “Bonus Share issuance” as understood in the Danish Companies Act (§165).
Certified Adviser	Keswick Global AG (see definition hereof).
Company	STENOCARE A/S, CVR no. 39024705
Custody Shares	Shares held by STENOCARE, also referred to as “Own Shares” or “Treasury Shares”. Custody Shares are non-dilutive, meaning that they do not share in the ownership of STENOCARE.
CVR no.	The registration number of a Danish business.
Danske Bank	Issuing Agent and Settlement Agent.
Danish Business Authority	The authority in Denmark that maintains the official register of Company data and changes to such data, including Share Capital. In Danish: “Erhvervsstyrelsen”.
DMA	The Danish Medicines Agency. In Danish: “Lægemiddelstyrelsen”.
Doctor	Any medically trained Doctor, general practitioner or physician (specialist) who is authorised to issue prescriptions to patients.
EBITDA	An abbreviation of “earnings before interest, tax, depreciation, and amortisation”.
Emerald	Emerald Health Therapeutics Inc (“Emerald”) (TSXV: EMH; OTCQX: EMHTF). New Canadian supplier announced on 7 November 2019.
Executive Management	Thomas Skovlund Schnegelsberg (CEO and Co-Founder), Søren Kjær (COO and Co-Founder), Rolf Steno (CCO) and Peter Bugge Johansen (CFO)
Existing Shareholders	Existing Shareholders are all shareholders registered as per the Record Date with the number of Shares as registered at that date

Existing Shares	All shares issued by the Issuer (STENOCARE A/S) at the date of the Prospectus.
Founders	The Founders are defined as Thomas Skovlund Schnegelsberg (CEO), Rolf Steno (CCO) and Søren Kjær (COO) and the respective holding companies.
Gemstone Capital	Gemstone Capital A/S, CVR no. 32939848. General adviser to STENOCARE A/S
GMP	Good Manufacturing Practice. A common term used by various bodies, countries, industries, etc. about their individual generally accepted procedures.
High-end Medical Cannabis market	The market segment STENOCARE focuses on, defined as “products that are prescribed by Doctors as part of a legalised and general licence-based regime for multiple conditions/illnesses” (see Section 2.6 of this document)
IPO Memorandum	Memorandum made in connection with STENOCARE’s listing on Spotlight Stock Market on 26 October 2018. The document is available at https://STENOCARE.com/investor-relations/ipo/
Issue	The term “Issue” is identical to the term “Offering”.
Issuer	STENOCARE A/S (see definition hereof). The Issuer is identical to the Offeror of the New Shares.
Keswick Global	Keswick Global AG, FN 332389, Certified Adviser to STENOCARE A/S
Lund Elmer Sandager	The law firm of Lund Elmer Sandager is legal adviser to STENOCARE in connection with the Initial Public Offering.
Major Shareholders	The persons and entities owning, directly or indirectly, a 5% or higher interest in STENOCARE.
Medical Cannabis	Prescription-based Medical Cannabis as defined in Section 2.6.
Multilateral Trading Facility	The micro capital stock exchange category that both Spotlight Stock Market and Nasdaq First North Growth Market belong to. Also referred to as “MTF”. Special rules apply to MTF, including tax rules.
Nasdaq Copenhagen	Nasdaq Copenhagen A/S, CVR no. 19042677. Operator of Nasdaq First North Growth Market Denmark.
New Shares	The shares issued in the Offering, also referred to as the “Offer Shares”.
Offer Period	The offer period will run from 27 May 2020 at 09:00 to 11 June 2020 at 17:00 Danish time (CEST). Also referred to as the “Subscription Period”.
Offer Shares	The “New Shares” issued in the Offering
Offering	The Offering is the New Shares at the Subscription Price and related terms, also referred to as the “Issue”. The Offering includes the New Shares made available in the Rights Issue as well as the reservation for oversubscription of 750.000 shares.
Offeror	The Offeror is another term for the Issuer or STENOCARE A/S.
Own Shares	Shares held by STENOCARE, also referred to as “Custody Shares” or “Treasury Shares”. Own Shares are non-dilutive, meaning that they do not share in the ownership of STENOCARE.
Oversubscription Reserve	The Oversubscription Reserve is a reservation of up to 750.000 new shares to be allocated with preference for Existing Shareholders in the event of over-subscription i.e. in case of cash subscription in excess of the Rights Issue, to avoid a repetition of the situation experienced at the Companies first IPO where a large number of

subscribers had to be rejected due to lack of shares in the IPO issue at that time. Together with the Rights Issue, the Oversubscription Reserve from the Offering or the Issue.

Panaxia	Panaxia Pharmaceutical Industries Israel Ltd (TASE: PNAX). New Israeli supplier, announced on March 11, 2020. Application for approval of products from Panaxia was submitted to the Danish Medicines Agency ("DMA") immediately, for approval under the Danish Medical Cannabis Pilot Programme.
Pilot Programme	The Danish Medical Cannabis Pilot Programme (2018-2021), also referred to as the "Trial Programme" and the "Programme".
Prospectus	This Prospectus dated 11 May 2020. This Prospectus has been prepared in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
Record Date	The shareholders will have preferential rights to subscribe for New Shares in relation to the number of Existing Shares they own at the Record Date on 26 May 2020
Rights Issue	Equals the core of the Offering, comprising an offer to subscribe up to 1,490,460 New Shares at the Subscription Price with Subscription Rights as described below.
Securities	The Shares offered in the Offering or STENOCARE's Existing Shares, together "All Shares"
Securities Account	The bank account held by the owner of Securities, in which the Securities are kept.
Solural Pharma ApS	On 19 December 2019, Solural and STENOCARE entered into a partnership for the development of advanced formulations. Solural Pharma is also referred to as "Solural".
STENOCARE	STENOCARE A/S, CVR no. 39024705. Also referred to as the "Company".
Share Capital	The total number of outstanding, registered shares multiplied by the nominal value of 0.08. Prior to the Rights Issue the share capital was DKK 715,420.96.
Subscription Period	The offer period will run from 27 May 2020 at 09:00 (CEST) to 11 June 2020 at 17:00 (CEST). Also referred to as the "Offer Period".
Subscription Price	DKK 20.00 per share, also referred to as Offer Price or "Price".
Subscription Rights	One Subscription Right is issued for one Existing Share. Subscription Rights can be used to subscribe for new Shares in the 1:6 ratio (Six Subscription Rights give the right to subscribe for one New Share).
Supplier Agreement(-s)	Supplier Agreements entered into by STENOCARE with the suppliers, Emerald and Panaxia.
Summary	Summary refers to Summary sections in UK/DK/SE at the beginning of the document.
Temporary Shares	Temporary Shares are allotted to all subscribers against payment. Temporary Shares are converted into New Shares after the end of the subscription and final allotment. Temporary Shares are not traded.
Treasury Shares	Shares held by STENOCARE, also referred to as "Own Shares" or "Custody Shares". Treasury Shares are non-dilutive, meaning that they do not share in the ownership of STENOCARE
VP Securities	VP SECURITIES A/S, CVR no. 21599336.

APPENDIX B: ARTICLES OF ASSOCIATION

1.	NAVN	NAME
1.1	Selskabets navn er STENOCARE A/S.	The Company's name is STENOCARE A/S.
2.	FORMÅL	OBJECTS
2.1	Selskabets formål er at drive virksomhed med forskning, fremstilling, udvikling, forarbejdning, import, salg og distribution af palliative produkter.	The Company's purpose is to do business by scientific work, manufacturing, development, processing, import, sale and distribution of palliative products.
3.	SELSKABSKAPITAL	SHARE CAPITAL
3.1	Selskabets selskabskapital udgør DKK 715,420.96 fordelt i kapitalandele á DKK 0,08.	The Company's share capital is DKK 715,420.96 divided into shares of DKK 0.08.
3.2	Selskabskapitalen er fuldt indbetalt.	The share capital has been fully paid.
3.3	Alle kapitalandele har lige rettigheder i Selskabet.	All shares in the Company have equal rights.
4	KAPITALANDELE	SHARES
4.1	Selskabets kapitalandele er udstedt på navn og skal noteres på navn i Selskabets ejerbog.	The Company's shares are registered shares and must be registered in the Company's register of shareholders.
4.2	Kapitalandelene er omsætningspapirer.	The shares are negotiable instruments.
4.3	Selskabet udsteder ikke ejerbeviser. Kapitalandelene udstedes i papirløs form af VP Securities A/S, CVR-nr. 21599336 og registreres hos Computershare A/S, CVR-nr. 27088899. Udbytte udbetales gennem Computershare A/S. Rettigheder vedrørende kapitalandelene skal anmeldes til Computershare A/S efter de herom gældende regler.	The Company does not issue share certificates. The shares are issued in paperless form through VP Securities A/S, CVR no. 21599336 and registered with Computershare A/S, CVR no. 27088899. Dividend is paid through Computershare A/S. Rights relating to the shares must be notified to Computershare A/S in accordance with the applicable rules.
4.4	Selskabets ejerbog føres af Computershare A/S, CVR-nr. 27088899, eller som bestemt af Selskabets bestyrelse.	The Company's register of shareholders is kept by Computershare A/S, CVR no. 27088899, or as determined by the Company's Board of Directors.
5.	BEMYNDIGELSE TIL KAPITALFORHØJELSE	AUTHORIZATION FOR SHARE CAPITAL INCREASE
5.1	<p>Bestyrelsen er i perioden frem til den 31. maj 2022 bemyndiget til at foretage én eller flere kapitalforhøjelser, hvorved der tilføres Selskabet et samlet beløb på op til DKK 50.000.000,00 ved udstedelse af nye kapitalandele.</p> <p>Kapitalforhøjelsen skal ske uden fortegningsret for kapitalejerne. Tegningen skal ske til markedskurs fastsat af bestyrelsen.</p> <p>De nye kapitalandele skal være omsætningspapirer og skal lyde på navn. Der skal ikke gælde indskrænkninger i de nye kapitalandales omsættelighed. Der skal ikke gælde indskrænkninger i de nye kapitalejeres fortegningsret ved fremtidige forhøjelser af</p>	<p>The Board of Directors are in the period until 31 May 2022 authorized to carry out one or more capitals increases whereby an aggregate amount of up to DKK 50,000,000 are contributed to the Company by issuing new shares.</p> <p>The capital increase is made without pre-emption rights for the shareholders. The subscription shall be at market price.</p> <p>The new shares must be negotiable instruments and registered by name. There should be no restrictions on the transferability of the new shares. There should be no restrictions on the new shareholders' pre-emption rights in the event of future increases of the share capital. No new</p>

	<p>selskabskapitalen. Ingen ny kapitalejer skal være forpligtet til at lade sine kapitalandele indløse.</p> <p>De nye kapitalandele skal tilhøre samme kapitalklasse og have samme rettigheder i Selskabet, som de eksisterende kapitalandele.</p> <p>Kapitalforhøjelsen skal ske ved udstedelse af nye kapitalandele ved kontant indbetaling. De nye kapitalandele skal indbetales fuldt ud.</p> <p>De nye kapitalandele's rettigheder, herunder stemmeret, indtræder fra det tidspunkt, hvor kapitalandelene er indbetalt.</p> <p>Bestyrelsen kan foretage de ændringer af Selskabets vedtægter, som er en nødvendig følge af den / de gennemførte kapitalforhøjelser, herunder slette denne bemyndigelse fra vedtægterne, når bemyndigelsen er udnyttet fuldt ud, eller når fristen derfor er udløbet.</p>	<p>shareholder shall be obliged to redeem its shares.</p> <p>The new shares shall belong to the same share class and have the same right in the Company as the existing shares.</p> <p>The capital increase shall be completed by issuance of new shares by cash payment. The new shares shall be paid in full.</p> <p>The rights of the new shares, including voting rights, arise from the date when the shares have been paid.</p> <p>The Board of Directors can make the changes to the Company's articles of association, which is a necessary consequence of the capital increases made, including deleting this authorisation from the articles of association when the authorisation has been fully utilized or when the deadline has expired.</p>
5.2	<p>Udstedte Warrants.</p> <p>Bestyrelsen har den 25. oktober 2018 udnyttet en bemyndigelse til at udstede warrants, der giver Gemstone Capital ApS, CVR-nr. 32939848, ret til at tegne op til 88.977 kapitalandele til kr. 0,08.</p> <p>Gemstone Capital har af anførte warrant udnyttet retten til at tegne 45.000 kapitalandele á kr. 0,08 hvorfor der består en ret til for Gemstone Capital at tegne yderligere 33.977 kapitalandele á kr. 0,08. Tegningen skal ske til kurs 11.000.</p> <p>Vilkårene for tegningen er derudover, at kapitalforhøjelsen skal ske ved udstedelse af nye kapitalandele, at de nye kapitalandele skal indbetales fuld ud, at de nye kapitalandele skal tilhøre samme kapitalklasse som de eksisterende kapitalandele, at de nye kapitalandele tegnes i størrelser á DKK 0,08, at der ikke er fortegningsret for eksisterende kapitalejere, at der ikke er indskrænkninger for de nye kapitalejere ved fremtidige kapitalforhøjelser, at der ikke gælder indskrænkninger i de nye kapitalandele's omsættelighed, at ingen af de nye kapitalejere skal være forpligtet til at lade sine kapitalandele indløse, at de nye kapitalandele er omsætningspapirer, og at de nye kapitalandele</p>	<p>Issued Warrants</p> <p>On 25 October 2018, the Board of Directors has exercised an authorization to issue warrants that give Gemstone Capital ApS, CVR no. 32939848, the right to subscribe for up to 88,977 shares at DKK 0.08.</p> <p>Gemstone Capital has, from the stated warrant, exercised the right to subscribe for 45,000 shares of DKK 0.08, which is why there is a right for Gemstone Capital to subscribe for an additional 33,977 shares of DKK 0.08. The subscription must be at a price of 11,000.</p> <p>In addition, the terms of the subscription are that the capital increase shall be effected by issuing new shares, that the new shares must be fully paid off, that the new shares will belong to the same capital class as the existing shares, the new shares will be subscribed in amounts of DKK 0.08, there is not pre-emptive right for existing shareholders, that there are no restrictions on the new shareholders for future capital increases, that there are no restrictions on the negotiability of the new shares, that none of the new shareholders must be obliged to redeem their holdings, that the new shares are negotiable securities and the new equity shares are to be registered in the name and registered in the Company's register of</p>

<p>skal noteres på navn og registreres i Selskabets ejerbog som varetages af Computershare A/S eller som besluttet af bestyrelsen.</p> <p>Bestyrelsen er ved udnyttelse af anførte warrant berettiget til at vedtage de ændringer af Selskabets vedtægter, som følger af udnyttelsen.</p> <p>Bemyndigelse til bestyrelsen til at udstede Warrants med den dertilhørende kapitalforhøjelse</p> <p>Bestyrelsen er den 16. maj 2019 i henhold til selskabslovens § 155 stk. 2 bemyndiget til ad én eller flere gange at udstede warrants til de af Selskabets medarbejdere, som Bestyrelsen vurderer yder en særlig indsats for Selskabet eller som besidder helt særlige egenskaber, som Selskabet profiterer af.</p> <p>Bestyrelsen er bemyndiget til at foretage kapitalforhøjelser, der følger af Bestyrelsens udnyttelse af dens bemyndigelse.</p> <p>Tildeling af warrants kan ikke ske til Selskabets bestyrelse, direktion eller Selskabets oprindelige stiftere.</p> <p>Bestyrelsens bemyndigelser er gældende til og med den 31. maj 2022.</p> <p>Bemyndigelse indebærer, at bestyrelsen er berettiget til ad en eller flere gange at udstede warrants, der giver de anførte medarbejdere ret til tegning af i alt op til 400.000 kapitalandele i Selskabet á DKK 0,08. De kapitalandele, der udstedes af bestyrelsen ved udnyttelse af bemyndigelsen kan tegnes til én af Bestyrelsen fastsat kurs, jf. selskabslovens § 159 stk. 1, nr. 2. Kursen skal afspejle markedskursen på tidspunktet for udnyttelse af bemyndigelsen.</p> <p>Bemyndigelsen indebærer, at kapitalforhøjelsen skal ske ved udstedelse af nye kapitalandele, at de nye kapitalandele skal indbetales kontant og fuldt ud, at de nye kapitalandele skal tilhøre samme kapitalklasse som de eksisterende kapitalandele, at de nye kapitalandele tegnes i størrelser á DKK 0,08, at der ikke er fortegningsret for eksisterende kapitalejere, at der ikke er indskrænkninger for de nye kapitalejere ved fremtidige kapitalforhøjelser, at der ikke gælder indskrænkninger i de nye kapitalandales omsættelighed, at ingen af de nye kapitalejere skal være forpligtet til at lade sine kapitalandele indløse, at de nye kapitalandele er omsætningspapirer, og at de nye kapitalandele</p>	<p>shareholders, which is held by Computershare A / S or as decided by the Board of Directors.</p> <p>The Board of Directors is entitled, upon exercise of the stated warrant, to adopt the amendments to the Company's Articles of Association resulting from the exercise.</p> <p>Authorization to the Board of Directors to issue Warrants with the corresponding capital increase</p> <p>On the 16 May 2019 the Board of Directors is in accordance with section 155(2) of the Danish Companies Act authorized to issue warrants one or more times to the employees of the Company 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.</p> <p>The Board of Directors are authorized to make capital increases resulting from the Board of Directors exercising of its authorization.</p> <p>Allocation of warrants cannot be made to the Company's Board of Directors, Management or the Company's original founders.</p> <p>The Board of Directors' authorization is valid until 31 May 2022.</p> <p>The authorization means that the Board of Directors is entitled to issue warrants one or more times, giving the stated employees the right to subscribe for up to 400,000 shares in the Company of DKK 0.08. The shares issued by the Board of Directors through exercise of the authorization may be subscribed for a price fixed by the Board of Directors, cf. the Danish Companies Act section 159(1). The price shall reflect the market price at the time of exercise of the authorization.</p> <p>The authorization implies that the capital increase must be made by issuing new shares, that the new shares must be paid in cash and in full, that the new shares must belong to the same capital class as the existing shares, that the new shares are subscribed for in sizes of DKK 0.08, that there is no pre-emption right for existing owners of capital, that there are no restrictions on the negotiability of the shares in regards to future capital increases, that no restrictions apply to the transferability of the new shares, that none of the new owners of capital must be obliged to have its shares redeemed, that the new shares are negotiable</p>
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	<p>skal noteres på navn og registreres i Selskabets ejerbog som varetages af Computershare A/S eller som besluttet af bestyrelsen.</p>	<p>instruments, and that the new shares must be registered by name and registered in the Company's register of shareholders, which is handled by Computershare A/S or as decided by the Board of Directors.</p>
5.3	<p>Bestyrelse er perioden frem til den 31. december 2024 bemyndiget – ad en eller flere gange – at forhøje selskabets kapital med op til DKK 50.000.000. Kapitalforhøjelsen kan ske ved gældskonvertering, kontant indskud, og/eller indskud i andre værdier end kontanter.</p> <p>Bemyndigelsen gives i tillæg til den eksisterende bemyndigelse i henhold til pkt. 5.1.</p> <p>Kapitalforhøjelsen vil ske uden fortegningsret for kapitalejerne. Tegningen skal ske til markedskurs fastsat af bestyrelsen.</p> <p>De nye kapitalandele skal være omsætningspapirer og skal lyde på navn. Der skal ikke gælde indskrænkninger i de nye kapitalandales omsættelighed. Der skal ikke gælde indskrænkninger i de nye kapitalejeres fortegningsret ved fremtidige forhøjelser af selskabskapitalen. Ingen ny kapitalejer skal være forpligtet til at lade sine kapitalandele indløse. De nye kapitalandele skal tilhøre samme kapitalklasse og have samme rettigheder i Selskabet, som de eksisterende kapitalandele.</p> <p>De nye kapitalandele skal indbetales fuldt ud (gældskonvertering, kontant indbetaling og/eller indbetaling i andre værdier end kontanter).</p> <p>Der er tilknyttet de nye kapitalandales rettigheder fra det tidspunkt, hvor kapitalandelene er indbetalt (gældskonvertering, kontant indbetaling og/eller indbetaling i andre værdier end kontanter).</p> <p>Bestyrelsen kan foretage de ændringer af Selskabets vedtægter, som er en nødvendig følge af den / de gennemførte kapitalforhøjelser, herunder slette denne bemyndigelse fra vedtægterne, når bemyndigelsen er udnyttet fuldt ud, eller når fristen derfor er udløbet.</p>	<p>The Board of Directors are in the period until 31 December 2024 authorized to carry out one or more capital increases whereby an aggregate amount of up to DKK 50,000,000 are contributed to the Company by cash payment, conversion of debt and/or by payment in other values than cash.</p> <p>The authorization is given in addition to the existing authorization in accordance with clause 5.1.</p> <p>The capital increase is made without pre-emption rights for the shareholders. The subscription shall be at the market price determined by the Board of Directors.</p> <p>The new shares must be negotiable instruments and registered by name. There should be no restrictions on the transferability of the new shares. There should be no restrictions on the new shareholders' pre-emption rights in the event of future increases of the share capital. No new shareholder shall be obliged to redeem its shares. The new shares shall belong to the same share class and have the same right in the Company as the existing shares.</p> <p>The new shares shall be paid in full (conversion of debt, cash payment and/or by payment in other values than cash).</p> <p>The rights of the new shares arise from the date when the shares have been paid (by conversion of debt, cash payment and/or by payment in other values than cash).</p> <p>The Board of Directors can make the changes to the Company's articles of association, which is a necessary consequence of the capital increases made, including deleting this authorisation from the articles of association when the authorisation</p>

		has been fully utilized or when the deadline has expired.
5.4	Selskabets bestyrelse er bemyndiget til at tildele Selskabets til enhver tid værende CFO optioner, der giver vedkommende ret til fra Selskabet at erhverve op til i alt 34.000 kapitalandele á DKK 0,08 på nærmere af bestyrelsen fastsatte vilkår. Vilkårene for tildelingen skal i øvrigt fastlægges i den med Selskabets CFO indgåede ansættelseskontrakt, jf. lov om aktieoptioner m.v. Bemyndigelsen gives for perioden til og med den 28. februar 2025.	The Company's Board of Directors is authorized to grant the Company's CFO, at any time, options which gives the person the right to receive from the Company up to 34,000 shares of DKK 0.08 on terms determined by the Board of Directors. The terms shall also be decided on in the employment contract entered into with the Company's CFO, see the Danish lov om aktieoptioner etc. The authorization is given for the period until and including 28 February 2025.
6.	GENERALFORSAMLINGEN, KOMPETENCE, STED OG INDKALDELSE	GENERAL MEETINGS; POWERS, VENUE AND NOTICE
6.1	Generalforsamlingen har den højeste myndighed i alle Selskabets anliggender, inden for de i lovgivningen og disse vedtægter fastsatte grænser.	The General Meeting has the supreme authority in all the Company's affairs subject to the limits set by statute and these Articles of Association.
6.2	Kapitalejernes beslutningskompetence udøves på generalforsamlingen. Kapitalejernes beslutninger på generalforsamlingen kan dog konkret træffes under fravigelse af lovens og vedtægternes form- og fristkrav, herunder ved skriftlig behandling, hvis samtlige kapitalejere er enige herom. Alle beslutninger skal dog indføres i Selskabets forhandlingsprotokol.	The shareholders' authority to pass resolutions shall be exercised at the General Meeting. The shareholders' resolutions passed at General Meetings may, however, derogate from the formal requirements and deadlines under Danish law and the articles of association, including by written transaction, if so agreed by all shareholders. All resolutions shall, however, be recorded in the Company's minute book.
6.3	Bestyrelsen udpeger dirigenten for generalforsamlingen. Dirigenten afgør alle spørgsmål vedrørende sagernes behandling og stemmeafgivningen.	The Board of Directors shall appoint the chairman of the General Meeting. The chairman decides all questions relating to the proceedings and the voting.
6.4	Generalforsamlinger indkaldes af bestyrelsen senest 2 uger og tidligst 4 uger før generalforsamlingen på Selskabets hjemmeside eller pr. e-mail til alle i ejerbogen noterede kapitalejere.	General Meetings shall be convened by the Board of Directors no later than 2 weeks and no earlier than 4 weeks before the date of the General Meeting on the Company's Webpage, or by e-mail to those of the shareholders registered in the Company's register of shareholders.
6.5	Generalforsamlingen afholdes på Selskabets hjemsted eller i Storkøbenhavn.	The General Meeting is held at the Company's registered office or in Greater Copenhagen.
6.6	Indkaldelse skal ligeledes ske via en pressemeddelelse på Spotlight Stock Market, jf. Listing agreement, Danish supplement for Spotlight Stock Market.	The notice must also be made via a press release at Spotlight Stock Market, cf. Listing agreement, Danish supplement for Spotlight Stock Market.
7.	GENERALFORSAMLINGEN, STEMMERET OG BESLUTNINGER	GENERAL MEETINGS; VOTING RIGHTS AND RESOLUTIONS
7.1	Hver kapitalandel af nominelt DKK 0,08 giver én stemme på Selskabets generalforsamling.	Each share of nominally DKK 0.08 shall carry one vote at the General Meeting.

7.2	<p>En kapitalejer har ret til selv at møde på generalforsamlingen eller ved en fuldmægtig og i begge tilfælde sammen med en rådgiver.</p> <p>En fuldmægtig kan udøve stemmeret på en kapitalejers vegne mod forevisning af skriftlig og dateret fuldmagt. Selskabet stiller en skriftlig eller elektronisk fuldmagtsblanket til rådighed for enhver kapitalejer, der er berettiget til at stemme på generalforsamlingen.</p>	<p>A shareholder is entitled to attend the General Meeting or by a proxy and in both cases together with an advisor.</p> <p>A proxy may exercise voting rights on behalf of a shareholder against the submission of written and dated power of attorney. The Company makes a written or electronic proxy form available to any shareholder who is entitled to vote at the General Meeting.</p>
7.3	En kapitalejers ret til at deltage i og afgive stemmer på generalforsamlingen fastsættes i forhold til de kapitalandele, som den pågældende besidder på registreringsdatoen.	A shareholder's right to attend and vote at the General Meeting shall be determined on basis of the shares held by the person on the date of registration.
7.4	Registreringsdatoen ligger 1 uge før generalforsamlingens afholdelse.	The registration date is 1 week before the date of the General Meeting.
7.5	Beslutninger på generalforsamlingen afgøres ved simpelt stemmeflertal, medmindre andet følger af lovgivningen eller disse vedtægter.	Decisions at the General Meeting shall be decided by simple majority of votes, unless otherwise provided by the legislation or these articles of association.
7.6	Beslutning om vedtægtsændring, Selskabets opløsning, fusion eller spaltning kræver, at beslutningen vedtages med mindst 2/3 af såvel de afgivne stemmer som af den på generalforsamlingen repræsenterede selskabskapital, medmindre lovgivningen stiller strengere eller lempeligere vedtagelseskrav eller tillægger bestyrelsen eller andre organer selvstændig kompetence.	Resolution on amendment of the articles of association, dissolution, merger or division of the Company requires that the resolution be adopted by at least two thirds of both the votes cast and the share capital represented at the General Meeting unless the legislation imposes stricter or more restrictive adoption requirements or imposes the Board of Directors or other bodies' independent competence.
7.7	Over forhandlingerne på generalforsamlingen føres en protokol, der underskrives af dirigenten. Protokollen eller en bekræftet udskrift af denne skal senest 2 uger efter generalforsamlingens afholdelse være tilgængelig for kapitalejerne på Selskabets hjemsted.	Minutes shall be kept of the proceedings at General Meetings, which shall be signed by the chairman of the meeting. The minutes or a certified copy of the minutes shall be available for inspection by the shareholders at the Company's registered office no later than two weeks after the General Meeting.
8.	ORDINÆR GENERALFORSAMLING	ANNUAL GENERAL MEETING
8.1	Den ordinære generalforsamling skal afholdes hvert år i så god tid, at den godkendte årsrapport kan modtages i Erhvervsstyrelsen inden udløbet af fristen i årsregnskabsloven.	The annual General Meeting shall be held every year in time for the adopted annual report to reach the Danish Business Authority before expiry of the time limit provided by the Danish financial Statements Act
8.2	<p>Indkaldelse</p> <p>I en sammenhængende periode på højst 4 uger og mindst 2 uger før generalforsamlingen skal følgende oplysninger gøres tilgængelige for kapitalejerne på Selskabets hjemmeside og på Selskabets kontor:</p> <ul style="list-style-type: none"> ▪ indkaldelsen, 	<p>Notice</p> <p>For a consecutive period of no more than 4 weeks and no less than 2 weeks before the General Meeting, the following information shall be made available to the shareholders on the Company's website and at the Company's office:</p> <ul style="list-style-type: none"> ▪ the notice, ▪ the total number of votes,

	<ul style="list-style-type: none"> ▪ det samlede antal stemmer, ▪ de dokumenter, der skal fremlægges på generalforsamlingen, ▪ dagsorden og de fuldstændige forslag, og ▪ fuldmagts- og brevstemme-blanket, medmindre blanketterne sendes direkte til kapitalejerne. <p>I henhold til Spotlight Stock Markets listing agreement – supplement for Danmark, skal indkaldelsen ligeledes indeholde følgende:</p> <ul style="list-style-type: none"> ▪ tidspunkt og sted for generalforsamlingen. ▪ en beskrivelse af de procedurer, som kapitalejerne skal overholde for at kunne deltage i og stemme på generalforsamlingen enten personligt eller ved fuldmægtig. ▪ registreringsdatoen, der afgør retten for kapitalejerne til at deltage i og stemme på generalforsamlingen. ▪ en beskrivelse af kapitalejernes ret til at stille spørgsmål vedrørende forhold på dagsordenen enten under generalforsamlingen eller ved at stille spørgsmålet til Selskabet på forhånd. ▪ den internetadresse, hvor generalforsamlingsdokumenterne og de foreslåede beslutninger er tilgængelige. ▪ det samlede antal kapitalandele og stemmerettigheder på datoen for indkaldelsen. ▪ adressen på Selskabets hjemmeside. <p>Samtidig skal det ovenfor nævnte materiale tilstilles enhver noteret kapital ejer, der har fremsat begæring herom og givet Selskabet meddelelse om en e-mailadresse, hvortil materialet kan sendes.</p>	<ul style="list-style-type: none"> ▪ the documents to be submitted at the General Meeting, ▪ agenda and the full proposals, and ▪ the power of attorney form and the postal vote form, unless the forms are sent directly to the shareholders. <p>According to Spotlight Stock Markets listing agreement – supplement for Denmark, the notice must also include the following:</p> <ul style="list-style-type: none"> ▪ the time and place of the General Meeting. ▪ A description of the procedures that shareholders must comply with in order to participate in and vote at the General Meeting either in person or through proxy representative, ▪ the date of registration that defines the right to participate in and vote at the General Meeting, ▪ a description of shareholders' right to ask questions related to an item on the agenda either during the meeting or by submitting the question to the Company in advance, ▪ the internet address where the General Meeting documents and proposed resolutions are available, ▪ the total number of shares and voting rights on the date of the notice to convene, and ▪ the address of the Company's website <p>At the same time, the abovementioned material must be submitted to any listed shareholder who has applied for it and notified the Company of an e-mail address to which the material may be sent.</p>
8.3	<p>Dagsorden, ordinær generalforsamling</p> <p>På Selskabets ordinære generalforsamling skal dagsordenen være følgende:</p> <ul style="list-style-type: none"> ▪ Bestyrelsens beretning om Selskabets virksomhed i det forløbne år. ▪ Fremlæggelse af den reviderede årsrapport til godkendelse. 	<p>Agenda, the Annual General Meeting</p> <p>The agenda for the Company's Annual General Meeting shall include:</p> <ul style="list-style-type: none"> ▪ The Board of Directors' report on the Company's business in the past year. ▪ Presentation of the revised annual report for approval.

	<ul style="list-style-type: none"> Anvendelse af overskud eller dækning af underskud i henhold til den godkendte årsrapport. Valg af bestyrelsesmedlemmer. Valg af revisor. Eventuelle forslag fra bestyrelsen og/eller kapitalejerne. 	<ul style="list-style-type: none"> Decision regarding use of surplus or coverage of losses according to the approved annual report. Election of members to the Board of Directors. Election of auditor. Any suggestions received from the Board of Directors and/or the shareholders.
9.	BESTYRELSE OG DIREKTION	BOARD OF DIRECTORS AND EX-ECUTIVE BOARD
9.1	Selskabet ledes af en bestyrelse på 4-6 medlemmer valgt af generalforsamlingen for indtil næste ordinære generalforsamling. Genvalg kan forekomme.	The Company is managed by a Board of Directors consisting of 4-6 directors elected by the General Meeting to hold office until the next Annual General Meeting. Re-election may happen.
9.2	Bestyrelsen skal vedtage en forretningsorden om udførelsen af sit hverv.	The Board of Directors shall adopt rules of procedure governing the performance of its duties.
9.3	Bestyrelsen vælger 1-3 direktører til at varetage den daglige ledelse af Selskabets virksomhed.	The Board of Directors elects one to three executive officers to be responsible for the day-to-day management of the Company's business.
10.	ELEKTRONISK KOMMUNIKATION MELLEM SELSKABET OG KAPITALEJERE	ELECTRONIC COMMUNICATION BETWEEN THE COMPANY AND SHAREHOLDERS
10.1	Selskabet kan anvende elektronisk dokumentudveksling samt elektronisk post (e-mail) i kommunikation mellem Selskabet og kapitalejerne. Dette omfatter indkaldelse af kapitalejerne til ordinær og ekstraordinær generalforsamling, herunder de fuldstændige forslag til vedtægtsændringer, tilsendelse af dagsorden, årsrapport m.v. samt øvrige generelle oplysninger fra Selskabet til kapitalejerne. Selskabet kan altid benytte almindelig brevpост som alternativ til elektronisk kommunikation. Det er kapitalejernes ansvar at sikre, at Selskabet er i besiddelse af korrekt elektronisk kontaktoplysning. Kapitalejerne kan få oplysninger om kravene til de anvendte systemer og om fremgangsmåden ved elektronisk kommunikation ved henvendelse til Selskabet.	The Company and its shareholders may exchange documents electronically and communicate by e-mail. Electronic modes of communication may be used for giving notice to shareholders of annual and Extraordinary General Meetings, including the full text of any proposed amendments to the Articles of Association, the agenda for the General Meeting, the annual report, and any other general information from the Company to its shareholders. The Company may use regular post as an alternative to electronic communication at any time. The shareholders are responsible for ensuring that the Company has their correct electronic contact information. Information about the requirements for the systems to be used and the procedures to be followed when communicating electronically can be obtained from the Company.
11	SELSKABSMEDDELELSER	COMPANY ANNOUNCEMENTS
11.1	Selskabsmeddelelser kan udsendes på engelsk og eventuelt tillige dansk.	Company announcements can be sent in English and also in Danish.
12	STOCK MARKET	STOCK MARKET
12.1	Selskabets bestyrelse kan optage Selskabet til notering eller co-liste Selskabet på et af bestyrelsen valgt stockmarket og foretage de	The Company's Board of Directors is authorized to list or co-list the Company on a stock market selected by the Board of Directors and make the

	nødvendige ændringer i selskabets vedtægter i den forbindelse.	necessary changes to the Company's Articles of Association in this regard.
13	TEGNINGSREGEL	POWER TO BIND THE COMPANY
13.1	Selskabet tegnes af bestyrelsesformanden i forening med en direktør eller af 3 bestyrelsesmedlemmer.	The Company is bound by the joint signatures of the chairman of the Board of Directors in association with a Director or by 3 board members.
14	REVISION	AUDIT
14.1	Selskabets årsregnskab og et eventuelt koncernregnskab revideres af én eller to statsautoriserede eller registrerede revisorer valgt af generalforsamlingen for tiden indtil næste ordinære generalforsamling.	The Company's annual report shall be audited by one or two state-authorised public accountants elected at the General Meeting to hold office until the next annual General Meeting.
14.2	Selskabets årsrapport skal udarbejdes og aflægges på engelsk, jf. selskabslovens § 100 litra A.	The Company's annual report must be prepared and presented in English, cf. section 100(A) of the Danish Companies Act.
15.	REGNSKABSÅR	FISCAL YEAR
15.1	Selskabets regnskabsår løber fra den 01/01 – 31/12.	The Company's fiscal year shall be 01/01 – 31/12.
	I tilfælde af uoverensstemmelse mellem den danske ordlyd og den engelske oversættelse er den danske ordlyd gældende.	In case of inconsistency between the Danish wording and the English translation, the Danish wording prevails.
Således vedtaget den 16. marts 2020		As adopted 16 March 2020

APPENDIX C: MEMORANDUM OF ASSOCIATION

CERTIFICATE OF REGISTRATION

The Danish Business Authority certifies and attests that:

STENOCARE A/S
Nyholmsvej 4
DK-8930 Randers NØ

with CVR number: 39024705 in the municipality of Randers is registered as Public limited company in the records of the Danish Business Authority, and that the registration is in accordance with Danish law.

Copenhagen, 17.03.2020

Erhvervsstyrelsen, Langelinie All 17, 2100 Kbenhavn

The information in this document is from The Central Business Register (CVR). The data may not be used in any way which suggests that the Danish Business Authority endorses, supports, recommends or markets the user of the data, or the services or products of the user of the data. The Danish Business Authority is not liable for the content and origin of the data, nor is it liable for any errors and omissions in the data, including for any loss or damage caused by its use.

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APPENDIX D1: THIRD PARTY INFORMATION

1. The Danish Pilot Programme for Medical Cannabis. Source: The Danish Medicines Agency: <https://laegemiddelstyrelsen.dk/en/special/medicinal-cannabis/companies/>
2. Canadian historical data for the cannabis industry. Statista: www.statista.com
3. Market reports published by the Prohibition Partners (<https://prohibitionpartners.com/>), an international consulting market research company founded in 2017 with a mission to open up the international cannabis industry through reliable data and intelligence. The three key reports are:
 - a. The Global Cannabis report, November 2019
 - b. The European Cannabis Report, January 2019
 - c. The European Cannabis Report, February 2020

The reports can be downloaded free of charge (<https://prohibitionpartners.com/reports/>) after sign-up.

APPENDIX D2: END-NOTES

- 1 Please see Appendix B1, 3c above, p8 + p121
- 2 Please see Appendix B1, 3c above, p8 + p121
- 3 Please see Appendix B1, 3c above, p8 + p121
- 4 Please see Appendix B1, 3c above, p8 + p121
- 5 Please see Appendix B1, 3c above, p8 + p121
- 6 Article on expected prolongation of Pilot Programme: <https://sundhedspolitisktidsskrift.dk/nyheder/2823-heunicke-klar-til-at-forlaenge-forsogsordning-med-medicinsk-cannabis.html>
- 7 Source of table 1: Please see Appendix B1, 3b above
- 8 Link to article from Visual Capitalist: <https://www.visualcapitalist.com/the-big-pharma-takeover-of-medical-cannabis/>
- 9 Link to article from Globe Newswire: <https://www.globenewswire.com/news-release/2017/05/24/995610/0/en/Medical-Cannabis-Poised-to-Cannibalize-The-Pharmaceutical-Industry.html>
- 10 Link to article from Visual Capitalist: <https://www.visualcapitalist.com/the-big-pharma-takeover-of-medical-cannabis/>
- 11 Link to article from Visual Capitalist: <https://www.visualcapitalist.com/the-big-pharma-takeover-of-medical-cannabis/>
- 12 <https://www.equities.com/the-big-pharma-takeover-of-medical-cannabis>
- 13 Link to article from the National Health Data Authority (Sundhedsdatastyrelsen): Cannabisprodukter – monitorering af brugen 2. kvartal 2019, Sundhedsdatastyrelsen. P10
- 14 Link to article from the Danish sclerosis patient community: <https://scleroseforeningen.dk/viden-og-nyt/hvad-er-sclerose/fa-alle-tallene-om-sclerose/>
- 15 Link to Danish patient community: <http://smertesagen.dk/om-smertedanmark/>
- 16 Link to Danish health statistics: http://www.sum.dk/~media/Filer%20-%20Publikationer_i_pdf/2014/Kraeft-noegletal-januar-2013/Noegletal_kraeft_2013.ashx
- 17 Please note that future products may be packaged and configured differently.
- 18 Link on CBD products from Bio Slice Blog: <https://www.biosliceblog.com/2019/07/update-on-the-eu-regulation-of-cbd-in-foods-and-cosmetics/>
- 19 Link to Wikipedia: https://en.wikipedia.org/wiki/Decriminalization_of_non-medical_cannabis_in_the_United_States
- 20 Link to health Canada: <https://www.canada.ca/en/health-canada/services/drugs-medication/cannabis/licensed-producers/market-data.html>

- 21 Data from Statista.com. Number of patients: <https://www.statista.com/statistics/603356/canadian-medical-marijuana-clients-registered-by-quarter/>
 Market value: <https://www.statista.com/statistics/587568/estimated-medical-marijuana-market-size-canada/>
- 22 Definition of Hype Cycle by Gartner Group:
<https://www.gartner.com/en/research/methodologies/gartner-hype-cycle>
- 23 Please see Appendix B1, 3c above
- 24 Sources listed below;
- A) NASEM (2017), The health effects of cannabis and cannabinoids: National Academies Press for the National Academies of Sciences Engineering and Medicine, Washington, DC.
- B) Health Products Regulatory Authority (HPRA; Ireland), "Cannabis for Medical Use – A Scientific Review", 2017.
- C) Department of Health (Ireland), "Clinical Guidance on Cannabis for Medical Use", 2018.
- D) World Health Organization Expert Committee on Drug Dependence, Pre-review: "Extracts and tinctures of cannabis", 2018.
- E) Davies, S.C. "Cannabis Scheduling Review Part 1, The therapeutic and medicinal benefits of Cannabis based products – a review of recent evidence" London: Department of Health and Social Care (DHSC; UK) (2018).
- E) Torres-Moreno, M. C., Papaseit, E., Torrens, M., & Farré, M. (2018). Assessment of Efficacy and Tolerability of Medicinal Cannabinoids in Patients with Multiple Sclerosis: A Systematic Review and Meta-analysis. JAMA network open, 1(6), e183485.
- F) Mücke M, Phillips T, Radbruch L, Petzke F, Häuser W. Cannabis-based medicines for chronic neuropathic pain in adults. Cochrane Database Syst Rev. 2018 Mar 7;3:CD012182.
- G) Stockings E, Campbell G, Hall WD, Nielsen S, Zagic D, Rahman R, Murnion B, Farrell M, Weier M, Degenhardt L. Cannabis and cannabinoids for the treatment of people with chronic noncancer pain conditions: a systematic review and meta-analysis of controlled and observational studies. Pain. 2018 Oct;159(10):1932-1954.
- H) Stockings E, Zagic D, Campbell G, Weier M, Hall WD, Nielsen S, Herkes GK, Farrell M, Degenhardt L. Evidence for cannabis and cannabinoids for epilepsy: a systematic review of controlled and observational evidence. J Neurol Neurosurg Psychiatry. 2018 Jul;89(7):741-753.
- I) Dumitru, C. A., Sandalcioğlu, I. E., & Karsak, M. (2018). Cannabinoids in Glioblastoma Therapy: New Applications for Old Drugs. Frontiers in molecular neuroscience, 11, 159.
- 25 Please see Appendix B1, 3c above, pages 80, 81 and 92.
- 26 MAP data, legislation sources listed below:
<https://www.health.europa.eu/a-turning-tide-allowing-access-analytical-cannabis.com/articles/french-lawmakers-give-green-light-to-two-year-medical-cannabis/94166/-trial-312039>
<https://www.cannaconnection.com/blog/14749-legal-status-poland>
<https://www.vrt.be/vrtnws/en/2019/02/27/belgium-legislates-in-favour-of-independent.co.uk/life-style/health-and-families/health-news/medicinal-cannabis/-legalised-access-marijuana-nhs-a8903051.html>
<https://www.hanway.associates/news-opinion/european-cannabis-supply-chain>
<https://www.cannaconnection.com/blog/14759-legal-status-latvia>
<https://www.cannaconnection.com/blog/14782-legal-status-estonia>
<https://news.err.ee/114518/plurality-against-medical-marijuana-in-estonia>
https://en.wikipedia.org/wiki/Cannabis_in_Lithuania
<https://www.cannaconnection.com/blog/14782-legal-status-croatia>
https://en.wikipedia.org/wiki/Cannabis_in_Italy
https://en.wikipedia.org/wiki/Cannabis_in_Luxembourg
<https://www.nexiabt.com/insights/medical-cannabis-laws-of-malta>
https://www.researchgate.net/publication/324072084_Medicinal_Cannabis_on_Prescription_in_The_Netherlands_Statistics_for_2003-2016
<https://www.health.europa.eu/a-turning-tide-allowing-access-to-medical-cannabis/94166/>
https://en.wikipedia.org/wiki/Cannabis_in_Romania
<https://www.health.europa.eu/medical-cannabis-czech-republic/91043/>

- https://en.wikipedia.org/wiki/Cannabis_in_Cyprus
https://en.wikipedia.org/wiki/Cannabis_in_North_Macedonia
https://en.wikipedia.org/wiki/Cannabis_in_Slovenia
<https://www.cannaconnection.com/blog/14714-legal-status-slovakia>
<https://dailynewshungary.com/hungary-marijuana-for-medical-purposes-to-be-legalized/>
<https://www.cannaconnection.com/blog/14840-legal-status-bosnia-herzegovina>
<https://www.cannaconnection.com/blog/14737-legal-status-montenegro>
- <https://www.cannaconnection.com/blog/14684-legal-status-serbia>
<https://www.cannaconnection.com/blog/14798-legal-status-kosovo>
<https://www.cannaconnection.com/blog/14785-legal-status-bulgaria>
<https://www.cannaconnection.com/blog/14854-legal-status-albania>
https://en.wikipedia.org/wiki/Legality_of_cannabis
- 27 Link on WHO and EU legislation from Forbes: <https://www.forbes.com/sites/javierhasse/2019/02/13/european-parliament-passes-cannabis-resolution-joins-who-in-supporting-medical-marijuana/#3997e32afd5b>
- 28 Link to US Food and Drug Administration: <https://www.fda.gov/consumers/consumer-updates/what-you-need-know-and-what-were-working-find-out-about-products-containing-cannabis-or-cannabis>
- 29 Please see Appendix B1, 3a above p45ff
- 30 Please see Appendix B1, 3c, p40
- 31 Link to article from the National Health Data Authority (Sundhedsdatastyrelsen):
<https://sundhedsdatastyrelsen.dk/da/tal-og-analyser/analyser-og-rapporter/laegemidler/emnespecifikke-analyser/analyser-om-medicinsk-cannabis>
- 32 Sundhedsdatastyrelsen: "Cannabisprodukter – monitorering af brugen 1. kvartal 2019". Link to article from the National Health Data Authority (sundhedsdatastyrelsen): <https://sundhedsdatastyrelsen.dk/da/tal-og-analyser/analyser-og-rapporter/laegemidler/emnespecifikke-analyser/analyser-om-medicinsk-cannabis>
- 33 Article from the National Health Data Authority (sundhedsdatastyrelsen) Cannabisprodukter – monitorering af brugen 2. kvartal 2019, Sundhedsdatastyrelsen. P10
- 34 Link to article from the National Health Data Authority (Sundhedsdatastyrelsen):
<https://sundhedsdatastyrelsen.dk/da/tal-og-analyser/analyser-og-rapporter/laegemidler/emnespecifikke-analyser/analyser-om-medicinsk-cannabis>
- 35 Sources listed below;
<https://scleroseforeningen.dk/viden-og-nyt/hvad-er-sclerose/fa-alle-tallene-om-sclerose>
<http://www.smeritedanmark.dk/om-smeritedanmark/baggrund.aspx>
http://www.sum.dk/~media/Filer%20-%20Publikationer_i_pdf/2014/Kraeft-noegletal-januar-2013/Noegletal_kraeft_2013.ashx
- 36 Link to the Danish epilepsy patient community: <https://www.epilepsiforeningen.dk/epilepsi/epilepsi-i-tal/>
- 37 The 200,000 patients are a sum of patient groups, estimated by STENOCARES based on the sources in note 29.
- 38 Link to Danish medicine prices: www.medicinpriser.dk
- 39 Article on expected prolongation of Pilot Programme: <https://sundhedspolitisktidsskrift.dk/nyheder/2823-heunicke-klar-til-at-forlaenge-forsogsordning-med-medicinsk-cannabis.html>
- 40 Please see Appendix B1, 3c above
- 41 Please see Appendix B1, 3c above
- 42 Please see Appendix B1, 3c above

CONTACTS

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STENOCARE SUBSCRIPTION FORM (WITHOUT RIGHTS)

The offer:

Settlement agent:	Danske Bank A/S Holmens Kanal 2-12, 1092 Kbh. K
Offer Period:	27 May 2020 at 09:00 (CET) to 11 June 2020 17.00 (CET)
Offering:	Offering of up to 2,235,690 New Shares, nominally DKK 0.08 each.
Price:	DKK 20 per Offer Share
Bonus Shares:	For each three (3) New Shares, you receive one (1) free Bonus Share, i.e. four (4) in total.
ISIN code:	Permanent: DK0061078425 Temporary: DK0061272317

Your information:

Name:	
Address:	
Postal code and city:	
Telephone:	
Existing Shareholder:	Yes, I am already a shareholder. Mark by X → (No mark = I am not).

Your bank data:

VP custody account no:	[VP konto/depot-nummer]
Settlement account no:	[bank-kontonummer]
Custodian bank:	[konto-førende bank]

Your binding subscription:

Number of New Shares:	
Date, Place:	
Signature:	

DO NOT FILL IN THIS SPACE, RESERVED FOR YOUR BANK

*This application form was submitted to
(to be completed by account-holding institution):*

Reg. No.:	
CD-ident.:	
Date/Phone:	

OUR INFORMATION:

This form allows for subscription of Remaining Shares, which are Offer Shares that have not been subscribed for by STENOCARE's Shareholders through the exercise of Subscription Rights in STENOCARE A/S. CVR no. 39024705. NOTE: Instruction on the exercise of Subscription Rights shall not be made by using this form, but by contacting your bank.

This form must be used only by Existing Shareholders and other investors, who wish to make a binding commitment to subscribe for Offer Shares at the Offer Price before the end of the Subscription Period without use of subscription rights. Only one form per custody account.

For the order to be binding, the application form shall be completed, signed and submitted to your own bank in such good time that your bank is able to process and forward the order such that it reaches Danske Bank A/S, Corporate Actions, at the latest on 11 June 2020, 17.00 (Danish time).

If the aggregate applications exceed the number of Offer Shares available, the allocation of Shares will be reduced in accordance with 5.2 in the Prospectus "Plan and distribution and allotment" with a preference for Existing Shareholders. Submission of applications during the Offer Period does not guarantee the allocation of Offer Shares in full or in part. Presubscribed orders and orders based on subscription rights will not be reduced. Settlement of the Offering is expected to happen on 18 June 2020, provided payment has been received in Danish kroner.

YOUR COMMITMENT:

On the terms and conditions stated in the Prospectus dated 11 May 2020 including sections 3 "Risk factors" and 5.2 "Plan and distribution and allotment", I/we hereby submit an order application to purchase Offer Shares in the Issuer and simultaneously confirm to have received a copy of the Prospectus and that I/we have based my investment decision solely on the contents of the Prospectus.

I accept that my subscription is legally binding. I/we accept that Danske Bank A/S may demand information about my/our name, address, and order, and are entitled to pass on such information to the Company, its Certified Adviser, KESWICK Global, Gemstone Capital and the investor's custody bank and vice versa. I/we hereby undertake to pay the equivalent of the Offer Shares allocated at the fixed Offer Price.