Press Release
3 March 2022

Cessatech A/S publishes annual report for the fiscal year 2021

Cessatech A/S ("Cessatech" or the "Company") hereby publishes its annual report for the fiscal year 2021. The annual report including the auditor's report is attached as a pdf. The report is also available on Cessatech's website www.cessatech.com under 'Fillings & Reports'.

Full year 2021 (1 January – 31 December):

- Net revenue was KDKK 0
- Operating result was KDKK -13,833
- Net result was KDKK -11,569
- Cash at bank end of the period was KDKK 3.275
- Earnings per share* was KDKK -3.09
- Solidity** was 86%

**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 December 2021 amounted to 6.112.535 shares, the average number of shares during the full year was 3,740,145*
There has been an increase in the number of shares in Q4 related to the exercise of warrant TO 1.
***Solidity: Total equity divided by total capital and liability.*

Highlights during the full year 2021

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 finalised for trial 0206
- Building the organisational team to lead the final development of CT001

Q2-2021

- Completed recruitment for trial 0204
- Ready to initiate recruitment for trial 0206
- Initiated formulation activities of CT002
- Awarded IPO of the year by Affärsvälden
- Appointed Adam Steensberg as Chairman of the Board

Q3-2021

- Initiated (first patient enrolled) and ongoing recruitment for trial 0206
- Submitted protocol for authorities approval for trial 0205
- Finalisation of GMP clinical manufacturing batch production of CT001 for trial 0205
- Continue to build the organisation to execute the final development of CT001

Q4-2021

- Improved recruitment for trial 0206
- Final statistical analysis of trial 0204 ongoing, final results should be ready any day
- Successful warrant TO 1 exercise, overall exercise rate of approximately 97 percent
- Announced the issuance of the company's first US patent covering CT001
- Preparation of US regulatory strategy

cessatech

rethinking child treatments

Cessatech A/S - Annual Report 2021

CVR no. 41293055, Kanonbådsvej 2, 1437 Copenhagen, Denmark

CESSATECH - ANNUAL REPORT - 2021

1. COMPANY INFORMATION & MANAGEMENT REVIEW

In this document, the following definitions shall apply unless otherwise specified: “the Company” or “Cessatech” refers to Cessatech A/S, with CVR number 41293055.

The Company
Cessatech A/S
Kanonbådsvej 2
DK-1437 Copenhagen K
CVR no.: 41293055

Board of Directors
Adam Steensberg (Chairman)
Flemming Steen Jensen
Charlotte Videbæk
Peter Birk
Martin Olin

Executive Management
Jes Trygved (CEO)

Auditors
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-no. DK 33 77 12 31

2. CESSATECH

2.1 Executive summary

Cessatech – a company focusing on new and innovative solutions for children: Cessatech is a pivotal stage 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 of treatment 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.

CT001 – clinical validation

CT001 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 at Copenhagen University Hospital (Rigshospitalet). Almost all (94 percent) stated that they would like to receive this treatment again rather than existing alternatives (e.g., oral solutions or injections). In addition, Cessatech has delivered promising results in a retrospective study (0203) based on approximately 700 medical procedures during a 10-year period in a collaborative study on 328 children between Rigshospitalet (Denmark) and Astrid Lindgren Children's Hospital (Sweden). A pivotal trial (0205) of CT001 is expected to be initiated during 2022.

Pivotal stage

Cessatech has identified a clear regulatory pathway to pursue market approval for the company's lead asset CT001. Under EU regulations, a paediatric investigation plan (PIP) must be obtained to support the authorisation of a new medicine for children, and Cessatech's PIP for CT001 has

been approved by the European Medicines Agency (EMA), providing a clear and potentially rapid route to apply for regulatory approval for CT001. The company has a potential 10 years of market exclusivity in Europe based on the potential approval. In parallel, the company is considering a regulatory strategy for the US market and will communicate more on this during 1H of 2022

Cessatech's approved PIP for CT001 consists of four (4) additional short clinical trials and two (2) computer-based modelling-simulation studies. This program was initiated in 2021 and is expected to be completed in 2023. Currently two trials (0204 and 0206) are ongoing and we expect results from these studies to be presented during 2022. The pivotal trial (0205) is expected to be initiated during 2022. The data collected for the PIP under the programme will form the basis of the application for a paediatric-use marketing authorisation (PUMA) in Europe. Currently, Cessatech's ambition is to file the marketing application during 2023.

Repurposing - a risk reduced approach

CT001 is a so-called repurposing of two well-known compounds, ketamine and sufentanil, into a new fixed ready-to-use combination. As both compounds are already approved treatments for injection in adults and are also used separately for pain-relief intravenously in children, Cessatech believes this potentially reduces the risk in both development and in regulatory filing for CT001.

The repurposing of medications is a well-known strategy in drug development and seen as a highly efficient, time-saving, low cost way to improve therapeutic options while minimising the risk of failure in clinical studies. Approximately 20% of orphan drugs and biological products approved by the FDA since 1983 have been repurposed drugs. Examples also include more widely spread products like well-known acetylsalicylic acid (Aspirin®) or sildenafil (Viagra®).

Large market need

In Europe, an estimated 24 million children are exposed each year to acute and procedural pain, and the number is similar in the US, There are differences between the European and US treatment settings, however, as there appears to be a slightly higher willingness to treat in the US Emergency Department whilst in Europe there is a higher degree of screening at General Practitioner levels. However, in Europe there is a higher rate of admissions to hospitals from Emergency, compared to the US. It is estimated that out of approximately 24 million paediatric pain procedures, around 10 million are related to traumatic injury and approximately 13 million are related to pre-and postoperative procedures[1].

US-market opportunity

With more than 28 million paediatric visits to the Emergency Department alone, the US market for relief of acute and procedural pain in children is both attractive and under-served. With minimal distress for the child, a rapid onset of action and a safety profile which makes it easy to use for Emergency Department staff, CT001 can be used in the injury segment, but also in the treatment regime of children with ie. musculoskeletal disorders. Areas representing around 40% of the most common visits to Emergency Departments in the US.

[1] Estimates based on various sources (Eurostat, DST, Brandford cohort study and French DRES).

Additionally, CT001 has the potential to be used in other treatment settings. For example when children need to undergo painful procedures undertaken at hospitals, such as the placement of venflons or suturing, alleviating the need for injection of analgesics via needles. Cessatech believes that children having around 22 million painful procedures in Emergency or hospital settings in the US (9 million traumatic injuries and 13 million pre- and postoperative procedures) could benefit from a nasal solution such as CT001[2].

Product portfolio

Although the company is highly focused on its lead program CT001, we leverage our knowledge and skills in the area of paediatric analsthegics with two additional follow-on concepts for children. CT002 is a sedative nasal spray for medical and diagnostic procedures such as MRI scanning. CT003 is a local anaesthetic gel that can be applied to open wounds, for example before suturing carried out in the emergency room. In order to build on synergies in the Company's focus area of paediatric analsthegics, We anticipate that clinical development programmes of these two assets could be similar to the pathway we are currently pursuing with CT001.

Business development: In parallel with the final studies, Cessatech will investigate a regulatory strategy for the U.S. and explore a commercialization process for CT001, where the Company aims to seek partnership or out-license the product to larger pharmaceutical companies. The European Medicines Agency and the U.S. Food and Drug Administration (FDA) have agreed on principles for interaction and exchange of information on paediatric matters, to foster the global development of medicines for children. Cessatech is hopeful that this might help elevate the regulatory strategy for the U.S - once the strategy is pursued.

[2] Estimates from 'National Hospital Ambulatory Medical Care Survey (2018)', DelveInsight, Acute Pain Market Insights (2019)

The share and warrants

Cessatech shares 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 2021 amounted to 6,112,535. There was an increase to the number of shares during the fourth quarter of 2021, related to the exercise of warrant TO 1. Every share equals the same rights to the Company's assets and results.

The warrants of series TO 1 in Cessatech were listed at Spotlight Stock Market on 16 December 2020. The ticker was CESSA TO1 and the ISIN code is DK0061416849. In total, there were 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. A total of 2,432,535 warrants were exercised, corresponding to 2,432,535 shares and an overall exercise rate of approximately 97 percent. Cessatech received DKK 24.325 million before deduction of transaction related costs of DKK 1.692 million, corresponding to 6.96 percent of the issue volume in the Company's exercise of warrants.

2.2 Business model and strategy

Cessatech's business model offers scalable economic value creation by identifying and developing drugs with a short time to market and a risk-reduced profile. The drugs that will be developed by Cessatech should be proven effective in adults and represent a medical unmet need in children where a focused development plan can be applied for documenting good effect and safety in children. By following the EMA approved PIP program for its lead asset nasal spray, Cessatech significantly shortens time to market and is provided ten (10) years of market exclusivity. Utilising the PIP regulatory route is thus a cornerstone of Cessatech's business model, which will also be applied on future products when applicable. The existing business plan is focused on Europe, but Cessatech will also investigate the regulatory route and development requirements for the U.S.

Cessatech believes there are several (principle) strategic options for the business. As a small drug development company, a traditional approach would be to out-licence or sell the products to pharmaceutical companies. With its clinical late stage lead asset CT001, Cessatech believes that the Company will be an attractive candidate for partnership or an out-licensing agreement with larger pharmaceutical companies. An alternative option would be to consider a direct-to-market commercialization strategy by building on the Company's core competencies within commercialization and distribution and develop its own platform. Cessatech will continuously evaluate all strategic options to building its business.

3. LEAD ASSET CT001

Cessatech is confident that intranasal treatment has a number of advantages over intravenous medicine when treating children. An intranasal treatment is easier and quicker to administer, resulting in fast pain relief, and the child does not have to experience the potential or perceived pain related to an injection. Also, it is more feasible to administer compared to non-compliant children than oral medications.

The treatment of acute pain in children is characterised by a significant unmet medical need, which has been recognized by both regulatory authorities and health care professionals.
Despite many pain-relieving products available for use with adult patients, few of these have been developed or approved for children. The vast majority of pain-relieving treatments used for children in hospital settings have therefore not been specifically tested, documented or approved for paediatric use but are treatments used for adults being used off-label. According to a study of unlicensed drug prescription up to 75 percent of all medications currently prescribed in hospital settings for use in children are administered off-label with a deviation from the approved dose levels for adults [3]. For example, one commonly used treatment, Midazolam, only has a sedative effect, leaving the pain untreated. Equally, morphine/opioids to relieve pain require intravenous access for fast relief, potentially causing further discomfort for the child.

3.1 Cessatech's solution and lead asset CT001

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 approximately 30 percent lower dose of sufentanil which could allow the avoidance of undesirable side effects such as prolonged sedation and risk of respiratory depression.

CT001 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 at Copenhagen University Hospital (Rigshospitalet).
The nasal spray was confirmed effective, with a maximum pain score during the painful procedure of 5 or less on a 0–10 scale (0 indicating no pain and 10 the worst imaginable pain) in 78 percent of the children. Furthermore, no serious adverse events were reported. Almost all (94 percent) of the children or parents (for preverbal children) stated that they would like to receive this treatment again in a similar situation rather than analgesic suppositories, tablets, oral solutions, or injections
In addition, Cessatech has delivered promising results in a retrospective study based on approximately 700 medical procedures during a 10-year period in a collaborative study on 328

[3] PEDIATRIC ANESTHESIOLOGY - Off-Label Use of Medications in Children Undergoing Sedation and Anesthesia - Epub 2012 Mar 26 (Smith, Michael)

children between Rigshospitalet (Denmark) and Astrid Lindgren Children's Hospital (Sweden). CT001 is expected to enter the pivotal trial (0205) in 2022.

Cessatech has entered into an agreement with Rigshospitalet regarding the assignment of the analgesic nasal spray CT001 to Cessatech, including data, patent rights and other relevant documents as well as an exclusive licence to, among other things, develop and sell the product. For this, Cessatech will pay a royalty of 1% on all net sales to Rigshospitalet as well as a royalty of ten (10) percent on all revenue received from sub-licensees irrespective of the revenue originates from jurisdictions where there is a valid claim or not. The royalties shall be reported and paid annually to Rigshospitalet. Cessatech is solely responsible for the development, manufacture and sale of CT001 as well as the commercialization and the patent rights and the Company or collaboration partners shall bear all costs related thereto.

Thus, a needle-free analgesic drug product with rapid onset of systemic analgesic effect for treatment of short painful procedures, developed and approved for use in children 0-17 years, are currently absent on the market.

3.2 Competitive landscape for CT001

There is a clear unmet medical need for the treatment of procedural pain in children due to the lack of medicines which have been specifically developed and approved for use in paediatrics. There are also shortcomings of existing treatment options which have primarily been developed for adults (see table below).

An overview of the shortcomings of existing treatment options

	Midazolan	Nitrous Oxide	Opiods (sufentanil)	Fentanyl nasal spray	Ketamine/ s-ketamine	CT001 Sufentanil/ Ketamine
Route of Administration	Injection, oral or rectal	Inhalation	Injection, oral or rectal	Intranasal	Injection	Intranasal
Time to analgesic effect	N/A	~3 min	15 min (inj.) 1 h (other)	15 min	< 2 min	10 min (max 15 min)
Risk of side Effects	Moderate	Low	Low, dose dependent	Moderate	Moderate	Low, dose dependent
Authorized for Children	Only sedation > 1 year	Yes	Yes (no age range specified)	No	Yes (no age range specified)	Age 1-17
Food Restriction	Yes	Yes (2 hours)	No	No	Yes	No
Requires trained Staff	No	Yes	No	No	Yes	No
Comments	No analgesic effect	Working environment concerns	Fast onset Requires IV-access	No paediatric formulation	Requires anaesthetist	-

Only EMLA® crème and Fentanyl solutions for injection are approved for treatment of short painful procedures. In clinical practice EMLA® crème is used for the prevention of pain related to needle insertion, while fentanyl injection is only used in relation to surgery. Sedatives/analgesics are often used off-label for treatment/prevention of paediatric procedural pain. Commonly used drug products are midazolam for sedation (which has no analgesic effect), morphine (which requires injection for fast onset) and nitrous oxide (only for children of approximately 4 years of age and above and requires specially trained staff to administer the treatment/drug as well as requiring a child to use a mask for administration of the drug). Commercially available fentanyl nasal spray is not developed for use in children so there are no recommended dose levels according to the child's weight is not possible.

4. COMMENT FROM THE CEO

During 2021 we focused on our clinical activities and preparations for discussions with US regulatory authorities. As a small biotech, despite being agile and having a high degree of flexibility we are also highly networked and dependent on suppliers and outside sources, which can sometimes impact our internal timelines. Nevertheless,we were pleased to have achieved our overall stated objectives for the year and are on track to achieve our main objectives for 2022. Like many others in our industry, we have experienced minor delays to our originally stated timelines due to the COVID-19 pandemic which impacted global healthcare systems and especially the hospitals during the last two years.

This was mainly experienced in our 0204 and 0206 studies but we anticipate a much lesser impact during 2022, particularly as we only have 0206 running in a hospital setting.

We managed to complete most of the tasks we had set up for the year 2021 - including finalizing the IMP from our manufacturer, reporting on the Registry Study and initiating the important Phase 2 trials (0204 and 0206) and obtaining the first US patent for CT001. I am very proud that we managed it all together with exercise of the warrant TO 1 with app 97% success rate - and we have many activities to be completed in 2022, but especially the results of clinical studies, will be instrumental for our future success!

In early November (Q4), we announced that the United States Patent and Trademark Office (USPTO) had issued U.S. patent number 11.160.799 to the Company, which is directed to a storage stable pre-filled and ready to use nasal spray device comprising sufentanil and ketamine and a method of treating or preventing pain in a child by use of said device. This is the first US patent covering CT001. During Q4 we prepared for regulatory meetings focusing on a pathway for a US development program. We look forward to communicating additional information on our US development and regulatory strategy during 2022

The clinical program includes a bioavailability study (0204) investigating concentrations of active drugs in the blood after nasal administration or injection of the approved intravenous solutions of the drug. The study is planned to bridge to the already approved intravenous solutions. In addition, a pivotal study (0205) looking at efficacy and how pain relief correlates to the amount of the active drugs in the blood are investigated in an acute pain model (removal of impacted wisdom teeth) in adults. A study in paediatric patients (0206) investigating the amount of the active drugs in the blood of children of all age groups supplementing the data from the initial

Phase II study 0201, will also be needed to close knowledge gaps. These studies will be completed in 2022, and together with the two computer-modelling studies and the final prehospital study (0202) in paediatric patients in 2022/2023 will potentially serve as the basis for a PUMA approval.

It is important for a clinical stage company to continually meet with potential partners and investors to explain the vision and development of the business. Our activities in this are likely to intensify in the future as we work to ensure we are sufficiently funded to ensure we can deliver our stated goals and ambitions.

Rethinking Child Treatments

Our purpose of Rethinking Child Treatments is the core driver of all our activities going forward. From our lead product CT001 to leveraging the synergies of our experience and knowhow, we will always have our focus on helping to improve the treatment landscape of child analgesics. Rethinking Child Treatments is an integrated part of the way we think and conduct our business operations. CT001 is based on the concept of 'repurposing' and is seen as a highly efficient, time-saving, low cost strategy with a minimised risk of failure. The strategy of repurposing medicines is not new, and around 20% of orphan drugs and biological products approved by the FDA since 1983 are repurposed drugs.

Thank you

I am very much looking forward to a busy and successful year ahead continuing Cessatech's ambitious journey to bring new solutions to the millions of children worldwide suffering from the lack of adequate solutions. This year will mark another exciting part of our company journey as we transform from an early stage clinical organisation into a late stage clinical company, with an even broader geographical scope. I would like to take this opportunity to thank our shareholders for their support and confidence in our business and product vision as well as the hard work and dedication of my extraordinarily talented team.

5. HIGHLIGHTS FROM 2021

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 finalised for trial 0206
- Building the organisational team to lead the final development of CT001

Q2-2021

- Completed recruitment for trial 0204
- Ready to initiate recruitment for trial 0206
- Initiated formulation activities of CT002
- Awarded IPO of the year by Affärsvälden
- Appointed Adam Steensberg as Chairman of the Board

Q3-2021

- Initiated (first patient enrolled) and ongoing recruitment for trial 0206
- Submitted protocol for authorities approval for trial 0205
- Finalisation of GMP clinical manufacturing batch production of CT001 for trial 0205
- Continue to build the organisation to execute the final development of CT001

Q4-2021

- Improved recruitment for trial 0206
- Final statistical analysis of trial 0204 ongoing, final results should be ready any day
- Successful warrant TO 1 exercise, overall exercise rate of approximately 97 percent
- Announced the issuance of the company’s first US patent covering CT001
- Preparation of US regulatory strategy

6. HIGHLIGHTS AFTER THE PERIOD 2021

- Appointed Rascal Curtis Gravesen as Observer to the Board of Directors

7. BOARD OF DIRECTORS

Adam Steensberg

Chairman of the Board of Directors since July 2021 (member since 2020)
Education: MD, Doctor of Medical Science, Copenhagen, MBA IMD Switzerland.
About: Adam Steenberg has 15 years of experience in the biotech- and pharmaceutical industry. He has a broad experience from R&D strategy, medical, science from all stages of development, including regulatory submissions. Other ongoing assignments: Chief Medical Officer, EVP, Head of R&D at Zealand Pharma

Charlotte Videbæk

Member of the Board of Directors since 2020
Education: MD, Doctor of Medical Science, Specialist in Neurology, Copenhagen.
About: Charlotte Videbæk has more than ten years of clinical experience, followed by more than 20 years of experience within international pharma- and biotech and project management. Other ongoing assignments: Other ongoing assignments: Consultant and founder of C-ApS

Peter Birk

Member of the Board of Directors since 2020
Education: Ph.D. in Protein Engineering, INSA Toulouse, France and Master of Molecular Biology, University of Southern Denmark, Denmark.
About: Peter Birk has a proven biotech track record where he has held several Board positions and both strategic and operational managerial positions. Other ongoing assignments: Partner at Accelerace Management A/S and Chairman of the Board of Directors of Monta Biosciences ApS.

Martin Olin

Member of the Board of Directors since 2020
Education: M.Sc, Business & Auditing, Copenhagen Business School.
About: Martin Olin has more than 20 years of life science experience, CEO and CFO leadership experience in international organisations.
Other ongoing assignments: Chief Executive Officer at BerGenBio ASA

Flemming Steen Jensen

Member of the Board of Directors since 2020
Education: M.Sc. in Pharmacy, University of Copenhagen, Denmark.
About: Flemming Jensen has more than 30 years of experience in the pharmaceutical Industry, where he held positions within development, manufacturing, supply chain, QA, engineering and senior management.
Other ongoing assignments: Senior Vice President at Ascendis Pharma A/S, member of the Board of Directors of Genau & More A/S and Allero Therapeutics B.V.

8. EXECUTIVE MANAGEMENT

Jes Trygved
Chief Executive Officer, CEO
Education: MSc. International Marketing, Copenhagen Business School, Denmark

Jes Trygved has 20 years of experience within the biotech- and pharmaceutical industry, incl. 15 years with H. Lundbeck A/S in various commercial roles where he managed teams of up to +100 people.
In addition, Jes Trygved is also an MBA Advisor at Copenhagen Business School and Senior Healthcare Adviser at Valtech A/S.

9. MISCELLANEOUS

9.1 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 2021 amounted to 6,112,535. Every share equals the same rights to the Company's assets and results.

The Board and the CEO have proposed that no dividend is paid out for the fiscal year, 1 January 2021 - 31 December 2021.

9.2 Financial calendar

Annual General Meeting: 17 March 2022
Q1 Report: 19. April 2022
Q2 and half-year Report: 19 August 2022
Q3 Report: 18 November 2021
Q4 and year-end report 2022: 2 March 2023

10. FINANCIAL HIGHLIGHTS AND RATIOS

Key figures	**2021**	**2020*)**
Amounts in DKK ´000´		
Income Statement		
Operating Loss	-13,833	-901
Total financial items	-60	-8
Loss for the period	-11,569	-849
Balance sheet		
Total assets	30,653	13,808
Equity	26,242	13,611
Cash flows		
Cash flows from:		
- Operating activities	-10,104	-732
- Investing activities	-127	-76
- Financial activities	0	14,314
The Period´s cash flow	-10,231	13,506
Dividend	0	0
Ratios		
Solvency ratio	86%	99%
Earnings per share (DKK)	-3.09	-0.55

For definitions of ratios, see under accounting policies

**) Comprises the period 6 April to 31 December*

11. FINANCIAL REVIEW

Operating income and operating results

The operating income and result for 2021 were as expected. Net revenue amounted to DKK 0 and the operating result was KDKK -13,833 in 2021. The operating result was as expected as the Company is currently conducting development activities.

Balance sheet and solidity

The total equity at 31 December 2021 was KDKK 26,242. The solvency ratio as per 31 December 2021 was 86%

Cash flow

The total cash flow for the year 2021 was KDKK -10,231 and in line with expectations.

Capital resources

As a development stage start-up life-science company, and like other similar development stage companies, the Company expects negative cash flow in 2022 from operating activities. Therefore, the Company is dependent on being recapitalized or selling rights to its products against cash until reaching the point where the size of the revenue exceeds the costs resulting in a positive cash flow. The activities of the Company in the future will depend on proceeds obtained from capital increases or sales of rights. Please refer to note 2 to the Financial Statements.

Subsequent events

To date, the Company has to some extent been negatively impacted by the effects of COVID-19, and it is likely that some activities will be delayed compared to original objectives, but this is most likely a few months if it will have any impact.

Subsequent to the balance sheet date, no events that could significantly affect the financial statements for 2021 have occurred.

12. MANAGEMENT STATEMENT ON THE ANNUAL REPORT

The Board of Directors and Executive Management have today considered and adopted the Annual Report of Cessatech A/S for the financial year 1 January - 31 December 2021

The Financial Statements have been 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 with elements from class C. Management's Review has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company operations and cash flows for the financial year 1 January - 31 December 2021.

In our opinion, Management´s Review includes a true and fair account of the development in the operations and financial circumstances of the Company, of the results for the year and of the financial position of the Company as well as a description of the most significant risks and elements of uncertainty facing the Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 3 March 2022

Executive Management

Jes Trygved
CEO

Board of Directors

Adam Steensberg
Chairman

Charlotte Videbæk

Martin Olin

Flemming Steen Jensen

Peter Birk

13. INDEPENDENT AUDITOR´S REPORT

To the Shareholders of Cessatech A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2021 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Financial Statements of Cessatech A/S for the financial year 1 January - 31 December 2021, which comprise income statement and statement of comprehensive income, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the

Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 3 March 2022

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Torben Jensen
State Authorised Public Accountant
mne18651

Claus Carlsson
State Authorised Public Accountant
mne29461

14. INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

Note:	**INCOME STATEMENT** Amounts in DKK ´000´	**2021**	6 April - 31 December **2020**
	Other operating income	0	0
	Other external expenses	-10,341	-612
3	Staff expenses	-3,492	-289
	Operating loss before net financials	**-13,833**	**-901**
	Financial expenses	-60	-8
	Loss before tax	**-13,893**	**-909**
4	Tax on loss for the year	2,324	60
	Net loss for the year	**-11,569**	**-849**
	Other comprehensive income for the year, net of tax	0	0
	Total comprehensive income	**-11,569**	**-849**

15. BALANCE SHEET

Note	ASSETS	31 December 2021	2020
			DKK ´000´
	Intangible Assets	203	76
	Total non-current assets	**203**	**76**
	Other receivables	495	89
4	Receivable corporate tax	2,324	60
	Prepayments	31	77
	Capital increase receivables	24,325	0
	Cash	3,275	13,506
	Total current assets	**30,451**	**13,732**
	Total assets	**30,653**	**13,808**

Note	EQUITY AND LIABILITIES	31 December 2021	2020
			DKK ´000´
	Share capital	1,223	736
	Retained earnings	25,019	12,875
5	**Total equity**	**26,242**	**13,611**
	Trade payables	3,070	108
	Other payables	1,341	89
	Current liabilities	4,411	197
	Total liabilities	**4,411**	**197**
	Total equity and liabilities	**30,653**	**13,808**

16. STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGE IN EQUITY 2021

Amounts in DKK `000`	Share capital	Share Premium	Retained earnings	Total equity
Total comprehensive income 2021	0	0	-11,569	-11,569
Equity at 1 January 2021	736	0	12,875	13,611
Share capital increase	487	23,838	0	24,325
Transfer	0	-23,838	23,838	0
Incentive Warrant Scheme	0	0	1,567	1,567
Expenses in connection with capital increase	0	0	-1,692	-1,692
Equity as at 31 December 2021	**1,223**	**0**	**25,019**	**26,242**

STATEMENT OF CHANGE IN EQUITY 2020

Amounts in DKK `000`	Share capital	Share Premium	Retained earnings	Total equity
Total comprehensive income 2020	0	0	-849	-849
Formation of Company at 6. April 2020	40	0	0	40
Share capital increase	360	40	0	400
Conversion to A/S	0	-40	40	0
Capital increase, IPO	336	15,456	0	15,792
Transfer	0	-15,456	15,456	0
Incentive Warrant Scheme	0	0	146	146
Expenses in connection with capital increase	0	0	-1,918	-1,918
Equity as at 31 December 2020	**736**	**0**	**12,875**	**13,611**

17. CASH FLOW STATEMENT

CASH FLOW STATEMENT			6 April - 31 December
		2021	**2020**
Note		DKK ´000´	
	Loses before tax	**-13,893**	**-909**
	Financial expenses, reversed	60	8
	Other non-cash items	1,567	146
	Tax credit paid out	60	0
7	Change in working capital	2,162	31
	Cash flows from operating activities before net financials	**-10,044**	**-724**
	Financial expenses paid	-60	-8
	Cash flows from operating activities	-10,104	-732
	Purchase of intangible assets	-127	-76
	Cash flow from investing activities	**-127**	**-76**
	Capital per ApS - A/S formation	0	440
	Cash capital increase, IPO	0	15,792
	Transaction cost, cash capital increase	0	-1,918
	Cash flows from financing activities	**0**	**14,314**
	Total cash flow for the year	**-10,231**	**13,506**
	Cash, beginning of year	13,506	0
	Cash, end of the year	**3,275**	**13,506**

18. NOTES

1. Accounting policies

Cessatech A/S is a limited liability company domiciled in Denmark. The Financial Statements have been 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 with elements from class C.

Danish kroner (DKK) is the Company's presentation currency and functional currency. The financial statements are presented in Danish kroner (DKK ´000´)

Recognition and measurement
Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies
Translations in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in the financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rate at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in the financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

New Standards not yet effective
There are no IFRS or IFRIC interpretations that are not yet effective that are expected to have a material impact on the company.

Foreign currency translation
On initial recognition, transactions in currencies other than the functional currency of the Company are recognized at the exchange rate applicable at the transaction date. Receivables, payables and other monetary items denominated in foreign currency not settled at the balance sheet date are translated using the exchange rate applicable at the balance sheet date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment and the balance sheet date, respectively, are recognized in the income statement as net financials.

Tax
Tax for the year, consisting of current tax and change in deferred tax, is recognized in the income statement with the portion attributable to tax on the profit or loss for the year, and directly in equity or in other comprehensive income with the portion attributable to amounts recognized directly in equity or in other comprehensive income, respectively.

Current tax payables and receivables are recognized in the balance sheet as tax computed on the basis of the taxable income for the year results in taxes to be paid or refunded.

Current tax for the year is computed based on the tax rules and tax rates applicable at the balance sheet date.

Deferred tax is recognized using the balance sheet liability method on the basis of alle temporary differences between the carrying amounts and tax bases of assets and liabilities, except for

deferred tax on temporary differences due to either initial recognition of goodwill or initial recognition of transaction that is not a business combination, and where the temporary difference ascertained at the time of initial recognition does not affect either the tax results or the taxable income. The deferred tax is calculated based on the planned use of the individual asset or settlement of the individual liability.

Deferred tax is measured by applying the tax rules and tax rates expected to be applicable when the deferred tax is expected to crystallise as current tax. Any change in deferred tax as a result of changes in tax rules or rates is recognized in the income statement, unless the deferred tax is attributable to transactions that have previously been recognized directly in equity or in other comprehensive income. In the latter case, the change is recognized directly in equity or in other comprehensive income, respectively.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognized in the balance sheet at the expected realisable value, either through offsetting against deferred tax liabilities or as a net tax asset for offsetting against future positive taxable income. An assessment is made on each balance sheet date of whether it is probable that sufficient taxable income will be generated in future to enable utilisation of the deferred tax asset.

STATEMENT OF COMPREHENSIVE INCOME

Other external expenses

Other external expenses comprise expenses relating to administrative expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as social security expenses, pensions for group staff, other staff-related expenses and share-based payment compensation.

Employee benefits

Share-based warrants compensation benefits are provided to the Board of Directors, Management and other key employees via Cessatech's Incentive Warrant Scheme which was adopted in December 2020.

Incentive Warrant Scheme

The fair value of warrants granted under the Cessatech's Incentive Warrant Scheme is recognised as an employee benefits expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the warrants granted: - including any market performance conditions (e.g. the entity's share price) - excluding the impact of any service and non-market performance vesting conditions (eg profitability, sales growth targets and remaining an employee of the entity over a specified time period), and - including the impact of any non-vesting conditions (eg the requirement for employees to save or hold shares for a specific period of time). The total expense is recognised over the vesting period, which is the period over

which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity

Net financials
Net financials comprise interest income and expenses, realised and unrealised gains and losses on transactions in foreign currency and realised and unrealized gains and losses on other financial assets.

Amortisation of capital losses and borrowing costs relating to financial liabilities is recognized on an ongoing basis as part of the interest expenses.

BALANCE SHEET

Receivables
Receivables comprise trade receivables and other receivables. Receivables are included in the category loans and receivables, which are financial assets with fixed or determinable payments that are not listed in an active market and are not derivative financial instruments.

On initial recognition, receivables are measured at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value and subsequently at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

The Company applies IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables.

Cash
Cash includes deposits in bank accounts

Equity
Direct and incremental costs associated with capital increases are accounted for as a reduction in the proceeds from the capital increase and recognized in shareholders´ equity.

Liabilities
Other financial liabilities comprise trade payables, other payables to public authorities and other liabilities. On initial recognition, other financial liabilities are measured at fair value less any transaction costs. Subsequently, the liabilities are measured at amortised cost according to the effective interest method, so that the difference between the proceeds and the nominal value is recognized in the income statement as a financial expense over the period of the loan.

CASH FLOW STATEMENT

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash at the beginning and end of the year. Cash flows from operating activities are presented in accordance with the indirect method and are determined as the operating profit or loss adjusted for non-cash operating items, changes in working capital and paid financial income, financial expenses and income tax.

Cash flows from investing activities comprise payments in connection with the acquisition and sale of companies and financial assets as well as the purchase, development, improvement and sale of property, plant and equipment and intangible assets.

Cash flows from financial activities comprise changes in the Company's share capital and associated costs as well as the raising and repayment of loans, the repayment of interestbearing debt, the purchase and sale of treasury shares and the payment of dividends.

Cash flows in currencies other than the functional currency are recognized in the cash flow statement using average exchange rates, unless they deviate significantly from the actual exchange rates at the transaction dates.

Cash and cash equivalents comprise cash less overdraft facilities that are an integrated part of the cash management.

FINANCIAL HIGHLIGHTS

Explanation of financial ratios:

$$\text{Solvency ratio} : \frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$$

$$\text{Earnings per share} : \frac{\text{Net loss for the year}}{\text{Average numbers of outstanding shares}}$$

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSESSMENTS

In connection with the preparation of the financial statements, the management performs accounting estimates and assessments that affect the recognized value of assets, liabilities, income, expenses and cash flows as well as their presentation.

Accounting estimates reflect the management´s best estimates in terms of amounts where the measurement is subject to uncertainty, typically because the estimate is based on assumptions concerning future events. The accounting estimates are based on historical experience and other assumptions deemed relevant, but the actual results may, naturally, deviate from the estimates

made. The estimates are regularly reassessed and the effect of changes is recognized in the consolidated financial statements.

Accounting judgements reflect decisions made by the management as to how the accounting policies are applied in specific situations where the accounting treatment depends on qualitative assessments. Examples could be when the risk passes or how a certain transaction or item is best presented to provide reliable and relevant information.

Development projects (judgement)
Cost incurred in relation to individual development projects are capitalised only where the future economic benefit of the project is probable and the following main conditions are met: (i) the development costs can be measured reliably, (ii) the technical feasibility of the product has been ascertained and (iii) Management has the intention and ability to complete the intangible asset and use or sell it.

Currently no other significant accounting estimates and judgements have been applied in the preparation of the financial statements for 2021.

2. Capital resources and liquidity

As a development stage start-up life-science company, and like other development stage companies, the Company has had a negative cash flow in 2021. The Company is dependent on being recapitalized or selling rights to its products against cash until reaching the point where a positive cash flow can be realised. Furthermore, the activities of the company in the future will depend on proceeds obtained from capital increases.

The Board of Directors and Executive Management are constantly monitoring the Company's financial position to be prepared to take adequate measures to secure the company. In this connection the Covid-19 pandemic is also taken into consideration.

The Company became listed on Spotlight Stock market Copenhagen in December 2020 and raised DKK 15,8 million. Warrants issued in connection with the IPO were exercised to a rate of approximately 97% at a subscription price of DKK 10 per share, thereby raising a gross proceeds of DKK 24,3 million in December 2021.

Based on this the Board of Directors and Executive Management have concluded that the Company has the necessary capital resources to finance the planned activities for 2022.

The Board of Directors and Executive Management have based on the above concluded that the company is a going concern for 2022.

3. Staff expenses

Total		6 April - 31 December
	2021	**2020**
	DKK ´000´	
Wages and salaries	1,884	143
Pensions	30	0
Incentive Warrant Scheme	1,567	146
Other Social security costs etc.	11	0
Total	3,492	289

Key management comprising Executive Management

Wages and salaries	820	143
Incentive Warrant Scheme	1,161	108
Other Social security costs etc.	9	0
Total	1,990	251

Board of Directors

Wages and salaries	350	0
Incentive Warrant Scheme	406	38
Total	756	38
The average number of employees	2	2

In December 2020, the Board of Directors and the CEO received warrants as part of Ceesatech's Incentive Warrant Scheme.

The total fair value of warrants granted will have a value of TDKK 2,522. The assessed fair value at expected grant date of options granted is DKK 7.53. The fair value at grant date is independently determined using the Black-Scholes model which includes exercise price, the term of the warrant, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the warrant, and the correlations and volatilities of the peer group companies.

The model inputs for the granted warrants was effective as of 14 December 2020 and included:

- Vested warrants are expected to be exercisable for a period of one years after vesting
- Exercise price: DKK 10.00
- Grant date: 14 December 2020
- Expiry date: 31 December 2026
- Expected price volatility of the company's shares: 100%
- Expected dividend yield: 0%

Risk-free interest rate: -0.46% The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

The number of outstanding warrants decreased from 334,800 at 31 December 2020 to 322,400 at 31 December 2021 as 12,400 warrants were forfeited during the year.

Weighted average remaining contractual life of the warrants outstanding at 31 December 2021 are 2 years (31 December 2020: 3 years).

4. Tax

	2021	6 April - 31 December 2020
		DKK ´000´
Tax on profit/loss for the year:		
Current tax (tax under the tax credit scheme)	2,324	60
Total	2,324	60
Reconciliation of effective tax:		
Tax computed on loss	3,056	200
Other permanent differences	697	18
Non-deductible expenses	-345	-40
Non-recognized deferred tax asset	-1,084	-118
Effective tax rate (2021 -17%, 2020 -7%)	2,324	60
Deferred tax:		
Tax loss carried forward	1,084	118
Write down to assessed value	-1,084	-118
Total	0	0

The Company has a loss for the year and tax on the loss for the year is KDKK 2.324. The unrecognised deferred tax assets from tax losses carried forward of KDKK 1.084 can be carried forward indefinitely. Deferred tax has been provided at 22% corresponding to the current tax rate.

Under the Danish tax credit scheme the 22% tax value of negative taxable income related to costs from development activities up to DKK 25 million can be received in cash. Tax value of cost related to development activities amounts to KDKK 2.324, and is anticipated to be paid out from the Danish Tax Authorities in Q4, 2022 to the Company.

5. Equity

Share capital

The share capital consists of 6,112,535 shares of DKK 0.2 each. The shares are fully paid in. The shares are not divided into classes, and no shares enjoy special rights.

	2021	2020
1 January	3,680,000	0
Formation of company, share issued, 6 April 2020	0	200,000
Share capital increase, conversion to A/S	0	1,800,000
Shares issued, IPO, 16 December 2020	0	1,680,000
Shares issued, December 2021	2,432,535	0
Shares issued, 31 December	6,112,535	3,680,000

Capital management

The Company aims to ensure structural and financial flexibility as well as competitive strength. For that purpose, the Company regularly assesses what the appropriate capital structure for the Company is.

Incentive Warrant Scheme

The Board of Directors is authorised during the period until 1 January 2025 on one or more occasions to issue warrants up to ten (10) percent of the Company's share capital from time to time, however in no event more than 368,000 warrants each conferring the right to subscribe one share of nominal DKK 0.20 against cash contribution and to effect the corresponding increase(s) of the share capital with up to nominal DKK 73,600 shares. Warrants have been issued to board members and CEO in December 2020. 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 warrant holders. Warrants can be exercised during the period 1 January 2024 – 31 December 2026 or in connection with an exit. Warrants vested can become eligible for exercise with 1/36 per month as from the date of grant.

6. Distribution of profit/loss for the year

	2021	6 April - 31 December 2020
		DKK ´000´
Proposed dividends for the year	0	0
Retained earnings	-11,569	-849
Total	-11,569	-849

7. Change in working capital

	2021	6 April - 31 December 2020
		DKK ´000´
Other receivables and prepayments	-361	-166
Change in trade payables	1,271	108
Change in other payables	1,252	89
Total	2,162	31

8. Financial risks and financial instruments

Risk management policy
The Company's financial risks are managed by the Executive management. The Company has not prepared policies for the identification and handling of risks. The management of the Company's risks is included in the Executive management´s day-to-day monitoring of the Company.

Interest rate risk
The Company is not subject to material interest rate risks.

Currency risk
The Company is not subject to material currency risks.

Credit risk
The Company is not subject to material credit risks

Liquidity risk
The Company's liquidity risk covers the risk that the Company is not able to meet its liabilities as they fall due.

As a development stage start-up life-science company, and like other similar development stage companies, the Company had a negative cash flow in 2021, why the company is dependent on being recapitalized or selling rights to its products against cash until reaching the point where revenue exceeds costs resulting in a positive cash flow.

The Board of Directors and Executive Management are constantly monitoring the Company's financial position to be prepared to take adequate measures to secure the company. Several options are possible such as partnering deals, service agreements, reducing investment in fixed assets and increasing capital in the Company.

The Board of Directors and Management have confidence in the company as a going concern.

The maturities of financial liabilities are presented in the table below. All amounts are contractual cash flows, i.e. inclusive of interest.

Amounts in DKK ´000´	Within 1 year	1-2 year(s)	2-5 years	Over 5 years	Total
As at 31 December 2021					
Trade payables	3,070	0	0	0	3,070
Other payables	1,341	0	0	0	1,341
Total	4,411	0	0	0	4,411

There were no assets or liabilities measured at fair value as at 31 December 2021.

9. Related parties

Transactions with related parties
For remuneration to the Board of Directors, Executive Management and key management personnel in 2021 please refer to note 3.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year, including shares and warrants.

Amounts in DKK ´000´

		shares	warrants
Other related parties:			
Contribution and increase	- C-ApS (Charlotte Videbæk)	429	58
Contribution and increase	- Jes Trygved (CEO)	399	1,161
Contribution and increase	- Martin Olin	399	58
Contribution and increase	- Adam Steensberg	279	116
Contribution and increase	- Buhl Krone Holding Aps (Ulla Buhl)	199	58
Contribution and increase	- Peter Birk	50	58
Contribution and increase	- Flemming Steen Jensen	0	58
Total		1,755	1,567

10. Operating lease commitments and other commitments

The company has not entered any lease commitments

11. Events occuring after the balance sheet date

To date, the Company has to some extent been negatively impacted by the effects of COVID-19, and it is likely that some activities will be delayed compared to original objectives, but this is most likely a few months if it will have any impact.

Subsequent to the balance sheet date, no events that could significantly affect the financial statements for 2021 have occurred.