STENOCARE A/S

REPORTING ON THE RECOMMENDATIONS ON CORPORATE GOVERNANCE FOR LISTED GROWTH COMPANIES FROM

THE DANISH ASSOCIATION OF LISTED GROWTH COMPANIES

Reporting on the recommendations on corporate governance from the Danish Association of listed Growth Companies for companies listed on a growth market

Company name:	Stenocare A/S
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If signed by the board – place signatures here:

Preamble

Stenocare focuses on good governance practices, including a two-tiered management structure consisting of a Board of Directors and Management. The Board of Directors is responsible for the company's overall strategy. The entire Board of Directors includes one of the founders of Stenocare and is seen as independent of the company.

Management has the responsibility to carry out the strategy approved by the Board of Directors. The Board of Directors and Management work closely together and have approximately six formal meetings during the year plus virtual meetings when needed.

In the below table the management of Stenocare A/S has provided its view upon how Stenocare A/S meets the recommendations on corporate governance issued by FBV

Recommendation	Company complies	The company's explanation and plans Why	How	Plans
1. Interaction with the company's shareholders, investors, and other stakeholders				
1.1 The Committee recommends that the company adopts a strategy for the company's equity story, which shall be made available on the company's website.	Comply			
1.2. The Committee recommends that the company adopts and disclose a policy for the company's corporate social responsibility, i.e., how the company benefits its customers and the surrounding society.	Comply Stenocare aim to improve the quality of life of patients and reduce the feeling of powerlessness of their loved ones			
1.3. The Committee recommends that management, through ongoing dialogue, ensures shareholders and other stakeholders' relevant insight into the company's affairs, and that the Board of Directors acquaints with and includes the shareholders' opinions in its work, so that the Board of Directors can best represent the shareholders' views.	Comply			

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		Why	How	Plans
1.4. The Committee recommends that the company's ongoing news flow is consistent and easy to assess, including that the individual news shows how news in company announcements fits into the strategy and affects value creation.	Comply Through videos, interviews, SoMe etc.			
1.5. The Committee recommends that the company adopts a communication strategy for the publication of information via company announcements, press releases, etc. as well as for communication via social media, chat rooms etc.	Comply			
1.6. The Committee recommends that the company publish quarterly reports or, alternatively, quarterly updates, including mention of developments in the most important financial conditions (value-impacting factors).	Comply			
1.7. The Committee recommends that the company prepare profit guidance and that the guidance include the coming financial year.		Stenocare gives guidance on sales.		When markets and sales is more established profit guidance is planned
1.8. The Committee recommends that the company strive for the greatest possible transparency on ownership structure,	Comply Mayor shareholders			

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management constraints and lock-up periods. Regarding the ownership structure, it is recommended to provide clear information about shareholders' stated ownership shares (e.g., the information registered by the company with the Danish Business Authority) on the company's website, in addition to any information about ownership that major shareholders have consented to be disclosed on the company's website.	are listed in all financial reports			
1.9. The Committee recommends that if persons related to founders, majority shareholders, board members and members of the executive management are employed by the company, the Board of Directors must keep a list of these relationships and at least once a year assess whether it is still appropriate to maintain the employment relationships of the related parties.	Comply			
2. The duties and responsibilities of the Board of Directors				
2.1. The Committee recommends that the Board of Directors be composed of competent board members with relevant experience for the individual company (e.g.,	Comply			

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		Why	How	Plans
experience from a listed company, experience with internationalisation, business development, financial matters, etc.) and that the board's overall competence cover the company's needs.				
2.2. The Committee recommends that the chairman of the Board of Directors be independent and/or that at least half of the board members elected by the General Meeting are independent, so that the Board of Directors can act independently of special interests.	Comply			
2.3. The Committee recommends that members of the executive management should not be included as part of the Board of Directors.	Comply One of the founders (not the CEO) is part of Board of Directors			
2.4. The Committee recommends that the Board of Directors carry out a board evaluation once a year and that it, among other things, conducts a board evaluation, focuses on the recommendations on the	Comply			

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		Why	How	Plans
board's work, efficiency, composition and organization.				
2.5. The Committee recommends that the Board of Directors at least once a year evaluates the work and results of the executive management in accordance with pre-established criteria, and that the chairman subsequently reviews this with the executive management.	Comply			
2.6. The Committee recommends that the Board of Directors prepare a budget for profit and cash flow, including a liquidity plan with sufficient liquidity buffer for the next 12 months.	Comply			
2.7. The Committee recommends that the Board of Directors continuously assess the company's capital structure and capital needs and evaluate the financing structure and opportunities, while retaining existing and attracting new shareholders in order to achieve the desired shareholder structure.	Comply			
2.8. The Committee recommends that the company has a contingency procedure for takeover attempts that contains a "roadmap" for the matters that the Board of Directors		n/a with the current shareholder group where		If the founder's capital share reduces significantly a contingency procedure for

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should consider and decide on if a takeover bid has been made or the Board of Directors has a reasonable suspicion that a takeover bid may be made. This is particularly relevant if the market value of the company's shares is significantly below the company's own valuation of the company's value.		the founders have 26% of the share capital. Also the shareholder structure currently includes many small shareholders		takeover will be implemented
2.9. The Committee recommends that the Board of Directors approves a policy for the company's corporate social responsibility, including social responsibility and sustainability, and that the policy is available in the management report and/or on the company's website.	Comply Is included in the annual accounts			
2.10. The Committee recommends that the board prepares an annual wheel in which the individual responsibilities are incorporated and that the annual wheel is evaluated annually.	Comply			
2.11. The Committee recommends that the Board of Directors at least once a year evaluates the ongoing reporting and decides on the content, format and frequency.	Comply			

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3. Remuneration of management				
3.1. The Committee recommends that share-based incentive programs be market-compliant, including that they are revolving, i.e., with periodic allocation, and are primarily long-term with an accrual or maturation period of at least three years.	Comply Described in financial reporting. Share-based incentive programs are not given to founders that are CxO's			
3.2. The Committee recommends that the variable part of the remuneration has a ceiling at the time of award and that there is transparency about the potential value at the time of utilization under respectively, pessimistic, expected and optimistic scenarios.	Comply The variable part of remuneration is given as Stenocare shares as a loyalty program and is vested annually in			

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	pre-defined allocations.			
3.3. The Committee recommends that the company prepares a remuneration policy, that the remuneration policy is market-compliant and that the variable part of the remuneration is linked to the most important value-creating conditions for the company, including relevant financial conditions and ESG key figures.	Comply Fixed remuneration to management			
3.4. The Committee recommends that the total value of the executive management's remuneration for the notice period, including severance pay, is market-compliant and does not exceed two years' remuneration including all remuneration shares.	Comply			
3.5. In order to align the risk profile of the Board of Directors with that of shareholders and to attract qualified board competencies, the Committee recommends that variable remuneration in the form of long-term incentive programmes be considered as an element of the Board of Directors' total remuneration.		The Board of directors have fixed fee and are all shareholders. Stenocare find this as the preferred model.		

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3.6. The Committee recommends that the annual report should include transparency regarding executive and board remuneration, including the size and possible dilution effect of incentive programs.	Comply Included in the annual accounts			
4. Risk management				
4.1. The Committee recommends that the Board of Directors consider, based on the company's strategy and business models, the most important strategic, operational, and financial risks (e.g., the company's financial leverage and interest rate and foreign exchange risks).	Comply			
4.2. In order to reduce the company's cost of capital, the Committee recommends that the company explain in the management report the principal risks and the company's risk management and provide sensitivity analyses for the most important risk conditions.	Comply The strategi and risks are included in the annual accounts			