
CESSATECH ANNOUNCES DKK 18.3 MILLION CAPITAL RAISE THROUGH A 80% GUARANTEED RIGHTS ISSUE TO FINANCE PIVOTAL DEVELOPMENT OF CT001

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København, Denmark, October 19, 2022 – The Board of Directors of Cessatech A/S (“Cessatech” or the “Company”) has today resolved to carry out a share issue with preferential rights for the Company’s existing shareholders including warrants (the “Rights Issue” or the “Offering”). Upon full subscription of the Rights Issue, the Company will receive approx. DKK 18.3 million and upon full exercise of the warrants, the Company will receive up to an additional approx. DKK 27.5 million before costs related to the Offering. The proceeds from the Offering will be applied to the continued development of CT001, including the preparations for the 0202 study and CT001’s regulatory submission.

Summary of the Offering

- Cessatech’s existing shareholders have preferential rights to subscribe for new shares including warrants free of charge (together referred to as “Units”).
- One (1) existing share in Cessatech held on the record date of October 25, 2022, entitles to one (1) Unit Right. Four (4) Unit Rights entitles to subscription of one (1) Unit. One (1) Unit comprise of six (6) new shares and three (3) warrants of series TO2 free of charge. The Offering includes up to 1,528,133 Units in total.
- The subscription price is DKK 12 per unit, corresponding to DKK 2 per share.
- One (1) warrant of series TO2 entitles the holder to subscribe for one (1) new share in the Company for a defined 2-week period starting 2 weeks after the announcement of the data from the Company’s 0205 study, currently expected in Q2/Q3, 2023, or following the announcement of the Company’s 2023 annual report, whichever is sooner. The exercise price shall correspond to 70% percent of the VWAP of the Company’s share price on Spotlight Stock Exchange during the period from the announcement of the 0205 study data and the following ten trading days, but at least DKK 2 and no more than DKK 6.
- The proceeds from the Offering are expected to amount to a maximum of approx. DKK 18.3 million before costs. Upon full exercise of warrants the Company may receive an additional approx. DKK 27.5 million before costs.
- The Rights Issue is 80 percent secured through subscription and guarantee undertakings.
- The Record date for participation in the Rights Issue is October 25, 2022.
- The Subscription period of the Rights Issue runs from October 27 up until November 9, 2022, both days included.

Jes Trygved, CEO in Cessatech says: *“Children have a right to the highest attainable standard of health care yet continue to be under-represented both in medication research and drug development. At Cessatech, we are committed to developing and commercialising evidence-based medicines for children. We have made significant progress in moving CT001 through clinical development and with further financial support from this rights issue we can deliver on our mission to bring this product to the market in the near future”.*

Background for the Offering

To date Cessatech's lead candidate CT001 has met all its development objectives. With the initiation of the pivotal 0205 trial, the Company is now entering the final phases of development. This places Cessatech in the small group of late-stage Nordic biopharma companies.

CT001 is an analgesic non-invasive nasal spray for children aged 1-17 years that experience acute pain or pain related to medical procedures. The product is based on more than ten years of clinical experience and has been proven effective and safe in a clinical Phase II trial in 50 children. Almost all (94 percent) stated that they would like to receive this treatment again rather than existing alternatives (e.g., oral solutions or injections).

Use of proceeds

The proceeds from the Offering will allow Cessatech to continue the development activities associated with CT001 and enable the Company to reach a number of important value inflection points. The Company plans to apply the proceeds to the following activities:

- **Initiation of the 0202 study (30%)**
Parts of the proceeds will be utilized in initiation and finalization of the 0202 study, including development of a trial protocol based on dosing and pharmacokinetic information obtained from previous trials with CT001. The trial will be including more countries and sites than originally planned. The 0202 study is expected to commence in H1 of 2023.
- **Preparation for regulatory submission of CT001 (30%)**
Regulatory submission of the file in EU is targeted for 2024. Part of the submission to EMA must demonstrate that CT001 has developed the necessary procedures to assess physical and chemical characteristics of drug product and to ensure quality and consistency during manufacturing including the spray container. Hence, parts of the proceeds will be utilised to develop the final CMC program for CT001.
- **General development, corporate and administrative purposes (40%)**
The remainder of the proceeds of the rights issue will be utilized for general corporate purposes through the remainder of 2022, as well as the running costs associated with the pivotal 0205 study.

The Rights Issue

Shareholders registered in the Company's shareholder register on the record date have pre-emptive rights to subscribe for Units in the Rights Issue. One (1) existing share held on the record date of October 25, 2022, entitles to one (1) Unit Right. Four (4) Unit Rights entitle to subscription of one (1) unit consisting of six (6) new shares and three (3) warrants free of charge of series TO2. In addition, investors are offered the opportunity to subscribe for Units without the support of Unit Rights. The subscription price is DKK 12 per unit, corresponding to DKK 2 per share.

Subscription of Units supported by Unit Rights shall be made by cash payment during the period October 27-November 9, 2022. Application for subscription of Units without support of Unit Rights shall be made during the same period.

Dilution

Full subscription in the Offering implies that the number of shares in the Company increases from 6,112,535 shares to 15,281,337 shares, which corresponds to a dilution of 60 percent of the number of shares and the votes in the Company. Shareholders who choose not to participate in the Offering have the opportunity to compensate for the economic dilution effect by selling their Unit Rights. Upon full exercise of the warrants in the Offering, the number of shares will increase by 4,584,401 to a maximum of 19,865,738

shares, corresponding to an additional dilution of 23 percent of the number of shares and the votes in the Company.

Warrants of series T02

The T02 Warrants offered as part of the Offering shall be exercisable for a defined 2-week period starting approximately 2 weeks after the announcement of the data from the Company's 0205 study, currently expected in Q2/Q3, 2023, or following the announcement of the Company's 2023 annual report, whichever is sooner. The exercise price shall correspond to 70 percent of the volume-weighted average price ("VWAP") of the Company's share price on Spotlight Stock Exchange during the period from the announcement of the 0205 data and the following ten trading days, but at least DKK 2 and no more than DKK 6.

Subscription- and guarantee undertakings

The Offering is secured 80 percent. Members of the Board of Directors and the CEO have entered binding subscription and underwriting commitments of DKK 2.1 million in total. In addition, the Company has entered binding subscription and underwriting commitments with new and existing investors of approx. DKK 12.6 million. For the underwriting commitments, an underwriting compensation of twelve (12) percent of the underwritten amount is paid in cash or fifteen (15) percent of the underwritten amount is issued in Units with a subscription price corresponding to the subscription price per Unit in the Offering, which the Board of Directors deems to be market terms. No compensation is paid for subscription commitments. The Board of Directors will call for an EGM shortly to resolve upon a compensation issue to the underwriters, whereby underwriters who so decides to receive Units instead of cash payment in accordance with above may receive no more than 167,623 Units in total, resulting in an increase of the Company's share capital of no more than DKK 201,147.6.

Further information regarding the parties who have entered into subscription commitments and underwriting undertakings can be found in the Offering Memorandum that is expected to be published around October 20, 2022 in accordance with the below preliminary timetable.

Timetable for the Rights Issue

Event	Date
Offering Memorandum published	October 20, 2022
Last day of trading in shares incl. right to receive Unit rights	October 21, 2022
First day of trading in shares excl. right to receive Unit rights	October 24, 2022
Record date for participation in the Rights Issue	October 25, 2022
Subscription period	October 27 – November 9, 2022
Trading in Unit rights	October 25 – November 7, 2022
Trading in BTUs (Paid subscribed Units)	October 27, 2022 - until the Offering is registered with Danish companies office
Announcement of final outcome in the Rights Issue	Around November 14, 2022

Advisors

Translusion Capital acts as financial advisors to the Company in connection with the Offering. Nordic Issuing is the Company's issuing agent whereas Elmann Law Firm is the Company's legal advisor in connection with the Offering.

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This press release constitutes inside information that Cessatech A/S is obliged to make public pursuant to the EU Market Abuse Regulation 596/2014. The information was sent for publication, through the agency of the contact persons set out above, at the time stated by the Company's news distributor, Cision, at the publication of this press release.

About Cessatech A/S

Cessatech A/S is a Danish pharmaceutical company committed to developing and commercializing 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, easy administration, a fast-acting therapeutic effect, and being medically approved for children.