

STENOCARE A/S: Unit Rights Issue of up to 29.7 mDKK

15 May 2023 | Stenocare A/S | Company announcement | Inside Information

NOT FOR RELEASE, DISTRIBUTION OR PUBLICATION, DIRECTLY OR INDIRECTLY, IN OR INTO, THE UNITED STATES OF AMERICA, AUSTRALIA, BELARUS, CANADA, HONG KONG, JAPAN, NEW ZEALAND, RUSSIA, SINGAPORE, SOUTH AFRICA, SOUTH KOREA, SWITZERLAND OR ANY OTHER JURISDICTION IN WHICH THE RELEASE, DISTRIBUTION OR PUBLICATION WOULD BE UNLAWFUL OR REQUIRE REGISTRATION OR ANY OTHER MEASURE.

Stenocare A/S (“Stenocare” or “the Company”) announces a rights issue of units (the “Issue”) consisting of shares, warrants of series TO1 and warrants of series TO2 (“Units”). The Issue amounts to three transactions, including an imminent share-issue (the “Initial Rights Issue”) and two subsequent warrant exercises of TO1 and TO2 (the “Warrants”), with total gross proceeds of up to 29.7 mDKK.

Cash offer: The Initial Rights Issue offers 2,335,224 new shares (“New Shares”) at a subscription price per share of 4.58 DKK, calculated using VWAP for the last 10 days, prior to the date of this Announcement, less 45% discount (the “Subscription Price”), as the offer is for a unit, which includes two shares, the subscription price for a unit is 9.16 DKK, corresponding to maximum gross proceeds in cash of 10.7 mDKK and net proceeds in cash of 8.5 mDKK. The Company has obtained pre-subscription commitments in cash of 3.2 mDKK (30%) and guarantee commitments of 6.1 mDKK (56.5%) which corresponds to minimum proceeds of 9.3 mDKK **(86.5%)** gross and 7.1 mDKK net.

The Unit: Each shareholder as per the Record Date of 23 May 2023 will for every 1 (one) share receive 1 (one) Unit Right (“Unit Right”). 10 (ten) Unit Rights give the holder the right to subscribe for 1 (one) Unit (a ratio of 1:10). Each Unit consists of 2 (two) New Shares in the Initial Rights Issue and, 1 (one) Warrant of series TO1 and 1 (one) Warrant of series TO2.

Use of funds: The net proceeds from the Units Rights Issue will be used to (i) further scaling of the core business, (ii) investment in the completion and commercialization of the cultivation factory, and (iii) repayment of debt.

Potential Debt conversion: In addition to the above, the Company has received commitments to conversion of debt of 3.1 mDKK. Conversion of debt is planned to take place in a separate, parallel directed issue (the “Directed Issue”) on identical terms with the Initial Rights Issue. The three transactions in the Issue, as described above, are based upon existing authorizations, whereas conversion of debt in exchange for Units is conditional upon granting of authorization to do so at an Extraordinary General Meeting, due to be held on 13 June 2023. The Issue will go ahead irrespective of this. The Company will make further announcements to the market concerning this potential debt conversion once the necessary authority has been obtained. As the relevant authority has not yet been obtained, the shares to be issued and the potential proceeds from the exercise of Warrants issued to converting debtholders are not included in the calculations of New Shares or proceeds from the Issue as set out in this Announcement.

TABLE OF CONTENT OF THIS ANNOUNCEMENT

1. The Issue
2. Background and rationale
3. Timeline
4. Detailed terms and conditions
5. Precommitments
6. Ownership structure
7. Legal rights and obligations

8. Other information

1: THE ISSUE

The Initial Rights Issue in brief:

- The subscription period of the Initial Rights Issue will commence on 24 May 2023 at 9:00 a.m. CEST (Central European Summer Time = local Danish time) and will close on 8 June 2023 at 5:00 p.m. CEST (the “Subscription Period”)
- The Subscription Price per share of 4.58 DKK is calculated using the last 10 days VWAP, prior to the date of this Announcement, less 45%.
- Under the assumption of full subscription in the Initial Rights Issue, a total of 2,335,224 New Shares will be issued equivalent to gross proceeds of maximum 10.7 mDKK and net proceeds of 8.5 mDKK after deduction of transaction related costs of approximately 2.2 mDKK, of which 0.9 mDKK is guarantors commissions and 1.3 mDKK is other costs.
- The minimum gross proceeds are 9.3 mDKK (86%) which is the sum of pre-subscription commitments of 3.2 mDKK (30%) and guarantee commitments of 6.1 mDKK (56%) which does not include the potential debt conversion referred to above. The minimum net proceeds are 7.1 DKK, which – together with the ongoing operational cash-flows – is expected to be sufficient to cover the Company’s funding needs until the expected break-even by the end of 2023, ref. below.

The Warrant of series TO1 offer in brief:

- 1 (one) Warrant of series TO1 gives the right to subscribe for 1 (one) new share in the Company during the exercise period from 1 December to 14 December, 2023 (incl.).
- The exercise price of Warrants of series TO1 will be determined using the 10 day-VWAP prior to the first day of the exercise period, less 30%, with a minimum of 3.21 DKK per share (corresponding to the price per share of the Initial Rights Issue, less 30%) and a maximum of 6.70 DKK per share.
- Under the assumption of full subscription in the Initial Rights Issue, a total of 1,167,612 Warrants of series TO1 will be issued which will result in the issuance of 1,167,612 new shares in case of full subscription for the TO1 Warrants.
- Upon the assumption of full subscription and maximum price, the Warrants of series TO1 will bring in gross cash proceeds of 7.8 mDKK and net proceeds of approximately 7.1 mDKK after deduction of transaction related costs of 0.7 mDKK
- Upon the assumption of full subscription at the minimum price, the Warrants of Series TO1 will bring in gross proceeds of 3.7 mDKK and net proceeds of approximately 3.3mDKK.
- The Warrant of Series TO1 are expected to be traded under the ISIN DK0062493532 from 20 June 2023, which is also the expected first day of trading of New Shares from the Initial Rights Issue. The last day of trading of the Warrant of Series TO1 shall be 12 December, 2023.

The Warrant of series TO2 in brief:

- 1 (one) Warrant of series TO2 gives the right to subscribe for 1 (one) new share in the Company during the exercise period that is from 10 June to 21 June, 2024 (incl.).
- The exercise price of Warrant of series TO2 will be determined using the 10 day-VWAP prior to the first day of the exercise period, less 30%, with a minimum of 3.21 DKK price per share (equal to the minimum price of Warrant of Series TO1) and a maximum price of 9.62 DKK corresponding to 3 times the minimum price.

- Under the assumption of full subscription in the Initial Rights Issue, a total of 1,167,612 Warrants of series TO2 will be issued which will result in the issuance of 1,167,612 new shares in case of full subscription for the TO2 Warrants.
- Upon the assumption of full subscription and maximum price, the Warrants of Series TO2 will bring in gross proceeds of 11.2 mDKK and net proceeds of approximately 10.3 mDKK after deduction of transaction related costs of 0.9 mDKK.
- Upon the assumption of full subscription at the minimum price, the Warrants of Series TO2 will bring in gross proceeds of 3.7 mDKK and net proceeds of approximately 3.3 mDKK.
- The Warrant of Series TO2 are expected to be traded under the ISIN DK0062493615 from 20 June 2024, which is also the expected first day of trading of New Shares from the Initial Rights Issue. The last day of trading of the Warrant of Series TO2 shall be 19 June 2024.

2: BACKGROUND AND RATIONALE

The business

Stenocare's business is based upon four categories of assets:

- **Category 1 and 2, Commercial and Regulatory assets:**

Stenocare has built a robust core business that generates growing revenue, selling high quality medical cannabis oil products under the Stenocare brand and license across all current markets in Denmark, Sweden, Norway, the UK and Australia. Sales are spread across a current total of 9 licensed products. 1-2 new markets are expected in 2023, closing in on an expected total number of markets of 10 in 2025.

- **Category 3: Partnership assets:**

Stenocare has built a promising partnership with the Danish specialty Pharma company, Solural Pharma. Due to materialize in 2024, this partnership is expected to present a strong (additional) competitive advantage for the Company with a new product line that can potentially revolutionize the medical cannabis industry. This is based upon its ambition to enhance the absorption of medical cannabis in the body, resulting in more consistent effect on patients. Additionally, this partnership is expected to provide the opportunity to optimize the dose of medical cannabis more accurately for each patient, thereby reducing the amount used and lowering the cost of goods sold per unit. Stenocare has the worldwide license to use the Solural Pharma patent for cannabis-based products.

- **Category 4: Supply-Chain assets:**

Stenocare has built a strong and deep supplier relationship with the Canadian supplier Agmedica, along with other prospect suppliers. In addition, Stenocare has made a prior investment of 40 mDKK in its own cutting-edge indoor cultivation facility in Denmark which is expected to receive the necessary approvals to supply its pharma grade products during 2024. The Stenocare cultivation facility is expected to be able to supply products corresponding to annual sales value of 100 mDKK or more when producing at full capacity, corresponding to 1 ton of dried products. In addition, the capacity can be doubled through extension within the existing facilities. Actual timing of this scale up will depend upon the market conditions.

The use of funds

The company has identified three initiatives to which the funds from the Issue will be directed:

1) Further scaling of the core business

Stenocare has spent its initial years as a start-up establishing robust Commercial and Regulatory assets (cf. Category 1 and 2 above) and a revenue base that is expected to achieve commercial break-even by end of 2023 and further scale-up thereafter. Scaling of sales across markets is a result of intense investment in licenses, infrastructure, distribution and knowledge/acceptance build-up, especially among prescribing doctors. This activity is already largely self-sustained. However, an investment of approximately 1.5 mDKK (due for 2023 and 2024) is earmarked for expenses related to obtaining approval for the new products, as well as commercial efforts in current and new markets. This activity can and will receive further funds and focus as and when additional funds become available, from the exercise of Warrants of Series TO1 and TO2, profits and/or other sources.

2) Investment in the completion and commercialization of the indoor cultivation facility

Stenocare's cultivation facility is a primary Supply-Chain asset (cf. Category 4 above). The facility will receive an additional investment of up to 6.5 mDKK. This investment is planned for 2023 and 2024 and is intended to ensure that the facility's final stages are completed and ready for achievement of the licenses necessary to fully activate its potential through commercial traction. The investment includes 0.5 mDKK in equipment and up to 6.0 mDKK in operational expenses related to the facility, to produce test batches until approval of products, including personnel, power (utility), security and maintenance.

3) Repayment of short-term debt

Stenocare currently has total short-term debt of approximately 10.6 mDKK. 2.3 mDKK thereof will be repaid out of the proceeds from the Initial Rights Issue. Subject to authorization to be granted at an imminent Extraordinary General meeting, about 1.5 mDKK will be converted into shares (with the right to Warrants under TO1 and TO2) in the transaction along with a separate creditor (relating to amounts due to the landlord of the Company's premises) of about 1.3 mDKK. The remaining debt of around 6.8 mDKK is not due for repayment and may be prolonged, renegotiated, converted, or indeed repaid by proceeds from the Warrants of series TO1 and TO2. If required, proceeds from the exercise of TO1 and TO2 Warrants may repay the debt in full. This Issue is expected to put the Company in a stronger financial position and is likely to open up to new opportunities for growth.

Risk factors

Management is responsible for risk management, including mapping, assessment of probabilities, potential impacts as well as mitigating measures. Executive Management reports quarterly to the Board of Directors on all important matters including risk management and findings. Although no guarantees can be given that other risks will not emerge and have negative adverse effect on the business, Management believes that the key risks can be summarized as follows:

Legal and regulatory risk: The Company requires permission from the Danish Medicines Agency and similar authorities in other countries to sell its products. If it fails to obtain the necessary permits, its ability to generate revenue will be hindered. The rules and interpretations governing Stenocare's operations may change due to external reasons, affecting its ability to meet regulatory requirements and obtain necessary permits.

Operational Risk: Stenocare relies on distributors to sell its products and may face challenges in establishing and maintaining successful supplier and/or distributor relationships. Its ability to generate revenue may be limited by distributors' ability to sell its products to pharmacies and hospitals and also by doctors' ability or willingness to prescribe the products to patients. Furthermore, the Company is dependent on key personnel to maintain its operations and obtain necessary permits. Its business operations and financial performance may be adversely affected by the loss of key personnel or unauthorized disclosure of confidential information. Key personnel is specified as follows:

Name	Function	Competencies
Marianne Wier	Chairman of the Board	Strategy, IT, legal governance
Søren Melsing Frederiksen	Board member	Strategy, sales and marketing, pharma industry experience
Jeppe Bo Petersen	Board member	Financial governance
Thomas Skovlund Schnegelsberg	CEO and co-founder	Leading strategy execution and tracks progress across all teams
Søren Kjær	Board member, co-founder and COO	Leading and completing the Danish facility
Rolf Steno	CCO	Market expansion and sales
Peter Bugge Johansen	CFO	financial governance, IT and legal with new/existing partners

Funding and financial risk: Although break-even is expected by end of 2023, the speed with which Stenocare can execute to its full scale plans for expansion depends upon the capital investment which is targeted to be raised in the Issue. The Issue may not be fully subscribed, reducing Stenocare's financial resources and hindering the speed with which Stenocare will be able to grow its business and/or cause delays relating to initiation and scale up of sales from Stenocare's cultivation facility. The Company's ability to generate revenue may be hindered by delays in market breakthroughs or product development. In a worst case scenario, Stenocare may not be able to secure sufficient financing to cover its running cost, resulting in delays or potential bankruptcy.

Other risk: Stenocare may face risks arising from external factors such as economic trends, exchange rate fluctuations, and political uncertainties, as well as the possibility of product liability claims, tax audits, or disputes with third parties, which could incur significant costs and damage the company's reputation, and it operates in a new and potentially controversial industry, posing a risk of negative publicity or announcements that could adversely affect its financial performance and reputation.

3: TIMELINE

Preliminary Timetable for the Issue:

- **15 May 2023:** Announcement of Unit Right Issue
- **17 May 2023:** Last date of trading shares with subscription rights
- **22 May 2023:** First day of trading in Unit Rights
- **23 May 2023:** Record Date
- **24 May 2023:** First day of Subscription Period
- **6 June 2023:** Last day of trading in Unit Rights

- **8 June 2023:** Last day of Subscription Period
- **12 June 2023:** Announcement of result of Initial Rights Issue
- **16 June 2023:** Registration of capital increase
- **20 June 2023:** First day of trading of New Shares as well as Warrants (TO1 and TO2)
- **30 November 2023:** Announcement of exercise price on TO1
- **1 December 2023:** First day of exercise period for TO1
- **12 December 2023:** Last day of trading TO1
- **14 December 2023:** Last day of exercise period for TO1
- **7 June 2024:** Announcement of exercise price on TO2
- **10 June 2024:** First day of exercise period for TO2
- **19 June 2024:** Last day of trading TO2
- **21 June 2024:** Last day of exercise period for TO2

Admission to trading

The first day of trading in Unit Rights is on 22 May 2023 at 9.00 am (CEST) and the last day of trading in Unit Rights is 6 June 2023 at 5.00 pm (CEST). The Units will not be admitted to trading on Nasdaq First North Growth Market Denmark under the temporary ISIN code DK0062493458. The temporary ISIN code is, thus, registered in Euronext Securities Copenhagen solely for the subscription of New Shares.

After registration of the capital increase in the Danish Business Authority, which is expected to take place on 16 June 2023, the New Shares from the temporary ISIN code will be merged with the existing ISIN code for the Company's existing shares ISIN DK0061078425 in Euronext Securities Copenhagen. The first day of trading of the New Shares and Warrants on Nasdaq First North Growth Market Denmark is expected to be 20 June 2023. The last day of trading of the Warrants of series TO1 and TO2 will be two business days prior to the end of the relevant Warrant exercise period which is 12 December, 2023 for TO1 and 19 June, 2024 for TO2.

4: DETAILED TERMS AND CONDITIONS

Maximum and minimum offer

The Issue consists of a rights issue of Units in Denmark and Sweden. The Company is offering a total of 1,167,612 Units at the Subscription Price 9.16 DKK per Unit and with pre-emptive rights for the existing shareholders. Each Unit comprises of 2 (two) New Shares (with a nominal value of 0.08 DKK each), 1 (one) Warrants of series TO1 and 1 (one) Warrant of series TO2. Hence a total of 2,335,224 New Shares and 1,167,612 Warrants of TO1 and 1,167,612 Warrants of TO2 will be issued as a result of full subscription in the Initial Rights Issue of Units. At minimum subscription a total of 2,021,018 New Shares and 1,010,509 Warrants of series TO1 and 1,010,509 warrants of series TO2 will be issued.

Minimum proceeds from the Initial Rights Issue

In the case of subscription where only pre-subscribers and guarantors take part in the Initial Rights Issue, gross proceeds will amount to approximately 9.3 mDKK and net proceeds to approximately 7.1 mDKK, after costs related to the issue of approximately 2.2 mDKK, including guarantor provisions. The net proceeds from the Initial Rights Issue in case of only pre-subscribed and guaranteed amounts is deemed to be sufficient for the Company to carry out its planned activities.

Record date

Each shareholder (as per the Record Date of 23 May 2023) will for every 1 (one) share receive 1 (one) Unit

Right. 10 (ten) Unit Rights give the holder the right to subscribe for 1 (one) Unit (a ratio of 1:10). Each Unit consists of 2 (two) New Shares in the Initial Rights Issue and, 1 (one) Warrant of series TO1 and 1 (one) Warrant of series TO2.

Subscription/exercise Periods

The Subscription Period for Units commences 24 May 2023 at 9:00 a.m. CEST and closes on 8 June 2023 at 5:00 p.m. CEST. The exercise period for the Warrants of series TO1 is from 1 December 2023 at 9.00 AM (CEST) to 14 December 2023 (incl.) and the exercise period for the Warrants of series TO2 is from 10 June 2024 at 9.00 AM (CEST) to 21 June 2024 (incl.).

Announcement of exercise price of warrants

The Company will publish the exercise price of the TO1 and the TO2 respectively on the day before the first day of the exercise period which will be 30 November, 2023 in relation to TO1 and on 7 June, 2024 in relation to TO2. The exercise price will be rounded to the nearest whole Danish øre.

Trading and exercise of Unit Rights

The Unit Rights have been approved for admission to trading on Nasdaq First North Growth Market Denmark with ISIN DK0062493458 and will be traded in the ISIN code under the symbol "STENO UR" from 22 May 2023 at 9:00 a.m. CEST to 6 June 2023 at 5:00 p.m. CEST.

Subscription with Unit Rights

Holders of Unit Rights wishing to subscribe for Units must do so through their own custodian institution or financial intermediary, in accordance with the rules of such institution. The deadline for notification of exercise depends on the holder's agreement with, and the rules and procedures of, the relevant custodian institution or other financial intermediary and may be earlier than the end of the Subscription Period. Once a holder has exercised its Unit Rights, the exercise may not be revoked or modified. During the Rights Trading Period, holders of Unit Rights who do not wish to exercise their Unit Rights to subscribe for Units may sell their Unit Rights on Nasdaq First North Growth Market Denmark, and a purchaser may use the acquired rights to subscribe for Units. Holders wishing to sell their Unit Rights should instruct their custodian institution or other financial intermediary accordingly.

In connection with the Issue, the minimum number of Units that a holder of Unit Rights may subscribe for will be 1 (one) Unit, resulting from the holding of 10 Unit Rights (corresponding to 10 existing shares) and the payment of the Subscription Price of 2 (two) New Shares. The number of Units that a holder of Unit Rights may subscribe for is not capped. However, allocation is only guaranteed for Units subscribed with the use of Unit Rights.

Any unused Unit Rights (i.e. Unit Rights that are not exercised during the Subscription Period or sold before the last day of trading) will lapse with no value, and the holder of such Unit Rights will not be entitled to compensation.

Temporary Units

Upon exercise of Unit Rights and payment of the Subscription Price, Temporary Units will be issued and recorded on subscribers' account with VP Securities (Euronext Securities Copenhagen). The Temporary Units will be issued with ISIN code DK0062493375. The Temporary Units will not be admitted to trading on Nasdaq First North Growth Market Denmark under the temporary ISIN code. The temporary ISIN code is, thus, registered in VP Securities solely for the subscription of New Shares and allocation of Warrants. The Temporary Units will be held in VP Securities until the New Shares are registered with the Danish Business

Authority. Once the New Shares of the Initial Rights Issue are registered with the Danish Business Authority, the Temporary Units will automatically be exchanged for 2 (two) ordinary shares, 1 (one) Warrant of series TO1 and 1 (one) Warrant of series TO2 in the Company. Registration of the New Shares with the Danish Business Authority is expected to take place on 16 June 2023. The Unit Rights, the Temporary Units and the New Shares and Warrants following the automatic exchange from Temporary Units, will be delivered in book-entry form to accounts with VP Securities. Existing shares traded from 22 May 2023 at 9:00 a.m CEST will be traded without Unit Rights, provided that the Existing shares are traded with customary two-day settlement.

Subscription for remaining units

The general public and existing shareholders can subscribe for any remaining units not subscribed for with support from Unit Rights. Such remaining units will be subscribed for on the same terms, including dates, as for those subscribing using Unit Rights. Subscription shall be made on a subscription form, which is available on the Company's website (www.stenocare.com) and Gemstone's website (www.gemstonecapital.com). The subscription form shall be filled out and submitted to the account holders own bank according to their respective instructions. It is also possible to subscribe for shares digitally through Nordnet's website or through other bank's trading platforms. The minimum number of Units that investors subscribe for without the use of Unit Rights will be 1 (one) Unit and the maximum number of Units is not capped.

Plan of distribution and allotment

Allocation of subscribed units will be decided by Stenocare's Board of Directors, with the following guiding principles:

- 1) Subscription with support of Unit Right
- 2) Subscription for remaining units (without support of Unit Right)
- 3) Guarantors called (if applicable)
- 4) Conversion of debt (ref below)

Potential separate parallel directed issue of Units (the "Directed Issue")

All conversion of debt against Units (shares and Warrants as in the Issue) is subject to granting of authorizations required at an upcoming Extraordinary General Meeting due to be held on the date of 13 June, 2023.

All conversion will take place in a separate parallel Directed Issue of Units on identical terms with the Issue.

The following additional new shares, warrants (and proceeds from exercise thereof) may be realized as a result of conversion of debt of 3.1mDKK (as specified elsewhere) as well as potential conversion of guarantee commissions of up to 0.9mDKK, totaling up to approximately 4.0mDKK (the "Debt"):

- A. Up to 874.226 additional shares to be issued based upon conversion of the Debt
- B. Up to 437,113 additional TO1 Warrants to be issued based upon conversion of Debt. If/when exercised, these Warrants may lead to the issue of 437,113 additional shares and additional proceeds of up to 2.9 mDKK in case of full exercise of TO1 at the maximum price and up to 1.4 mDKK in case of full exercise of TO1 at the minimum price.
- C. Up to 437,113 additional TO2 Warrants to be issued based upon conversion of Debt. If/when exercised these Warrants may lead to the issue of 437.113 additional shares and additional proceeds of up to 4.2 mDKK in case of full exercise of TO2 at the maximum price and up to 1.4 mDKK in case of full exercise of TO1 at the minimum price.

Therefore, in case of full conversion of debt in the Directed issue and full subsequent subscription for shares upon exercise of the related TO1 and TO2, the Directed Issue may result in the issue of up to 1,748,452 additional new shares. Due to the fact that conversion of debt is subject to approval at the imminent Extraordinary General Meeting and given that the Issue is not linked to or conditional upon conversion of debt, the shares issued from debt conversion and potential proceeds from exercise of Warrants issued to debt holders are not generally counted in this Announcement.

Withdrawal of applications of subscription

Instructions to subscribe for Units with Unit Rights or subscriptions for remaining units are irrevocable. However, in the event that a supplement to this announcement is published by the Company during the time for trading in pre-emptive rights and or the Subscription Period, investors shall have the right to withdraw subscription made for New Units within two (2) business days from publishing of such information.

Announcements of the results of the Initial Rights Issue

The results of the Initial Rights Issue will be communicated in a company announcement expected to be published 12 June 2023, or as soon as possible after the Subscription Period ends.

Dilution

As at the date of this Announcement, the Company's registered share capital had a nominal value per share of 0,08 DKK and a total of 11,676,126 shares. All existing shares are issued and fully paid up, and each existing share represents 1 vote. Through the Initial Rights Issue, the Company's share capital can increase with a maximum of 186,817.92 DKK through the issuing of a maximum of 2,335,224 New Shares. This would imply a dilution of approximately 16.7 percent to existing shareholders who do not exercise the allocated Unit Rights. The dilution is based on the total amount of New Shares issued if the Initial Rights Issue is fully subscribed, but does not include any subsequent issue of shares as a result of issue of Warrants or shares issued as a result of the directed issue.

Shareholders who do not participate in any part of the Issue can experience a dilution of a maximum of 28.6 percent if all the steps in the Issue are subscribed and exercised at maximum, dilution from the potential directed issue is not included in the above percentage.

5: PRECOMMITMENTS

The company has secured the Initial Rights Issue to 86.5 % through a combination of pre-subscription and guarantees (not counting the separate, contemplated conversion of debt) as shown below:

	DKK	Percentage of total
Pre-Subscription commitment	3,208,600	30.0%
Guarantee commitment	6,047,663	56.5%
Total cover	9,256,263	86.5%

Pre-Subscription commitments

The Company has received legally binding written subscription commitments from Board members, members of the management team and other external investors. The subscription commitments amount to approximately 3.2 mDKK in cash, which corresponds to approximately 30 percent of the Initial Rights Issue.

All investors who have entered into pre-subscription commitments in the Initial Rights Issue are guaranteed full allotment in accordance with their respective commitments. Pre-subscription commitments have not been secured through advance transaction, bank guarantee or similar. The pre-subscription commitments are not associated with any compensation. Subscription in accordance with the pre-subscription commitments are made to the same terms as in the Issue. The full list of pre-subscribers and their subscription amounts are set out in the table below.

Name	Company	Pre-subscription Commitment (DKK)	Share of Initial Rights Issue	Affiliation with the Company
Søren Kjær	MS Kjær Holding ApS	1,000,000	9.3%	COO, Co-Founder and Board Member
Hans Wittrup		638,600	6.0%	New Shareholder
Thomas Skovlund Schnegelsberg	Prana Holding ApS	550,000	5.1%	CEO and Co-Founder
Claus Dalsgaard	CD Holding ApS	400,000	3.7%	Existing Shareholder
Peter Bugge Johansen		200,000	1.9%	CFO
Marianne Wier		200,000	1.9%	Non-executive Chairman of the Board
Jens Steno	Steno Group ApS	120,000	1.1%	Existing shareholder
Søren Melsing Frederiksen	SML Holding ApS	100,000	0.9%	Non executive Board Member
Total		3,208,600	30.0%	

The pre-subscriber's commitments in relation to the Initial Rights Issue is documented in separate bilateral agreements, but are not secured through advance transactions, bank guarantees or similar.

Guarantee commitments

The Company has received legally binding written guarantee commitments for a total of approximately 6.0 mDKK, which corresponds to approximately 56.5% percent of the Initial Rights Issue. Guarantee commitments are exchanged for binding subscription in the Initial Rights Issue to the extent the Initial Rights Issue is not subscribed for in cash by pre-subscription and public subscription.

Out of the total guarantee commitments, approximately 5.3 mDKK (50 percent) are guarantee commitments in which the guarantors commit to subscribe for any remaining units in the Initial Rights Issue, from 30% subscription up to 80% in the Initial Rights Issue. Any activated guarantee subscription will be shared amongst all participants pro-rata. The guarantee commitments from 30-80% carry a commission of 14.6% percent. The same dynamics apply pro-rata for the guarantors participating in the 80-100% range against a commission of 20%. The guarantee commission will be paid/settled by the company.

The following guarantors have made commitments;

Name	Company	Range	Guarantee commitment (DKK)	Share of the Initial Rights Issue
Martin Svensson	Sandante Invest AB	30-80%	2,331,775	21.8%
Love Carlsson	Jinderman & Partners AB	30-80%	1,165,888	10.9%
Gerhard Dahl	Bizcap AB	30-80%	750,000	7.0%
Niklas Kohl	Selandia Alpha Invest A/S	30-80%	250,000	2.3%
John Andersson Moll		30-80%	200,000	1.9%
Jimmie Landermann		30-80%	200,000	1.9%
Fredrik Åhlander		30-80%	150,000	1.4%
Henrik Amilon		30-80%	50,000	1.4%
Peter Nilsson		30-80%	50,000	1.4%
Total (30-80%)		30-80%	5,347,663	50.0%
John Sørensen Haurum	ARK Invest ApS	80-100%	500,000	4.7%
Peter Nilsson		80-100%	150,000	1.4%
Henrik Amilon		80-100%	50,000	0.5%
Total (80-100%)		80-100%	700,000	6.5%
Total			6,047,663	56.5%

The guarantor's commitments in relation to the Initial Rights Issue is documented in separate bilateral agreements, but are not secured through advance transactions, bank guarantees or similar.

Apart from certain guarantors being loan-holders and/or shareholders, all guarantors are in an arms-length relationship with the Company, the Certified Advisor as well as the Financial Advisor. All guarantors are aware that if they are also shareholders, they must also exercise their subscription rights in order to serve as guarantors.

Potential conversion of debt

Stenocare currently has total short-term debt of approximately 10.6 mDKK. 2.25 mDKK thereof will be repaid out of the proceeds from the Initial Rights Issue. Subject to granting of the authorizations required at an imminent Extraordinary General Meeting, as described in Section 4, above, about 1.5 mDKK (as well as

interest, etc. of 0.25 mDKK) will be converted into shares with the right to Warrants under TO1 and TO2 in the transaction along with a separate creditor (relating to amounts due to the landlord of the Company's premises) of about 1.3 mDKK. The remaining debt of around 6.8 mDKK may be prolonged, renegotiated, converted, or indeed repaid by proceeds from the Warrants, TO1 and TO2.

Name	Company	Conversions (tDKK)	Share of Initial Rights Issue
John Sørensen Haurum	ARK Invest ApS	600	5.6%
John Andersson Moll		416	3.9%
Claus Dalsgaard		300	2.8%
Jimmie Landermann		240	2.2%
Fredrik Åhlander		197	1.9%
Total		1,753	16.4%
Leasehold Creditor		1,330	12.4%
Total		3,083	28.8%

6: SHARE CAPITAL AND OWNERSHIP STRUCTURE

Name	Time of announcement		Initial Rights Issue					
			Minimum subscription			Maximum subscription		
	Shares	Ownership	New shares	Total shares	Ownership	New shares	Total shares	Ownership
Steno Group ApS	1,645,497	14.1%	26,200	1,671,697	12.2%	26,200	1,671,697	11.9%
Prana Holding ApS	1,449,136	12.4%	120,087	1,569,223	11.5%	120,087	1,569,223	11.2%
MS Kjær Holding ApS	1,411,763	12.1%	218,340	1,630,103	11.9%	218,340	1,630,103	11.6%
STENOCARE A/S	254,807	2.2%	-	254,807	1.9%	-	254,807	1.8%
Marianne Wier	14,308	0.1%	43,668	57,976	0.4%	43,668	57,976	0.4%
SML Holding ApS	89,867	0.8%	21,834	111,701	0.8%	21,834	111,701	0.8%
Jeppe Bo Petersen	1,667	0.0%	-	1,667	0.0%	-	1,667	0.0%
Peter Bugge Johansen	53,688	0.5%	43,668	97,356	0.7%	43,668	97,356	0.7%
Free float	6,755,393	57.9%	1,547,221	8,302,614	60.6%	1,861,427	8,616,820	61.5%
Total	11,676,126	100.0%	2,021,018	13,697,144	100.0%	2,335,224	14,011,350	100.0%

Note to table above: When calculating the minimum number of New Shares the guarantors and pre-subscribers have been included.

Change of share capital

At the assumption of a fully subscribed Initial Rights Issue, the number of shares in the Company will increase by a maximum of 2,335,224 New Shares, from 11,676,126 shares to 14,011,350 shares and the share capital will increase by a maximum of 186,817.92 DKK from 934,090.08 DKK to 1,120,908 DKK This means that existing shareholders who choose not to participate in the Initial Rights Issue will, if fully subscribed, experience a dilution corresponding to approximately 16.7%. At the assumption of minimum subscription, the number of shares in Stenocare will increase by 2,021,018 New Shares, from 11,676,126 shares to

13,697,144 shares corresponding to a dilution of approximately 14.8% and the share capital will increase by 161,681.44 DKK from 934,090.08 DKK to 1,095,771.52 DKK.

7: LEGAL RIGHTS AND OBLIGATIONS

The shares' transferability and lock-up

As at the date of this Announcement, there are no general restrictions in the transferability of the shares or Warrants. However, members of the Board of Directors, Management and Founders, who prior to the Issue own approximately 40 percent of the shares in Stenocare, have agreed to enter lock up agreements with the financial adviser as counterparty, with customary exceptions. The lock-up agreements cover 100 percent of any unexercised Unit Rights in the Initial Rights Issue and Warrants of series TO1 and TO2 as well as 90 percent of all shares in the Company that the shareholder currently owns as well as any shares and Warrants acquired through the Issue. The lock up period is valid until the last day of exercise period of TO2 on 21 June, 2024.

General rights attached to the New Shares

The New Shares will have identical rights as the existing shares. These include voting rights, right to receive dividend, the right to participate in the proceeds in case of a dissolution or liquidation of the Company. The Warrants do not give the holder such rights before being exercised and the resulting shares are issued. Further, all shares have equal rights in the event of insolvency, liquidation or winding up. The rights of the shareholders can only be changed in accordance with the procedures specified in the Articles of Association and the Danish Companies Act (no. 1451 of 09/11 2022).

The New Shares expected to be issued in connection with the Issue are ordinary shares and no shares of the Company carry special rights. At General Meetings, each share has one vote, and each shareholder can vote for their full number of shares without limitation. The right of a shareholder to attend a general meeting and to vote is determined by the shares held by the shareholder at the record date. The record date is one week before the general meeting is held. The Warrants do not give any voting rights until the Warrant has been exercised into an ordinary share.

Rights to dividend

The New Shares will, when fully paid up and registered with the Danish Business Authority, have the same rights as the existing shares, including with respect to eligibility for any dividends paid to holders of shares. Stenocare is a growth company and has not since its formation paid dividends to the shareholders. The Board of Directors intends to finance development, operations, and growth with a combination of the possible profit and if needed future equity issues. In the event of a dividend, all shares in the Company carry equal right to dividends. Consequently, the New Shares from the Issue is eligible for dividends as of the date of registration with the Danish Business Authority. The registration is expected to take place in on 16 June 2023. Further, the right to dividends applies to investors who are registered as shareholders in Stenocare on the record day applicable for the distribution of dividend.

Any dividends will be paid in DKK to the shareholder's account with VP Securities. No restrictions on dividends or special procedures apply to holders of shares who are not residing in Denmark. Dividend withholding tax may be withheld by the Company in accordance with applicable Danish law. The Warrants give the holder no right to dividend until the Warrant has been exercised into an ordinary share.

Dividends which have not been claimed by shareholders within three (3) years from the time they are payable will in accordance with applicable Danish law be forfeited and will accrue to the Company. Stenocare has no dividends policy, and no dividends is planned.

Pre-emptive subscription rights

Under Danish law, the shareholders generally have pre-emptive subscription rights if the general meeting of the Company resolves to increase the share capital by cash payment. However, the pre-emptive subscription rights of the shareholders are subject to exceptions due to authorizations granted by the general meeting.

8: OTHER INFORMATION

Compliance

Any holders of Unit Rights that exercise any of their Unit Rights shall be deemed to have represented that they have complied with all applicable laws. Custodian banks exercising Unit Rights on behalf of beneficial holders shall be deemed to have represented that they have complied with the Issue procedures set forth in this Announcement. Upon expiry of the Subscription Period, any Unit Rights not exercised will lapse without value, and the holders of lapsed Unit Rights will not be entitled to any compensation.

Every investor should be aware of that their respective bank/financial institute may classify subscription of unit as a complex product and may therefore request information from the investor before subscription can be carried out.

Legal regulations

The New Shares are issued according to the Danish Companies Act (no. 1451 of 09/11 2022) and the Company's Articles of Association as at the date of this Announcement. Stenocare is, moreover, subject to general Danish legislation, including Regulation (EU) 2017/1129 and the Danish Act on Capital Markets (no. 41 of 13/01/2023). Due to its listing on Nasdaq First North Growth Market Denmark, a multilateral trading facility platform, Stenocare is bound to the obligations set out in the applicable Nasdaq First North Growth Market regulations. Companies admitted to trade on Nasdaq First North Growth Market are subject to the European parliament and the Council Regulation (EU) No 596/2014 on Market Abuse Regulation (MAR) which contains regulation on information obligations and a prohibition on market abuse. Such obligations include, but are not limited to, complying with disclosure and information requirements in the Danish Securities market.

Tax considerations

An investment in the Issue may result in tax consequences for the investor. Stenocare is a Danish registered company that has unlimited tax liability in Denmark. The Company's New Shares and Warrants will be traded on Nasdaq First North Growth Market Denmark, a multilateral trading facility (MTF), and the shares and Warrants in Stenocare are therefore covered by the Danish tax rules for listed shares. The tax legislation in the investor's jurisdiction may have an effect on any income received from the Issue described in this Announcement. Taxation of any dividend, as well as capital gains tax and rules regarding capital losses on sale of securities depends on the individual investors' specific situation. Shareholders may need to consult their own accountant or tax adviser for a closer assessment of tax consequences, including applicability and effect of foreign tax rules and tax treaties when a shareholder being in Stenocare.

Withdrawal and delay of the Issue

The Company is not allowed to withdraw the Issue. However, it may delay or suspend the Issue in the event that the registration of the New Shares is refused by the Danish Business Authority. In the event that the

authorization to convert debt into units (shares in combination with Warrants) is not approved, then the Company will conclude the Issue by implementing the subscription for cash in the Issue only. Any delay of the Issue will be announced as a company announcement through a press release. The Company is not authorized to close the Offer on an earlier date than the last subscription date.

Conflicts of interest

Keswick Global AG (“Keswick”) is the Certified Adviser, Gemstone Capital A/S (“Gemstone”) is the financial adviser, Lund Elmer Sandager is a legal advisor, Danske Bank A/S (“Danske Bank”) is the issuing agent as well as the settlement agent to Stenocare in connection with the Initial Rights Issue. Nordnet Bank AB (“Nordnet”) is the selling Agent in the Initial Rights Issue. These parties receive a pre-agreed remuneration for services in connection with the Offer.

Gemstone has a financial interest in the Company as a result of their holdings of shares in Stenocare. The Company’s CEO Thomas Skovlund Schnegelsberg, CFO Peter Bugge Johansen, COO Søren Kjaer, Chairman BOD Marianne Wier and Søren Melsing Frederiksen have financial interest in the Company as a consequence of larger share- and or Warrant holdings in the Company. Apart from the mentioned shareholdings, there are to the Company’s best knowledge, no member of the Board of Directors or executive management who has any other private interests which might conflict with the Company’s interests.

Miscellaneous

Stenocare has not been a party to any legal, arbitration or governmental proceedings (including pending cases or such that the Company is aware may arise), during a period covering at least the previous 12 months, that have had or could have significant effects on the Company's financial position or profitability. Nor has the Company been informed of claims that could lead to Stenocare becoming a party to such a process or arbitration. There are no arrangements, known to Stenocare (the “Issuer”), which may at a subsequent date result in or prevent a change in control of the Issuer. No provisions in Stenocare articles of association, statutes, charter, or bylaws have an effect of delaying, deferring, or preventing a change in control of the Issuer.

Name and registered office

Stenocare A/S (CVR no. 39 02 47 05) is domiciled in Randers Municipality, and the Company’s head office is located at Nyholmsvej 4, DK-8930 Randers NØ, Denmark.

Group relations

The Company’s share capital is fully paid up. The Company is registered in the Central Business Register with CVR no. 39 02 47 05 and is subject to Danish law. The Company is not part of any group relationship.

Key people and advisers

Board of Directors <ul style="list-style-type: none">• Marianne Wier, Chairman of the Board• Søren Melsing Frederiksen, Non-Executive• Jeppe Bo Petersen, Non-Executive• Søren Kjaer, Board Member	Management <ul style="list-style-type: none">• Thomas S. Schnegelsberg, CEO and Co-founder• Søren Kjaer, COO and Co-founder• Rolf Steno, CCO• Peter Bugge Johansen, CFO
Issuing Agent and Settlement Agent Danske Bank A/S	Selling Agent (DK and SE) Nordnet Bank AB

Holmens Kanal 2 DK-1092 København K Denmark	Box 30099 SE-104 25 Stockholm Sweden
---	--

Certified adviser Keswick Global AG Hoffingergasse 16/1/1, Vienna, A-1120, Austria	Legal Adviser Lund Elmer Sandager Kalvebod Brygge 39 - 41, DK-1560 København Denmark	Financial adviser Gemstone Capital A/S Strandvejen 60, DK-2900 Hellerup Denmark
---	---	--

For further information, please contact:

<i>STENOCARE A/S</i> CEO, Thomas Skovlund Schnegelsberg Tel: +45 31 77 00 60 email: info@stenocare.com	<i>Gemstone Capital A/S</i> Managing Partner, Søren Jonas Bruun Tel: (+45) 3322 0700 email: info@gemstonecapital.com
---	---