

**Interim Financial Statements  
6 April 2020 – 31 August 2020**

**Cessatech A/S  
Fruebjergvej 3  
DK-2100 Copenhagen Ø**

**CVR no. 41 29 30 55**

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with any public announcements made by Cessatech A/S during the interim reporting period.

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**The Company**

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Cessatech A/S  
Fruebjergvej 3  
DK-2100 Copenhagen Ø  
CVR no.: 41 29 30 55

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**Board of Directors**

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Ulla Hald Buhl (Chairman)  
Charlotte Videbæk  
Flemming Jensen  
Peter Birk  
Adam Steensberg  
Martin Olin

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**Executive Management**

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Jes Trygved, CEO  
Bettina Nygaard Nielsen  
Steen Henneberg

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**Auditors**

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**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
CVR-no. DK 33 77 12 31

**Main activity of Cessatech**

Cessatech is a Danish company committed to developing and commercialising evidence-based and innovative medicines for children for the treatment of paediatric acute pain.

**Development of the Cessatech in the fiscal period**Operating income and operating results

The operating income and result for the interim period were as expected. Net revenue amounted to DKK 0 and the operating result was DKK -40,832 in the interim period. The operating result was as expected as the Company is currently conducting preparations for fund raising.

We have continued our business planning activities and engagement with potential CROs while engaging with authorities, investigators, trial sites etc. to minimize visits and ensure continuous planning.

Balance sheet and solidity

The total equity at 31 August 2020 was DKK 399,161. The solidity as per 31 August 2020 was 84 %.

Cash flow and investments

The total cash flow in the interim period was DKK 436,661.

**Expected development**

Cessatech is working with Sedermera to conduct an IPO on Spotlight Stock Market in December 2020 which will provide funding for bringing Cessatech's first product to a stage where partnering and early sales is possible.

As a development stage start-up life-science company, and like other similar development stage companies, the Company expects negative cash flow in 2020-2021 from operating activities. The activities of the Company in the future will depend on proceeds obtained from the IPO.

Cessatech has taken measures to focus on its future development activities and timelines. We expect this development to continue over the coming months assuming that the pressure on hospital systems remains reduced and any further COVID-19 outbreaks do not cause lockdowns that affect our future clinical trial sites.

**KEY FIGURES AND RATIOS**6 April  
2020 – 31  
August  
2020**Key figures**

Amounts in DKK

*Income Statement*

Operating Loss	-38,542
Total financial items	-2,297
Loss for the period	-40,839

*Balance sheet*

Total assets	473.226
Equity	399,161

*Cash flows*

Cash flows from:

Operating activities	-2,297
Investing activities	0
Financing activities	440,000
The period's cash flow	436,661

Dividend

0

**Key ratios**

Equity ratio	84 %
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Equity ratio: Equity divided by total assets. The equity ratio is intended to contribute to the understanding of Cessatech's solvency and its ability to pay its debts.

## Management Statement on the Interim Financial Statements

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The Board of Directors and the Executive Management have today considered and adopted the Interim Financial Statements of Cessatech A/S for the period 6 April – 31 August 2020.

The Interim Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB) and as adopted by the EU, and additional requirements of the Danish Financial Statements Act. Management's Review has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Interim Financial Statements give a true and fair view of the financial position at 31 August 2020 of the Company and of the results of the Company operations and cash flows for the period 6 April - 31 August 2020.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the review.

Copenhagen, 6 October 2020

### Executive Management

Jes Trygved  
CEO

Bettina Nygaard Nielsen

Steen Henneberg

### Board of Directors

Ulla Buhl  
Chairman

Charlotte Videbæk

Flemming Jensen

Peter Birk

Adam Steensberg

Martin Olin

**To the shareholders of Cessatech A/S****Opinion**

In our opinion, the Interim Financial Statements give a true and fair view of the financial position of the Company at 31 August 2020 and of the results of the Company's operations and cash flows for the period 6 April to 31 August 2020 in accordance with IAS 34 Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB) and as adopted by the EU, and additional requirements of the Danish Financial Statements Act.

We have audited the Interim Financial Statements of Cessatech A/S for the financial period 6 April - 31 August 2020, which comprise income statement, statement of comprehensive income, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Statement on Management's Review**

Management is responsible for Management's Review.

Our opinion on the interim financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the interim financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Interim Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

**Management's Responsibilities for the Interim Financial Statements**

Management is responsible for the preparation of Interim Financial Statements that give a true and fair view in accordance with IAS 34 Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB) and as adopted by the EU, and additional requirements of the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the interim financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the interim financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Interim Financial Statements**

Our objectives are to obtain reasonable assurance about whether the interim financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these interim financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the interim financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we



conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the interim financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the interim financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 6 October 2020

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Torben Jensen  
State Authorised Public Accountant

Lars Fermann  
State Authorised Public Accountant

## Income statement and statement of comprehensive income

		6 April 2020 - 31 August 2020
Note		<b>DKK</b>
	Other external expenses	- 38,542
	<b>Operating loss before net financials</b>	<b>-38,542</b>
3	Financial expenses	-2,297
	<b>Loss before tax</b>	<b>-40,839</b>
	Tax on loss for the year	0
	<b>Net loss for the year</b>	<b>-40,839</b>
	<b>Other comprehensive income for the year, net of tax</b>	<b>0</b>
	<b>Total comprehensive income</b>	<b>-40,839</b>

<b>ASSETS</b>		
Note		31 August 2020 DKK
	Prepayments	36,565
	Cash	436,661
	<b>Total current assets</b>	<b>473,226</b>
	<b>Total assets</b>	<b>473,226</b>

**EQUITY AND LIABILITIES**

Note	31 August 2020 DKK
Share capital	400,000
Share premium	203
Retained earnings	-1,042
<b>Total equity</b>	<b>399,161</b>
Trade payables	74,065
Other payables	0
<b>Current liabilities</b>	<b>74,065</b>
<b>Total liabilities</b>	<b>74,065</b>
<b>Total equity and liabilities</b>	<b>473,226</b>

## Statement of changes in equity

Amounts in DKK	Share capital	Share premium	Retained earnings	Total equity
Formation of Company at 6 April 2020	40,000			40,000
Total comprehensive income	0	0	-40,839	-40,839
Share capital increase	360,000	40,000		400,000
Conversion to A/S		-39,797	39,797	0
<b>Equity as at 31 August 2020</b>	<b>400,000</b>	<b>203</b>	<b>-1,042</b>	<b>399,161</b>

## Cash flow statement

Note	6 April 2020 – 31 August 2020
	DKK
<b>Loss before tax</b>	<b>-40,839</b>
Financial expenses, reversed	2,297
Change in working capital	37,500
<b>Cash flows from operating activities before net financials</b>	<b>-1,042</b>
Financial expenses paid	-2,297
<b>Cash flows from operating activities</b>	<b>-2,297</b>
<b>Cash flows from investing activities</b>	<b>0</b>
Cash capital increase	440,000
<b>Cash flows from financing activities</b>	<b>440,000</b>
<b>Total cash flows for the year</b>	<b>436,661</b>
Cash, beginning of period	-
<b>Cash, end of year</b>	<b>436,661</b>

1. Accounting policies
2. Capital resources and liquidity
3. Financial expenses
4. Equity
5. Related parties
6. Events occurring after the balance sheet date

## 1. Accounting policies

Cessatech A/S is a limited liability company domiciled in Denmark. The Interim Financial Statements have been prepared as condensed Interim Financial Statements in accordance with IAS 34 Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB) and as adopted by the EU, and additional requirements of the Danish Financial Statements Act.

Danish kroner (DKK) is the Company's presentation currency and functional currency. The financial statements are presented in Danish kroner (DKK).

### First financial statements

The financial statements of Cessatech A/S for 2020 will be the Company's first financial statements prepared in accordance with IFRS, as issued by the International Accounting Standards Board (IASB) and as adopted by the EU, and additional requirements of the Danish Financial Statements Act for annual reports of class B companies.

Due to the fact that financial statements have not previously been prepared, this is the first IFRS financial statements, and not a transition from previous GAAP to IFRS. Hence, the financial statements do not include reconciliations from previous GAAP to IFRS.

### New standards not yet effective

There are no IFRSs or IFRIC interpretations that are not yet effective that is expected to have a material impact on the Company.

### Tax

Tax for the year, consisting of current tax and changes in deferred tax, is recognized in the income statement with the portion attributable to tax on the profit or loss for the year, and directly in equity or in other comprehensive income with the portion attributable to amounts recognized directly in equity or in other comprehensive income, respectively.

Current tax payables and receivables are recognized in the balance sheet if tax computed on the basis of the taxable income for the year results in taxes to be paid or refunded.

Current tax for the year is computed based on the tax rules and tax rates applicable at the balance sheet date.

Deferred tax is recognized using the balance sheet liability method on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities, except for deferred tax on temporary differences due to either initial recognition of goodwill or initial recognition of a transaction that is not a business combination, and where the temporary difference ascertained at the time of initial recognition does not affect either the



tax results or the taxable income. The deferred tax is calculated based on the planned use of the individual asset or settlement of the individual liability.

Deferred tax is measured applying the tax rules and tax rates expected to be applicable when the deferred tax is expected to crystallize as current tax. Any change in deferred tax as a result of changes in tax rules or rates is recognized in the income statement, unless the deferred tax is attributable to transactions that have previously been recognized directly in equity or in other comprehensive income. In the latter case, the change is recognized directly in equity or in other comprehensive income, respectively.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognized in the balance sheet at the expected realizable value, either through offsetting against deferred tax liabilities or as a net tax asset for offsetting against future positive taxable incomes. An assessment is made on each balance sheet date of whether it is probable that sufficient taxable income will be generated in future to enable utilization of the deferred tax asset.

## **STATEMENT OF COMPREHENSIVE INCOME**

### **Other external expenses**

Other external expenses comprise expenses relating to administrative expenses, costs of premises, etc.

### **Net financials**

Net financials comprise interest income and expenses, realized and unrealized gains and losses on transactions in foreign currency and realized and unrealized gains and losses on other financial assets.

Amortization of capital losses and borrowing costs relating to financial liabilities is recognized on an ongoing basis as part of the interest expenses.

## **BALANCE SHEET**

### **Receivables**

Receivables comprise trade receivables and other receivables. Receivables are included in the category loans and receivables, which are financial assets with fixed or determinable payments that are not listed in an active market and are not derivative financial instruments.

On initial recognition, receivables are measured at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value and subsequently at amortized cost, which usually corresponds to the nominal value, less write-downs for bad debts.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables.

### **Cash**

Cash includes deposits in bank accounts as well as operating cash.

### **Equity**

Direct and incremental costs associated with capital increases are accounted for as a reduction in the proceeds from the capital increase and recognized in shareholders' equity.

### **Liabilities**

Other financial liabilities comprise trade payables, other payables to public authorities and other liabilities. On initial recognition, other financial liabilities are measured at fair value less any transaction costs. Subsequently, the liabilities are measured at amortized cost according to the effective interest method, so that the difference between the proceeds and the nominal value is recognized in the income statement as a financial expense over the period of the liabilities.

## **CASH FLOW STATEMENT**

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash at the beginning and end of the year. Cash flows from operating activities are presented in accordance with the indirect method and are determined as the operating profit or loss adjusted for non-cash operating items, changes in working capital and paid financial income, financial expenses and income tax.

Cash flows from investing activities comprise payments in connection with the acquisition and sale of companies and financial assets as well as the purchase, development, improvement and sale of property, plant and equipment and intangible assets.

Cash flows from financing activities comprise changes in the Company's share capital and associated costs as well as the raising and repayment of loans, the repayment of interest-bearing debt, the purchase and sale of treasury shares and the payment of dividends.

Cash flows in currencies other than the functional currency are recognized in the cash flow statement using average exchange rates, unless they deviate significantly from the actual exchange rates at the transaction dates.

Cash and cash equivalents comprise cash less overdraft facilities that are an integrated part of the cash management.

## FINANCIAL HIGHLIGHTS

Explanation of financial ratios:

$$\text{Solvency ratio} : \frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$$

### 2. Capital resources and liquidity

As a start-up development company, and like other similar companies, the Company has had a negative cash flow in 2020, why the company is dependent on being recapitalized until reaching the point where a positive cash flow begins. The activities of the company in the future will depend on proceeds obtained from capital increases.

The Board of Directors and Executive Management are constantly monitoring the Company's financial position to be prepared to take adequate measures to secure the company.

Furthermore, the Company plans to list on Spotlight Stock Market Copenhagen in December 2020 and raise DKK 15.8 million.

The Board of Directors and Management have confidence in the company as a going concern

### 3. Financial expenses

Financial expenses of DKK 2,297 relate to bank fees.

### 4. Equity

#### *Share capital*

The share capital consists of 2,000,000 shares of DKK 0.20 each. The shares are fully paid in. The shares are not divided into classes, and no shares enjoy special rights.

<i>Shares issued and fully paid:</i>	2020
Shares issued, 6 April	40,000
Cash capital increase during 2020	360,000
Shares issued, 31 August	400,000

All shares have a nominal value of DKK 0.20.

*Capital management*

The Company aims to ensure structural and financial flexibility as well as competitive strength. For that purpose, the Company regularly assesses what the appropriate capital structure for the Company is.

**5. Related parties***Ownership as of 31 August 2020*

Buhl Krone Holding ApS owns 25 % of the Company, partly owned by Ulla Buhl

Jes Trygved owns 25 % of the Company

Bettina Nygaard Nielsen owns 25% of the Company

Steen Winther Henneberg owns 25% of the Company

*Transactions with related parties*

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Amounts in DKK

*Other related parties:*

Contribution and share capital increase – Buhl Krone Holding ApS	100,000
Contribution and share capital increase – Jes Trygved	100,000
Contribution and share capital increase – Bettina Nygaard Nielsen	100,000
Contribution and share capital increase – Steen Winther Henneberg	100,000

*Transactions with key management personnel*

Key management comprise Executive Management and the Board of Directors. There is no remuneration to key management in the interim period.

**6. Events occurring after the balance sheet date**

Subsequent to the balance sheet date, no events that could significantly affect the interim financial statements as of 31 August 2020 have occurred.

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## Jes Trygved

Adm. direktør

På vegne af: Cessatech A/S

Serienummer: PID:9208-2002-2-033258560506

IP: 81.7.xxx.xxx

2020-10-06 09:21:06Z

NEM ID 

## Peter Birk Rasmussen

Bestyrelsesmedlem

På vegne af: Cessatech A/S

Serienummer: PID:9208-2002-2-034263321232

IP: 62.243.xxx.xxx

2020-10-06 09:26:05Z

NEM ID 

## Ulla Buhl

Bestyrelsesformand

På vegne af: Cessatech A/S

Serienummer: PID:9208-2002-2-581704694707

IP: 93.161.xxx.xxx

2020-10-06 09:44:24Z

NEM ID 

## Flemming Steen Jensen

Bestyrelsesmedlem

På vegne af: Cessatech A/S

Serienummer: PID:9208-2002-2-875402846453

IP: 80.161.xxx.xxx

2020-10-06 09:50:55Z

NEM ID 

## Adam Sinding Steensberg

Bestyrelsesmedlem

På vegne af: Cessatech A/S

Serienummer: PID:9208-2002-2-941173926866

IP: 37.49.xxx.xxx

2020-10-06 10:17:49Z

NEM ID 

## Martin Olin

Bestyrelsesmedlem

På vegne af: Cessatech A/S

Serienummer: PID:9208-2002-2-136021872424

IP: 148.64.xxx.xxx

2020-10-06 11:11:39Z

NEM ID 

## Steen Winther Henneberg

Direktionsmedlem

På vegne af: Cessatech A/S

Serienummer: PID:9208-2002-2-929890717248

IP: 109.56.xxx.xxx

2020-10-06 11:44:48Z

NEM ID 

## Charlotte Videbæk

Bestyrelsesmedlem

På vegne af: Cessatech A/S

Serienummer: PID:9208-2002-2-624082194273

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## Bettina Nygaard Nielsen

Direktionsmedlem

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2020-10-06 13:20:28Z

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## Lars Fermann

Statsautoriseret revisor

På vegne af: PwC

Serienummer: CVR:33771231-RID:94183998

IP: 83.136.xxx.xxx

2020-10-06 13:23:12Z

NEM ID 

## Torben Jensen

Statsautoriseret revisor

På vegne af: PwC

Serienummer: CVR:33771231-RID:70901412

IP: 83.136.xxx.xxx

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