

STENOCARE A/S (STENO)

THE PHARMACEUTICAL APPROACH

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After several years of work ensuring a good supply chain and getting products approved on five different markets, STENOCARE is now ready to launch 11 full spectrum medical cannabis oil products in five regulated countries. Operating in an industry with strong expected growth and considering the future launch of STENOCARE's own premium products, which are expected to have several benefits compared to competing products, Analyst Group estimates exponential revenue growth going forward. With estimated net sales of DKK 60.4m by 2024, and with an applied P/S multiple of 7x, a potential present value per share of DKK 21.4 is derived in a Base scenario.

■ A Cannabis Company With a Pharma Attitude

Since the Danish Pilot Program, enabling doctors to prescribe medical cannabis, started on January 1st, 2018, STENOCARE is the only player on the market getting medical cannabis oil products approved by Danish authorities. This is, according to Analyst Group, a result of the Company's ability to manage regulations and deliver quality products, for example through using indoor cultivation facilities rather than green houses. Going forward, we see this as a crucial factor to operate within the highly regulated European market.

■ A new Market With big Potential

The medical cannabis market in Europe is still in its early days, although more countries are legalizing. Legal cannabis sales in Europe are expected to grow with a CAGR of 67% until 2025, amounting to EUR 3.2bn, driven by continued legalization of both medical and adult use.² STENOCARE is expected to capitalize on these market trends through increased patient prescriptions, contributing to increased sales, driven by the health care industry having a greater acceptance of the benefits compared to competing treatments.

■ Launch of Premium Products

STENOCARE is developing their own premium products, which are expected to solve several well-known product deficiencies that other industry players struggle with. The premium products is using a targeting lymphatic absorption technology, that enable an enhanced uptake of the drug in the blood, regardless of food intake as well as a faster effect. Given that these products are approved, STENOCARE is expected to have a unique product on the market compared to current alternatives.

■ Highly Regulated Market

Today, STENOCARE has 11 products approved in five regulated countries. A critical factor going forward is to obtain the necessary approvals to import and sell on new markets, which is a challenge. However, STENOCARE has a strong track record of entering new markets, which we see as a clear Proof of Concept.

SHARE PRICE | DKK 9.6

VALUATION RANGE

BEAR	BASE	BULL
DKK 7.5	DKK 21.4	DKK 25.1

STENOCARE	
Share Price (2022-12-09)	9.6
Shares Outstanding	11,676,126
Market Cap (DKKm)	112.1
Net cash(-)/debt(+) (DKKm)	2.3 ¹
Enterprise Value (DKKm)	114.4 ¹
W.52 Price Intervall (DKK)	9.2-16.3
List	Nasdaq First North Growth Market Denmark

SHARE PRICE	
1 Month	-10.7%
3 Month	-2.9%
1 Year	-14.5%
YTD	-7.1%

TOP SHAREHOLDERS	
Steno Group IVS (Rolf Steno, CCO)	14.1%
Prana Holding ApS (Thomas S. Schnegelsberg, CEO)	12.4%
MS Kjær Holding ApS (Søren Kjær, COO)	12.1%
Others	61.4%

CEO AND CHAIRMAN OF THE BOARD	
CEO	Thomas Skovlund Schnegelsberg
Chairman of the board	Marianne Wier

FINANCIAL CALENDAR	
Interim report Q4 2022	2023-02-23

ESTIMATES (BASE) DKKM	2021A	2022E	2023E	2024E	2025E
Net sales	1.9	4.8	20.8	60.4	113.1
<i>Net sales growth</i>	<i>853%</i>	<i>154%</i>	<i>334%</i>	<i>190%</i>	<i>87%</i>
Other external costs	-7.9	-10.5	-14.7	-32.4	-58.3
Personnel expenses	-7.2	-7.4	-9.8	-16.9	-26.6
EBITDA	-13.2	-13.1	-3.7	11.1	28.1
<i>EBITDA margin</i>	<i>neg.</i>	<i>neg.</i>	<i>neg.</i>	<i>18%</i>	<i>25%</i>
P/S	59.3	23.4	5.4	1.9	1.0
EV/S	60.5	23.8	5.5	1.9	1.0
EV/EBITDA	neg.	neg.	neg.	10.3	4.1

¹Based on capital structure as of September 30th, 2022, a DKK 3.9m convertible loan during November, 2022, as well as returned income tax of DKK 1.4m

²Adult-use cannabis refers to use of cannabis other than medical

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Other

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