

Press Release

19. August 2021

Second quarter report Q2-2021 - planning for the pivotal trials

Cessatech A/S (“Cessatech” or the “Company”) today releases its results for the period 1 April – 30 June 2021. The second quarter report is available as an attached document to this press release and on www.cessatech.com under Investor, ‘Filings & Reports’. The company is on track with planned activities, has completed recruitment for the bioavailability trial 0204 and is ready to initiate recruitment of trial 0206 - a trial to investigate the pharmacokinetics in children aged 1-17 undergoing elective surgical procedures.

Second quarter 2021 (1 April – 30 June):

- Net revenue was KDKK 0
- Operating result was KDKK -3,088
- Net result was KDKK -2,641
- Cash at bank end of the period was KDKK 9,465
- Earnings per share* was KDKK -0,72
- Solidity** was 88%

**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 30 June 2021 amounted to 3,680,000 shares, the average number of shares during the second 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.*

Highlights during second quarter 2021

- Completed recruitment for trial 0204, final results expected end of the year
- Ready to initiate recruitment for trial 0206
- Preparing for the pivotal trial 0205
- Initiated formulation activities of CT002
- Awarded IPO of the year by Affärsvälden
- Continue to build the organization to lead the development of CT001
- Appointed Adam Steensberg as Chairman of the Board

“The second quarter of 2021 has focused much on clinical activities, with coordinating and executing three (3) clinical trials in parallel - in particular preparing for the pivotal trial 0205 with more than 220 patients has been a major effort, more will continue in Q3 and Q4. The Company was awarded IPO of the year by Affärsvälden, which was another recognition of our hard work and we are proud to have initiated early formulation activities for our second product candidate CT002 - the outlook is really positive for the Company and it looks like 2021 will be a promising year” says Jes Trygved, CEO



developing evidence-based treatments -
specifically for children


cessa tech
rethinking child treatments



Second Quarter Report (Q2-2021)

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

CESSATECH - SECOND QUARTER REPORT (Q2-2021)

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Coordinating and executing three (3) clinical trials in parallel - in particular preparing for the pivotal trial 0205 with more than 220 patients has been a major effort, more will continue in Q3 and Q4. The Company was awarded IPO of the year Affärsvärlden, which was another recognition of our hard work and we are proud to have initiated early formulation activities for CT002 - 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 second 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 as expected 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. 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	Q2 2021	H1 2021	Q1 2021	2020
	01/Apr/21	01/Jan/21	01/Jan/21	06/Apr/20
Amounts in DKK '000'	30/Jun/21	30/Jun/21	31/Mar/21	31/Dec/20
Net Revenue	-	-	-	-
Operating result	-3.088	-5.950	-2.863	-901
Net result	-2.641	-5.099	-2.458	-849
Cash at Bank	9.465	9.465	11.148	13.506
Earnings per share *	-0,72	-1,39	-0,67	-0,55
Solidity (%)**	88%	88%	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 30 June 2021 amounted to 3,680,000 shares, the average number of shares during the second 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 and we are building an agile business model. Like children do, we will continue to find new opportunities and approaches to succeed!

Jes Trygved, CEO

2. CEO comments

The second quarter of 2021 has been focusing on the clinical activities, and running and planning three (3) clinical trials obviously requires some effort. We are really happy with the progress we have made, in particular with the bioavailability trials 0204 which had a fast recruitment.

We reported the last subject dosed in May of the **bioavailability clinical trial 0204** in 12 healthy volunteers investigating the absolute bioavailability of CT001. Primary aim of this trial is to demonstrate drug-exposure following nasal administration of CT001 relative to the intravenous (IV) injection of the approved analgesic drugs. We expect the results of the analysis to be ready by the end of the year.

Clinical **trial 0206 will investigate the pharmacokinetics** in children aged 1-17 undergoing elective surgical procedures. Primary aim of this trial is to obtain pharmacokinetic data from this age group and to demonstrate that CT001 nasal spray is feasible as premedication in children undergoing anaesthesia. We had hoped to initiate this trial before the holidays, but unfortunately it was not possible. *Everything is ready, and even patients have been screened and scheduled but we had to postpone due to the principal investigator's unexpected and sudden passing, which has been a tragic event for us and in particular for his family and the colleagues at the University Hospital of Copenhagen.* We expect the trial to be initiated very soon, and should not impact the timelines for finalization. A new principal investigator has been appointed.



In addition, we have been preparing the clinical **trial 0205, investigating the postoperative analgesic efficacy of CT001**, in adult participants following impacted mandibular third molar extraction, a randomized, double-blind placebo controlled trial with 220 patients. Apart from preparing the protocol and patient information etc, we have been focusing on the site selection and process to ensure a fast and effective patient recruitment.

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 challenges, and things can still change during 2021. The ongoing nurse strike in Denmark has given us some minor challenges (mainly related to trial 0206) but hopefully this will not impact our timelines in any material way.

In the second quarter, we shared the fantastic news that Cessatech was **awarded the quality IPO of the year**. Affärsvärlden's IPO guide examines all Swedish stock exchange listings. In 2020, 47 companies were listed on the stock exchange. The IPO guide did not find a “red-flag” at Cessatech's listing and the company had the best price development of the two micro companies with zero “red-flags”. In the quality class, Danish Cessatech took home the award. We are truly proud and extremely happy for the recognition by Affärsvärlden, one of the leading business

journals in the Nordics. Thanks to the team for the hard work related to the listing and staying on track with our development activities.

As initially communicated in the prospectus, we will look into a new route of administration to optimize the process and provide a better non-invasive sedative solution for children undergoing MRI scanning, what we call **CT002**. Currently, the sedative drug is administered intravenously, but a new formulation will be investigated for intranasal administration which would provide several advantages over current clinical practice. We have initiated the early formulation work and hope to have more news to share during the 2nd half of 2021.

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 - the warrant is currently 'in the money'. This will be sufficient to continue the planned activities.

Cessatech A/S announced that the Board of Directors has appointed **Adam Steenberg as the new Chairman of the Board** as of July 1st, 2021. Adam Steensberg is Chief Medical Officer and Head of R&D at Zealand Pharma and has been on the Board of Cessatech since August 2020. His experience in bringing medicines through late-stage development to commercialization will be important as Cessatech moves into the next development phase with the planned initiation of the first pivotal trial for CT001 in the second half of 2021.

Highlights during Q2-2021

- Finalized recruitment for trial 0204, final results expected end of the year
- Ready to initiate recruitment for trial 0206
- Preparing for the pivotal trial 0205
- Initiated formulation activities of CT002
- Awarded IPO of the year by Affärsvärlden
- Continue to build the organization to lead the final development of CT001
- Appointed Adam Steensberg as Chairman of the Board

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 paediatric investigation plan (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 Q2-2021 were as expected.

Net revenue amounted to DKK 0 and the operating result was KDKK -3,088 in Q2-2021. The operating result was as expected as the Company is currently conducting development activities.

BALANCE SHEET AND SOLIDITY

The total equity at 30 June 2021 was KDKK 9,572

The solidity as per 30 June 2021 was 88%

CASH FLOW AND INVESTMENTS

There has been no significant investments during the period, only activities focusing on clinical development.

Cash at bank end of June 2021 was KDKK 9,465. The majority of the cash flow is related to clinical activities which will continue as planned through 2021.

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 30 June 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 2.520.000 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 six months ended 30 June 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 December 2020. 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 Q2 REPORT

The Board of Directors hereby certifies that this Q2 report provides a true and fair view of the Company's business.

Copenhagen 19 August 2021

The Board of Directors

6. Income statement

INCOME STATEMENT	Q2 2021	H1 2021	Q1 2021	2020
	01/Apr/21	01/Jan/21	01/Jan/21	06/Apr/20
Amounts in DKK '000'	30/Jun/21	30/Jun/21	31/Mar/21	31/Dec/20
Revenue			-	-
Other operating expenses	-2.241	-4.269	-2.030	-612
Staff expenses	-847	-1681	-834	-289
Operating loss before net financials	-3.088	-5.950	-2.863	-901
Financial costs	-17	-38	-20	-8
Loss before tax	-3.105	-5.988	-2.883	-909
Tax on loss for the period	464	890	425	60
Net loss for the period	-2.641	-5.099	-2.458	-849
Other comprehensive income for the period, net of tax				
Total comprehensive income	-2.641	-5.099	-2.458	-849

7. Balance sheet

BALANCE SHEET	Q2 2021	Q1 2021	2020
Amounts in DKK '000'	30/Jun/21	31/Mar/21	31/Dec/20
Assets			
<i>Fixed Assets</i>			
- Patents	117	76	76
Intangible Assets	117	76	76
Total fixed Assets	117	76	76
Total non-current assets	890	425	-
Current assets			
- Tax receivables	60	60	60
- Other receivables	304	234	89
- Prepayments	100	93	77
- Cash at bank	9.465	11.148	13.506
Total current assets	9.929	11.536	13.732
Total assets	10.936	12.037	13.808
Equity and liabilities			
<i>Equity</i>			
Share capital	736	736	736
Retained earnings	8.836	11.055	12.875
Total equity	9.572	11.791	13.611
<i>Liabilities</i>			
Total long term liabilities			
- Trade payables	363	99	108
- Other payables	1.001	147	89
Total current liabilities (short-term)	1.364	246	197
Total liabilities	1.364	246	197
Total equity and liabilities	10.936	12.037	13.808

8. Statement of changes in equity

CHANGE IN EQUITY Q2, 2021	Share-	Share	Retained	Shareholders
Amounts in DKK '000'	Capital	Premium	earnings	equity
At 31 March 2021	736		11.055	11.791
Incentive Warrant Scheme			421	421
Total comprehensive income for the period			-2.641	-2.641
At 30 June 2021	736		8.836	9.572

CHANGE IN EQUITY H1, 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			1.059	1.059
Total comprehensive income for the period			-5.099	-5.099
At 30 June 2021	736		8.836	9.572

9. Cash flow statement

CASH FLOW STATEMENT	Q2 2021	1H 2021	Q1 2021	2020
	01/Apr/21	01/Jan/21	01/Jan/21	06/Apr/20
Amounts in DKK '000'	30/Jun/21	30/Jun/21	31/Mar/21	31/Dec/20
Loss before tax	-3.105	-5.988	-2.883	-909
Financial expenses, reversed	17	38	20	8
Other non-cash items	421	1.059	638	146
Change in working capital	1.042	929	-112	31
Cash flow from operating activities before net financials	-1.625	-3.962	-2.337	-724
Financial expenses paid	-17	-38	-20	-8
Cash flow from operating activities	-1.642	-4.000	-2.358	-732
Purchase of intangible assets	-41	-41	0	-76
Cash flow from investing activities	-41	-41	0	-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	-1.683	-4.041	-2.358	13.506
Cash, beginning of the period	11.148	13.506	13.506	-
Cash, end of the period	9.465	9.465	11.148	13.506

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