



developing evidence-based treatments -  
specifically for children



## Year-End Report (Q4-2020)

Cessatech A/S - CVR no. 41293055, Kanonbådsvej 2, 1437 Copenhagen, Denmark

# CESSATECH - YEAR-END REPORT (Q4-2020)

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Fourth quarter of 2020, was the real start of Cessatech - even though the team has been working together for many years, this was the quarter where the Company was capitalized with a successful IPO in December. We will now accelerate the activities - thanks for a great effort from all, and welcome to all the new shareholders. Looking forward to our journey ahead.

**Jes Trygved, CEO**

# 1. Summary

The Board of Directors and CEO of Cessatech hereby publish the Q4 and year-end report of 2020. In this interim report, the following definitions apply, unless stated otherwise: The “Company” or “Cessatech” refers to Cessatech A/S with CVR number 41293055.

The Company is not part of a group and does not have any subsidiaries. Cessatech was established on 6. April in 2020 and has had limited business (cost) activities during its first fiscal year (calendar year 2020). Cessatech had no revenue for the period and a negative result. The financial result for the period follows the Company's outlined development plans and as expected for an early life science development company. It is the Board's opinion that the Company - in contrast to many life science companies - has a relatively short time from initiation of product development to revenue generation.

Summary	Q4 2020	Q2-Q4 2020
	01/Oct/20	06/Apr/20
(KDKK)	31/Dec/20	31/Dec/20
Net Revenue	-	-
Operating result	- 576	- 755
Net result	- 521	- 703
Cash at Bank	13.506	13.506
Result per share (DKK)*	- 0,16	- 0,46
Solidity (%)**	99%	99%

*\*Result per share (DKK per share):* Operating result divided by the average number of shares during the period. The total number of shares as of 31 December 2020 amounted to 3,680,000 shares, the average number of shares during the full-year was 1,537,721. There has been an increase in the number of shares since the completion of the IPO in December 2020, the average number of shares for Q4-2020 was 3,255,385 shares. *\*\*Solidity:* Total equity divided by total capital and liability

I would like to welcome all new shareholders – and acknowledge you for the strong confidence in our business, our product and us. Together with an extraordinary team, I am looking forward to transforming Cessatech closer to a phase III company - with three (3) major milestones in 2021, the clinical results of 3 studies - 2021 will be a very exciting year.

Jes Trygved, CEO



## 2. CEO comments

Cessatech's successful IPO in December 2020 provided capital to initiate the clinical activities for CT001. A public listing obviously takes much effort and planning and since the IPO took place in December 2020 this was a major event itself, and we should emphasize that the IPO had much interest with an oversubscription rate of app. 680%.

In addition, we managed to complete all the tasks we had set up for the second half of 2020 - including selecting a **manufacturer**, finalizing the **Registry Study** (currently undergoing analysis) and submitting a Fast-track US **patent application** together with initial preparations of three (3) **clinical studies**. I am very proud that we managed it all together with an IPO.

2020 was the year where the basis was created for establishing the company Cessatech as a player within child treatments - and we have many activities to be completed in 2021, but especially the **3 major milestones**, the results of clinical studies, will be instrumental for our future success!

Our purpose of Rethinking Child Treatments will be a key focus in all activities going forward - we are developing our first asset CT001 - but our mindset, communication and external activities will always have children in mind. We need to advance our pipeline, and we need to develop more solutions for children. Rethinking Child Treatments will be an integrated part of the way we think and conduct our business operations.

### About Cessatech

Cessatech is a clinical Phase II company developing evidence-based treatment for children. The lead asset (CT001) is an analgesic nasal spray for 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, when it has obtained regulatory approval, also being medically approved for children.

### Highlights during Q4-2020

- Finalized a very successful IPO in December with an oversubscription rate of app 680%
- Finalized negotiations of preferred manufacturer for clinical and commercial batches
- Finalized Registry Study (0203) from 10 years' data in children from Karolinska University Hospital
- Submitted Fast-track US patent application for CT001
- Initiated clinical preparations of first 3 clinical activities related to CT001

### 3. Cessatech and CT001

Cessatech is confident that intranasal treatment CT001 is a better alternative than intravenous medicine as it is easier and quicker to administer, resulting in fast pain relief, and the child does not have to experience the pain related to injection. Also, it is more feasible to administer compared to non-compliant children than oral medications.



Despite the many pain-relieving products available for adult patients, few of these have been developed for children. A study on unlicensed drug prescription revealed that up to 75 percent of all medications currently prescribed in hospital settings are administered off-label, meaning that the use deviates from the dose, is not tested, documented, or approved for children. A commonly used treatment as Midazolam only has a sedative effect, thus leaving the pain untreated. Morphine/opioids require intravenous access for fast pain relief, causing further pain for the child. The treatment of acute pain in children is therefore characterized by a significant unmet medical need, which has been recognized by both regulatory authorities and health care professionals.

The Company's first product and lead asset, CT001, is an analgesic non-invasive nasal spray for children aged 1-17 years that experience acute pain or pain related to medical procedures. Today's analgesic solutions often require an intravenous access which is not always feasible or easy and can be painful. In contrast, CT001 has a fast onset and is easy to use. Its composition includes a fixed combination of the two well-known analgesics ketamine and sufentanil (an opioid), which are already approved treatments for injection in adults. The two compounds are also used separately for analgesia but only intravenously in children. The potential advantages of the fixed combination of sufentanil and ketamine include improved analgesia with approx. 30 percent lower dose of sufentanil and consequently the avoidance of undesirable side effects such as prolonged sedation and risk of respiratory depression. For more details regarding company strategy and activities please refer to the prospectus under [‘filings and reports’](#) at [www.cessatech.com](http://www.cessatech.com)

## 4. Financial development

### **OPERATING INCOME AND OPERATING RESULTS**

The operating income and result for Q4-2020 were as expected.

Net revenue amounted to DKK 0 and the operating result was KDKK -576 in Q4-2020. The operating result was as expected as the Company is currently conducting development activities.

### **BALANCE SHEET AND SOLIDITY**

The total equity at 31 December 2020 was KDKK 13,611

The solidity as per 31 December 2020 was 99%

### **CASH FLOW AND INVESTMENTS**

The total cash flow in Q4-2020 was KDKK 13,097

### **THE SHARE**

The shares in Cessatech were listed at Spotlight Stock Market on 16. December 2020. The ticker is CESSA and the ISIN code is DK0061411964. The total number of shares as of 31 December 2020 amounted to 3.680.000 There was an increase to the number of shares during the fourth quarter of 2020, related to the IPO, hence the average number of shares for the fourth quarter was 3,255,385 shares. Every share equals the same rights to the Company's assets and results.

### **WARRANTS**

The warrants of series TO 1 in Cessatech were listed at Spotlight Stock Market on 16 December 2020. The ticker is CESSA TO1 and the ISIN code is DK0061416849. In total, there are 1.184.940 outstanding warrants. Each warrant entitles the holder the right to subscribe for two (2) new shares in Cessatech at a subscription price of DKK 10.00 per share during the exercise period 25 November 2021 until 16 December 2021. The warrants can provide the Company with a total of DKK 23.698.800 (before issuing costs) if all warrants are exercised .



## 5. Miscellaneous

Shareholders after the IPO	Number of shares	Votes and capital
<b>Shareholders &gt;5%</b>		
Jes Trygved (CEO)	526.594,00	14,31%
Buhl Krone Holding Aps	526.594,00	14,31%
Steen Winther Henneberg	500.000,00	13,59%
Bettina Nygaard Nielsen	500.000,00	13,59%
All other shareholders	1.626.812,00	44,21%
<b>SUM</b>	<b>3.680.000,00</b>	<b>100,00%</b>
<b>Board of Directors</b>		
Ulla Buhl (Buhl Krone Holding Aps)	526.594,00	14,31%
Martin Olin	26.594,00	0,72%
Charlotte Videbæk (C-Aps)	26.594,00	0,72%
Adam Steensberg	5.152,00	0,14%
Peter Birk	5.152,00	0,14%
Flemming Jensen	-	-

### INCENTIVE WARRANTS

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). Thus, in total 334,800 warrants are granted under the warrant program. 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. See more details from the press release on [www.cessatech.com](http://www.cessatech.com)

### ACCOUNTING POLICY

The financial statements for 2020 of Cessatech are prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act for annual reports of class B companies. For further information on accounting policies, please see the interim report from 31/8-2020. This year-end report has been prepared using unchanged accounting policies for recognition and measurement.

## **OPERATIONAL RISKS AND UNCERTAINTIES**

The risks and uncertainties that Cessatech's operations are exposed to relate to factors such as development, competition, permissions, capital requirements, customers, suppliers/manufacturers, currencies and interest rates. During the current period, no significant changes in risk factors or uncertainties have occurred. For a more detailed description of risks and uncertainties, refer to the prospectus published in December 2020 at [www.cessatech.com](http://www.cessatech.com)

## **AUDITOR'S REVIEW**

This report has not been reviewed or audited by Cessatech's auditor PwC.

## **PROPOSED APPROPRIATION OF RETAINED EARNINGS**

The Board of Directors and the CEO have proposed that "no dividend" will be paid for the fiscal year 6 April 2020 – 31 December 2020

## **ANNUAL GENERAL MEETING AND AVAILABILITY OF THE ANNUAL REPORT**

The Annual General Meeting will be held online due to the COVID19 situation on Friday 26 March 2021 at 8.00 AM. The annual report will be available on Cessatech's website no later than two weeks before the annual general meeting.

## **FINANCIAL CALENDAR**

Annual Report release 12 March 2021 - Annual General Meeting: 26 March 2021

Q1 Report: 19 April 2021

Q2 and Half-year Report: 19 August 2021

Q3 Report: 19 November 2021

Q4 and Year-end Report 2021: February 2022



## 6. Income statement

Income statement	Q4 2020	Q2-Q4 2020
	01/Oct/20 31/Dec/20	06/Apr/20 31/Dec/20
(000 DKK)		
Revenue		
Other operating income	-	-
Other operating expenses	- 433	- 612
Staff expenses	- 143	- 143
Operating loss before net financials	- 576	- 755
Financial costs	- 6	- 8
Loss before tax	- 581	- 763
Tax on loss for the period	60	60
Net loss for the period	- 521	- 703
Other comprehensive income for the period, net of tax	-	-
Total comprehensive income	- 521	- 703

## 7. Balance sheet

<b>Balance Sheet</b>	<b>2020</b>
(000 DKK)	31/Dec/20
<b>Assets</b>	
<b>Fixed Assets</b>	
- Development projects in progress	76
Intangible Assets	76
Total fixed Assets	76
<b>Current assets</b>	
- Tax receivables	60
- Other receivables	89
- Prepayments	77
- Cash at bank	13.506
Total current assets	13.732
<b>Total assets</b>	<b>13.808</b>
<b>Equity and liabilities</b>	
<b>Equity</b>	
Share capital	736
Retained earnings	12.875
Total equity	13.611
<b>Liabilities</b>	
Total long term liabilities	-
- Trade payables	108
- Other payables	89
- Total current liabilities (short-term)	197
Total liabilities	197
<b>Total equity and liabilities</b>	<b>13.808</b>

## 8. Statement of changes in equity

<b>Change in Equity Q4 2020</b> (000 DKK)	Share- Capital	Share Premium	Retained earnings	Shareholders equity
<b>Assets</b>				
01/Oct/20	400		- 142	258
Capital increase, IPO	336	15.456		15.792
Transfer		- 15.456	15.456	-
Expenses in connection with capital increase			- 1.918	- 1.918
Net result Q4			- 521	- 521
31/Dec/20	736	-	12.875	13.611

<b>Change in Equity Q2-Q4 2020</b> (000 DKK)	Share- Capital	Share Premium	Retained earnings	Shareholders equity
<b>Assets</b>				
Formation of Company at 6. April 2020	40			40
Share capital increase	360	40		400
Conversion to A/S		- 40	40	-
Capital increase, IPO	336	15.456		15.792
Transfer		- 15.456	15.456	-
Expenses in connection with capital increase			- 1.918	- 1.918
Net result Q2-Q4			- 703	- 703
31/Dec/20	736	-	12.875	13.611

## 9. Cash flow statement

<b>Cash flow statement</b>	<b>Q4 2020</b>	<b>Q2-Q4 2020</b>
	01/Oct/20	06/Apr/20
(000 DKK)	31/Dec/20	31/Dec/20
Loss before tax	- 581	- 763
Financial expenses, reversed	6	8
Change in working capital	- 120	31
Cash flow from operating activities before net financials	<b>- 695</b>	<b>- 724</b>
Financial expenses paid	- 6	- 8
<b>Cash flow from operating activities</b>	<b>- 701</b>	<b>- 732</b>
Purchase of intangible assets	- 76	- 76
<b>Cash flow from investing activities</b>	<b>- 76</b>	<b>- 76</b>
Capital per ApS - A/S formation	-	440
Cash capital increase, IPO	15.792	15.792
Transaction cost, cash capital increase	- 1.918	- 1.918
<b>Cash flow from financing activities</b>	<b>13.874</b>	<b>14.314</b>
Total cash flow for the period	13.097	13.506
Cash, beginning of the period	409	-
Cash, end of the period	<b>13.506</b>	<b>13.506</b>