

PRESS RELEASE
14 December 2020

Grant of incentive warrants to CEO and the Board of Directors

The Board of Directors of Cessatech A/S ("Cessatech" or the "Company") has decided on the final terms for the warrant program, in accordance with what has been earlier communicated in the IPO prospectus. In total 334,800 warrants are granted to the CEO and the Board of Directors. The background for the implementation of the warrant program is to create possibilities for Cessatech to retain and incentivize the Board of Directors and the CEO by offering a long-term ownership engagement, which will contribute to an alignment of interests between the warrant holders and the shareholders and promote long-term commitment to the Company's development.

Background and final terms

On 18 August 2020, the extraordinary general meeting resolved to authorize the Board of Directors to, during the period until 1 January 2025 on one or more occasions, issue warrants to Board members, members of management and other employees of the Company and its subsidiaries, if any, without pre-emptive rights for the Company's shareholders. Preliminary terms were set out in the Company's IPO prospectus. On 14 December 2020 it was decided to grant 248,000 warrants to the CEO, 24,800 warrants to the Chairman of the Board of Directors and 12,400 warrants to ordinary members of the Board of Directors (five persons), together the "Warranholders". Thus, in total 334,800 warrants are granted under the warrant program.

The subscription of warrants has taken place by conclusion of an agreement and is subject to the terms and conditions set forth in article 3.1.2 of the Company's articles of association as well as appendix 3 and 4 to the Company's articles of association. Each warrant confers the right to subscribe one share of nominal DKK 0.20 against payment of DKK 10.00 with the addition of CIBOR 3M + 4 % points p.a. as from 1 January 2021. Interest shall be compounded as per the expiry of each calendar year, the first time on 31 December 2021. The granting of warrants shall not be subject to any payment by the Warranholders.

Warrants can be exercised during the period 1 January 2024 – 31 December 2026 or in connection with an exit.

Warrants vest and become eligible for exercise with 1/36 per month as from the date of grant.

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Dilution

In case all warrants granted to the Board of Directors are exercised for subscription of new shares, a total of 86,800 shares will be issued, which corresponds to a dilution of 2.30 % of the total number of shares and votes on a fully diluted basis (based on the share capital immediately following the IPO). The dilution based on the share capital following exercise of warrant of series TO 1 (which can be exercised during the period 25 November 2021 to 16 December 2021), will correspond to 1.38 % (if fully exercised TO 1).

In case all warrants granted to the CEO are exercised for subscription of new shares, a total of 248,000 shares will be issued, which corresponds to a dilution of 6.31 % of the total number of shares and votes on a fully diluted basis (based on the share capital immediately following the IPO). The dilution based on the share capital following exercise of warrant of series TO 1 (which can be exercised during the period 25 November 2021 to 16 December 2021), will correspond to 3.85 % (if fully exercised TO 1).

In case all warrants issued to the Warrantholders (i.e. the warrants granted to the Board of Directors and the warrants granted to the CEO) are exercised for subscription of new shares, in the aggregate 334,800 new shares will be issued, which corresponds to an aggregate dilution of 8.34% of the total number of shares and votes on a fully diluted basis (based on the share capital immediately following the IPO). The dilution based on the share capital following exercise of warrant of series TO 1 (which can be exercised during the period 25 November 2021 to 16 December 2021), will correspond to 5.12 % (if fully exercised TO 1).

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Cessatech A/S is a Danish pharmaceutical company committed to developing and commercialising evidence-based and innovative medicines for children for the treatment of paediatric acute pain. Its lead asset (CT001) is an analgesic nasal spray for the treatment of acute and planned painful procedures in children. The advantages include needle-free administration, being easy to administer, a fast-acting therapeutic effect and being medically approved for children. CT001 is expected to enter late stage clinical development in 2021.

Introduction video: https://cessatech.com/wp-content/uploads/2020/11/CessatechTeaser1_LR.mp4