



developing evidence-based treatments -
specifically for children



First Quarter Report (Q1-2021)

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

CESSATECH - FIRST QUARTER REPORT (Q1-2021)

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First quarter of 2021 confirmed that CT001 has a great potential, with the top-line results of study 0203 - for children safety is so important, as children are not small adults. The study confirmed 10 years of use with ketamine/sufentanil, with 'no serious adverse events reported' - this cannot be stressed enough and is a lighthouse for future products and aspirations. The year 2021 is really about execution of our development plan, but we will try and advance other early activities too - stay tuned for more updates. Thanks for a great effort from all, we are doing all the right things...

Jes Trygved, CEO

1. Summary

The Board of Directors and CEO of Cessatech hereby publish the first quarter report of 2021. 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 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

Q1 2021

2020

01/Jan/21

06/Apr/20

Amounts in DKK '000'

31/Mar/21

31/Dec/20

Net Revenue

-

-

Operating result

-2.863

-901

Net result

-2.458

-849

Cash at Bank

11.148

13.506

Earnings per share *

-0,67

-0,55

Solidity (%)**

98%

99%

**Earnings 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 March 2021 amounted to 3,680,000 shares, the average number of shares during the first quarter was 3,680,000. There has been an increase in the number of shares since the completion of the IPO in December 2020..*

***Solidity: Total equity divided by total capital and liability*

It is great to really get started with all the activities, and the team and partners are performing so well. We have a busy year ahead, but we are on track with all our activities. We have been very ambitious in our planning but are building an agile business model. Like children, we will continue to find new opportunities and approaches to succeed!

Jes Trygved, CEO



2. CEO comments

Cessatech's successful IPO in December 2020 provided capital to initiate the clinical activities for CT001. First quarter of 2021 has been focusing on initiating these clinical activities, in particular **the bioavailability** trial 0204 - which successfully was initiated.

Cessatech has not been negatively impacted by the effects of COVID-19 to date, and we remain determined to maintain our timelines and stay on track towards our goal of improving outcomes for the children. It obviously requires much effort to continuously plan around these challenges, and things can still change during 2021.

In the first quarter, we shared excellent results from the **Registry Safety Study (0203)** - that indicates a favourable safety-profile for Cessatech's lead product CT001. The primary outcome of the Registry Safety Study has been to investigate adverse events, including serious adverse events for the combination of sufentanil and s-ketamine when administered as a part of routine clinical care. No serious adverse events were reported for the use of sufentanil and s-ketamine in combination, confirming a favourable safety profile for this combination. For the development of CT001 it has been important to address the risk of serious respiratory adverse events which is an uncommon but feared adverse event when administering strong analgesics for treatment of pain in children

Our **financial position** is tracking according to plan, and the increase in costs follows the increased activity levels when clinical trials are initiated. This will continue throughout the quarters and the warrants which can be exercised during the period 25 November 2021 until 16 December 2021 could provide the Company with a total of approx. DKK 25.2 million of cash (before issuing costs) if all warrants are exercised. This will be sufficient to continue the activities.

Another important confirmation of our progress came subsequent to the first **award for Best Medical Treatment IPO Nordics** in 2020 by independent editorial CFI.co - the editorial highlights "The Danish pharmaceuticals company invites investors to reimagine healthcare in the context of evidence-based treatment specially designed for children. Cessatech starts with drugs that have already proven effective in adults, but have yet to be adapted to address children's unmet medical needs"

Highlights during Q1-2021

- Published favourable data from the Registry Safety Study (0203)
- Awarded Best Medical Treatment IPO Nordics in 2020 by independent editorial
- Reported first subject dosed in bioavailability trial 0204 of lead product candidate
- Clinical submissions finalized for trial 0206, ready for Q2-2021 initiation
- Building the organizational team to lead the final development of CT001

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.

Product portfolio

The Company has two follow-on concepts for children, a sedative nasal spray (CT002) for medical and diagnostic procedures (e.g., MRI scanning) and a local anaesthetic gel (CT003) that can be applied to open wounds (e.g., before stitching in the emergency room). With the recent success of obtaining an approved PIP for the Company's lead asset, it is the Company's ambition to apply for a similar development program as the one recently granted for 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

4. Financial development

OPERATING INCOME AND OPERATING RESULTS

The operating income and result for Q1-2021 were as expected.

Net revenue amounted to DKK 0 and the operating result was KDKK -2,863 in Q1-2021. The operating result was as expected as the Company is currently conducting development activities.

BALANCE SHEET AND SOLIDITY

The total equity at 31 March 2021 was KDKK 11,791

The solidity as per 31 March 2021 was 98%

CASH FLOW AND INVESTMENTS

Cash at bank in Q1-2021 was KDKK 11,148

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 March 2021 amounted to 3.680.000 There was an increase to the number of shares during the fourth quarter of 2020, related to the IPO. 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 2.250.000 outstanding warrants. One [1] warrant entitles the holder the right to subscribe for one [1] new share 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 approx DKK 25.2 million (before issuing costs) if all warrants are exercised.

5. Miscellaneous

Shareholders	Number of shares	Votes and capital
Shareholders >5%		
Jes Trygved (CEO)	526.594	14,31%
Buhl Krone Holding Aps	526.594	14,31%
Steen Winther Henneberg	500.000	13,59%
Bettina Nygaard Nielsen	500.000	13,59%
All other shareholders	1.626.812	44,21%
SUM	3.680.000	100,00%

Board of Directors		
Ulla Buhl (Buhl Krone Holding Aps)	526.594	14,31%
Martin Olin	26.594	0,72%
Charlotte Videbæk (C-Aps)	26.594	0,72%
Adam Steensberg	5.152	0,14%
Peter Birk	5.152	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

ACCOUNTING POLICY

This unaudited results announcement contains condensed financial information for the three months ended 31 March 2021 and 2020 full year, and should be read in conjunction with the Annual Report 2020, which was prepared in accordance with International Financial Reporting Standards as adopted by the European Union 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 Annual Report from 31/12-2021. This first quarter 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

AUDITOR'S REVIEW

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

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

ANNUAL GENERAL MEETING AND AVAILABILITY OF THE ANNUAL REPORT

The Annual General Meeting was held online due to the COVID19 situation on Friday 26 March 2021 at 8.00 AM. The annual report and the minutes from the annual general meeting is available on Cessatech's website.

SUBMISSION OF Q1 REPORT

The Board of Directors hereby certifies that this Q1 report provides a true and fair view of the Company's business.

Copenhagen 19 April 2021

The Board of Directors

6. Income statement

INCOME STATEMENT	Q1 2021	2020
	01/Jan/21	06/Apr/20
Amounts in DKK '000'	31/Mar/21	31/Dec/20
Revenue	-	-
Other operating expenses	-2.030	-612
Staff expenses	-834	-289
Operating loss before net financials	-2.863	-901
Financial costs	-20	-8
Loss before tax	-2.883	-909
Tax on loss for the period	425	60
Net loss for the period	-2.458	-849
Other comprehensive income for the period, net of tax		
Total comprehensive income	-2.458	-849

7. Balance sheet

BALANCE SHEET	Q1 2021	2020
Amounts in DKK '000'	31/Mar/21	31/Dec/20
Assets		
<i>Fixed Assets</i>		
- Patents	76	76
Intangible Assets	76	76
Total fixed Assets	76	76
Current assets		
- Tax receivables	485	60
- Other receivables	234	89
- Prepayments	93	77
- Cash at bank	11.148	13.506
Total current assets	11.961	13.732
Total assets	12.037	13.808
Equity and liabilities		
<i>Equity</i>		
Share capital	736	736
Retained earnings	11.055	12.875
Total equity	11.791	13.611
<i>Liabilities</i>		
Total long term liabilities		
- Trade payables	99	108
- Other payables	147	89
Total current liabilities (short-term)	246	197
Total liabilities	246	197
Total equity and liabilities	12.037	13.808

8. Statement of changes in equity

CHANGE IN EQUITY Q1, 2021	Share-	Share	Retained	Shareholders
Amounts in DKK '000'	Capital	Premium	earnings	equity
At 1 January 2021	736		12.875	13.611
Incentive Warrant Scheme			638	638
Total comprehensive income for the period			-2.458	-2.458
At 31 March 2021	736		11.055	11.791

CHANGE IN EQUITY 2020	Share-	Share	Retained	Shareholders
Amounts in DKK '000'	Capital	Premium	earnings	equity
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	
Incentive Warrant Scheme			146	146
Expenses in connection with capital increase			-1.918	-1.918
Total comprehensive income for the period			-849	-849
At 31 December 2020	736		12.875	13.611

9. Cash flow statement

CASH FLOW STATEMENT	Q1 2021	2020
	01/Jan/21	06/Apr/20
Amounts in DKK '000'	31/Mar/21	31/Dec/20
Loss before tax	-2.883	-909
Financial expenses, reversed	20	8
Other non-cash items	638	146
Change in working capital	-112	31
Cash flow from operating activities before net financials	-2.337	-724
Financial expenses paid	-20	-8
Cash flow from operating activities	-2.358	-732
Purchase of intangible assets	-	-76
Cash flow from investing activities	-	-76
Capital per ApS - A/S formation	-	440
Cash capital increase, IPO	-	15.792
Transaction cost, cash capital increase	-	-1.918
Cash flow from financing activities	-	14.314
Total cash flow for the period	-2.358	13.506
Cash, beginning of the period	13.506	-
Cash, end of the period	11.148	13.506

www.cessatech.com

