Press Release
28 February 2025 – 8.30

Cessatech A/S publishes Annual Report for the fiscal year 2024

Cessatech A/S ("Cessatech" or the "Company") hereby publishes its annual report for the fiscal year 2024, which also includes the fourth quarter of 2024 financial reporting. The annual report is attached as a pdf. The report is also available on Cessatech's website www.cessatech.com under 'Fillings & Reports'.

Full year 2024 for the period 1 January - 31 December (Q4'2024 results in brackets):

- Net revenue was KDKK 2.486 (-870)
- Operating result was KDKK -19.053 (-8.667)
- Net result was KDKK -14.670 (-7.216)
- Cash at bank end of the period was KDKK 12.373 (12.373)
- Earnings per share* was KDKK -0,85 (-0,41)
- Solidity** was 52% (52%)

**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 2024 amounted to 17.425.094 shares, the average number of shares during the full year was 17.248.469. **Solidity: Total equity divided by total capital and liability.*

The annual report is presented for approval at the Annual General Meeting, 28 March 2025. The Board and the CEO have proposed that no dividend is paid out for the fiscal year, 1 January 2024 - 31 December 2024.

Highlights during the full year 2024

Q1-2024
- Successful TO2 warrant exercise - 94.7 percent of all outstanding TO2 Warrants were exercised for subscription of shares. Cessatech received approximately DKK 17.1 million in gross proceeds

Q2-2024
- The Paediatric Study 0202 was initiated with dosing of the first patient
- Data presented at a meeting in Rome; simulated pain reduction in NRS in children using CT001 was -87%, compared to -52%, -32% and +10% for sufentanil, ketamine and placebo respectively

Q3-2024
- The Loan Facility Agreement with a group of investors was increased from DKK 5 million to DKK 10 million and the maturity extended until April 2026

Q4-2024
- Recruitment reached the halfway point for patient recruitment with 75 included patients in the Paediatric Study 0202

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. CT001 is at its pivotal stage of clinical development, and CT002 is at the early development phase.

For more information about Cessatech, please contact:
Jes Trygved, CEO
Phone: +45 9387 2309
E-mail: jes.trygved@cessatech.com
www.cessatech.com

cessatech
rethinking child treatments

Annual Report 2024

1 January - 31 December

Cessatech A/S - CVR no. 41293055
Strandvejen 60, 2900 Hellerup, Denmark

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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
Strandvejej 60
DK-2900 Hellerup
CVR no.: 41293055

Board of Directors
Martin Olin (Chairman)
Flemming Steen Jensen
Charlotte Videbæk
Rachel Curtis Gravesen
Anders Dyhr Dombernowsky-Toft

Executive Management
Jes Trygved (CEO)

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

2.

Cessatech Intro

2. Cessatech

A unique focus

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 program (CT001) is an analgesic nasal spray for treatment of acute and planned painful procedures in children. The advantages of treatment include; reday-to-use, 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.

The repurposing of medications is a well-known strategy in drug development and seen as a highly efficient, timesaving, and a lower 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.

Business model

Cessatech's business model offers scalable economic value creation by identifying and developing drugs with a shorten 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 program asset nasal spray, Cessatech significantly shortens time to market and is provided ten (10) years of market exclusivity upon approval. Utilising the PIP regulatory route is thus a cornerstone of Cessatech's business model, which will also be applied on future programs when applicable. Exemplified by the achievement of a second agreed PIP with EMA for the development of the CT002 program. The business plan is focused on Europe and US but also other relevant markets in rest of the world.

Commercial scope

Cessatech believes there are several (principle) strategic options for the business going forward. 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 program CT001, Cessatech has in 2023 entered into a partnership agreement with Ventis Pharma for the US market, initially for the early-access program starting in 2025, and an out-licensing agreement with Proveca for rest of the world, which was signed in 2024. Cessatech will continuously evaluate all strategic options to building its business and will also consider to be more involved in commercial activities.

2.

Cessatech Business Model

1: Focused business model

- Targeting large unmet paediatric needs - in hospitals and emergency units
- Repositioning existing medicine to fit children's needs - an accelerated and highly de-risked route-to-market approach

2: Pipeline delivering value

- CT001 - an analgesic nasal spray for acute painful procedures in children, based on >10 years of clinical experience.
- CT002 - a nasal spray for sedative procedures for children from 0-17 years of age

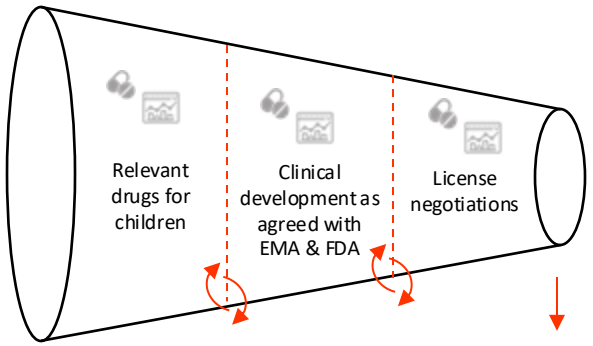
3: Building a business

- Commercialization intended to be based on partnerships - aiming at generating a positive cash-flow trend faster
- Supply and manufacturing are outsourced to leading expert companies in Europe

TEST & DEVELOP DRUGS
Specifically for children

Regulatory
The regulatory process is important and requires a solid understanding of the PIP process, requirements, and potential scientific advice. Cessatech works closely with selected CROs, Clinical experts and has identified hospital sites for rapid inclusion.

Development
The development process requires detailed understanding of the anatomy and absorption in children, which is an area that Cessatech has specialized its competences within.



COMMERCIALIZE BRANDS
Attractive – faster to market

SAFETY: The growing interest is driven by the advantages of working with existing compounds that have already undergone significant safety testing

EFFICACY: Higher likelihood of success as they have already undergone some level of testing in humans. A success rate of 30% vs 10% for new chemical entities

TIMELINES: Repositioned drugs have shorter development times (5-8 years) compared to those associated with new chemical entities (10-15 years)
COSTS: As a result, costs can be as much as 60% of those for NCEs.

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CT001 - TARGET PRODUCT PROFILE

1 For relief of acute pain in children aged 1-17

2 Minimal distress - needle-free administration

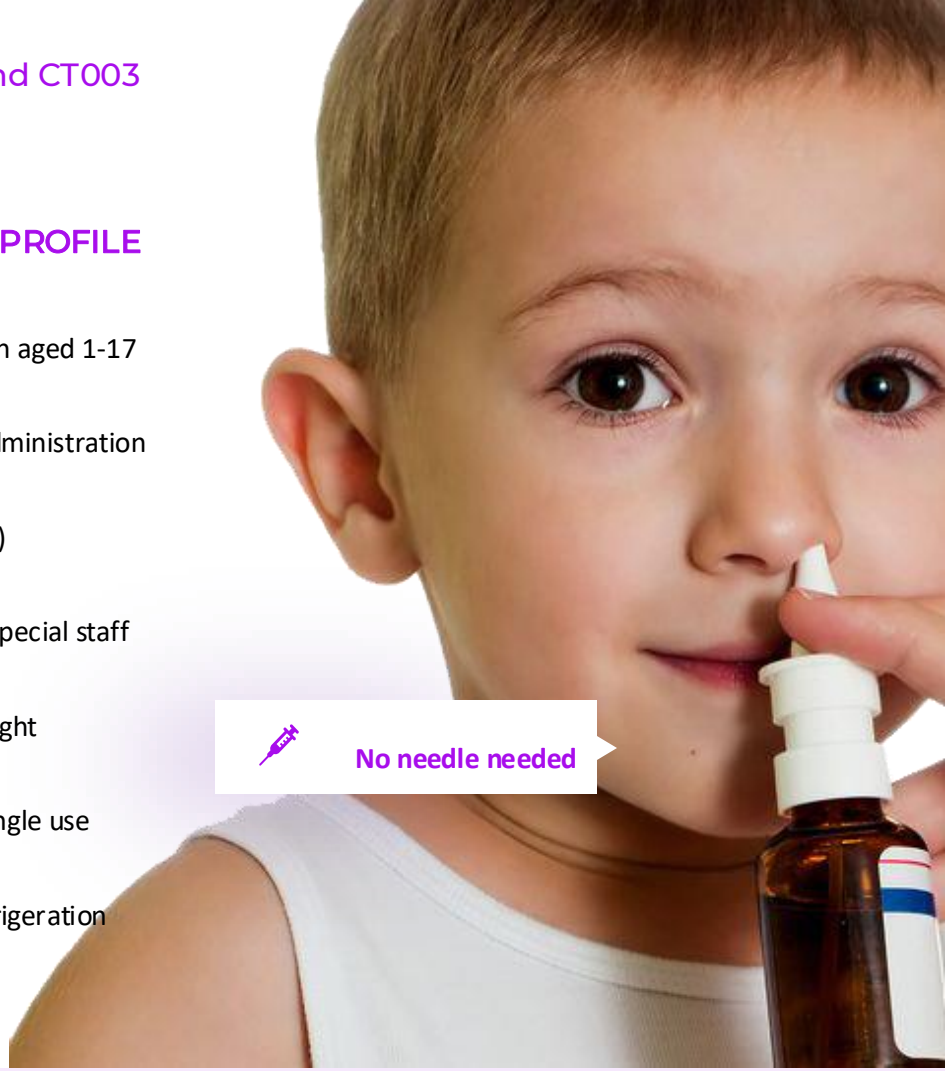
3 Rapid onset of action (10-15 min)

4 Acceptable safety - no need for special staff

5 Two presentations - pending weight

6 Simple to use, simple dosing – single use

7 Simple to store - no need for refrigeration



CT001 is a nasal spray for acute pain treatment.

Based on ten years of clinical experience from leading hospitals in Scandinavia. In 2024 Cessatech entered a partnership with Proveca Ltd for the commercialization of CT001, which is expected to submit the regulatory file in 2025.

A pivotal-stage biotech company with a unique focus on children's medicine

	Use	Indication	Pre-clinical	Phase I	Phase II	Pivotal, Ph III
CT001 Fixed combination	Non-invasive nasal spray	Acute pain				
CT002 Sedative-analgesic	Non-invasive nasal spray	Sedation				
CT003 Local analgesia	Local gel	Topical anaesthesia				

Introduction to CT001: Despite the many pain-relieving products available for adults, few of these have been developed for children. A study on unlicensed drug prescription revealed that up to 75 percent of all medications for children 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 characterised by a significant unmet medical need, which has been recognized by both regulatory authorities and health care professionals.

Cessatech'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.

A pivotal-stage biotech company with a unique focus on children's medicine

	Use	Indication	Pre-clinical	Phase I	Phase II	Pivotal, Ph III
CT001 Fixed combination	Non-invasive nasal spray	Acute pain				
CT002 Sedative-analgesic	Non-invasive nasal spray	Sedation				
CT003 Local analgesia	Local gel	Topical anaesthesia				

Introduction to CT002: Magnetic resonance imaging (MRI) is a medical imaging technique used to form detailed images of the anatomy and the physiological processes of the body. An MRI examination is a painless procedure, but to be of good quality it requires the child to remain still for approx. 45-90 minutes, that is to be carried out without undue concern or anxiety. Thus, sedation of the child is often necessary and sometimes also requires a general anaesthetic (a medically induced coma). A general anaesthetic is very resource demanding, why an effective and safe sedation procedure should be of preference.

Cessatech's second asset is a fixed dose non-invasive nasal spray for children to optimize the process and provide a better non-invasive solution for children. 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. Activation of centrally located receptors produces a sedation that mimics normal sleep and the drug also has a direct analgesic effect. It is Cessatech's ambition to develop a standardized nasal spray formulation tested and approved for children, with a similar concept to the anesthetic nasal spray PIP plan (CT001) approved by the EMA.

Cessatech has agreed with the European Medicines Agency on a Paediatric Investigational Plan for CT002 for medical procedural sedation in children. Cessatech has not yet communicated on its timelines for initiating the development of CT002, but it will be related to the commercial partnerships.

Introduction to CT003: Still an early-stage development concept - Cessatech intends to develop a ready to use local anaesthetic gel, that does not sting when administered for laceration repair in the emergency department, e.g. before suturing.
Cessatech has not yet communicated on its timelines for initiating the development of CT003.

4.

Comment from the CEO

4. Comment from the CEO, Jes Trygved

Dear shareholders,
I am pleased to share an update on Cessatech's remarkable progress in 2024 as we continue our mission to deliver pain relief and sedation solutions for the millions of children experiencing acute pain, as well as their parents and physicians. We have made significant strides in our current development efforts and are excited to build on our expertise in 2025 by incorporating a commercial focus into our work.

EU and RoW commercial partnership
Cessatech entered a commercial partnership with Proveca, a company focused on paediatric solutions, to expand across Europe and the Rest of the World (RoW), with an agreement initiating the regulatory process followed by the commercial planning. We initiated this partnering process more than 2 years ago, we have had intense discussions with 6-7 companies, and It was not until our meetings with Proveca that we felt confident about finding the best match for our objectives and aspirations. We have had a good start of the collaboration and look forward to submitting the regulatory file during 2025.

US launch still is coming soon…
The US launch has been delayed, due to an unexpected delay in a formal approval of the new drug manufacturer in the US, and we are disappointed with this delay. However, it reminds us that the manufacturing is never straight forward. Fortunately, we are now though the biggest hurdles and look forward to focusing on the launch planning. We still expect to have the first commercial packs on the market during 2025 and are eager to move forward and share more updates. Thanks for your patience on this.

Final clinical trial for CT001 – Study 0202
The paediatric study 0202 is coming to an end, and we anticipate having last patient within a few weeks. We are very excited about this study and hope to present good results from CT001 in children. This is the final required clinical study that will evaluate the safety and efficacy profile for CT001 in 150 children.

New member to the Board of Directors
In July we welcomed Anders Dyhr Dombernowsky-Toft to the board. Anders comes with long-standing medical and commercial background in senior leadership positions in both large pharma and small biotech. His experience with planning and execution of global launches makes him an important addition to our Board at this pivotal moment for Cessatech.

Financial readiness in constant focus
We successfully utilized our warrant exercise TO2 in the beginning of the year and extended our Loan Facility Agreement of DKK 10 million to Q2 2026. We have still not drawn on this facility and we anticipate more revenue in 2025. We will carefully monitor the situation.

Team effort
We are a small dedicated team, working with a long list of partners – I have been truly proud of our team effort. It has been a very busy year – and sometimes it is okay to be a bit delayed on some activities, when you realize that time and resources are limited – in 2025 we will focus on the regulatory EMA process and the US launch, but also the early work with CT002 and look out for new business opportunities.

We remain focused and dedicated and are very optimistic about the future, and at the same time grateful for the collaboration with all our partners and team-members involved.

5. Highlights from 2024

In total 3,636,339 TO2 Warrants were exercised in January 2024for subscription of 3,636,339 shares, meaning that approximately 94.7 percent of all outstanding TO2 Warrants were exercised for subscription of shares. Cessatech received approximately DKK 17.1 million in gross proceeds

- Successful TO2 warrant exercise

Q1 2024

Cessatech A/S announces that the Safety Study 0202 has now been initiated with dosing of the first patient. The trial will assess safety, tolerability, analgesic effect, and feasibility of CT001 in 150 paediatric patients with moderate to severe pain, in the emergency setting.

The simulated pain reduction in NRS in children using CT001 was -87%, compared to -52%, -32% and +10% for sufentanil, ketamine and placebo respectively – data was presented at a meeting in Rome, Italy

- First patient dosed in final Safety Study 0202
- Superior simulated pain efficacy in children for CT001

Q2 2024

The Loan Facility Agreement with a group of investors was increased from DKK 5 million to DKK 10 million and the maturity extended until April 2026.

An exclusive agreement with Proveca Ltd - a global pharmaceutical company which specialises in the development and licensing of medicines to address the unmet medical needs in children - for the commercialization of CT001 with an emphasis on Europe and major markets elsewhere. See next page for details.

- Loan Facility agreement extended
- Commercial partnership for EU+

Q3 2024

Cessatech announced that recruitment has reached the halfway point for patient recruitment with 75 included patients in the Paediatric Study 0202 - This is the final required clinical study that will evaluate the safety and efficacy profile for CT001 in 150 children.

- Half-way milestone for Study 0202

Q4 2024

5.

Highlights from 2024

Proveca

Key terms
The agreement includes a smaller upfront payment upon signature and double-digit royalties to Cessatech based on net sales in the licensed territory. First sales are anticipated during the year of 2026.

Regulatory process
Once the Paediatric Safety Study 0202 has been completed together with the manufacturing process validation, among many other items, the regulatory file for EMA can be compiled and submitted. Proveca will take the lead on this process, given their prior experience, and we expect to be able to submit the EMA application during 2025. It is unlikely that we will share detailed submission timelines.

Market access and commercial efforts
Once the regulatory process is completed, the reimbursement and market access evaluations will take place, and this will also be heading up by Proveca. As with all products, this will vary from country to country, and unfortunately some countries take more time than the average. Some countries also have a short process so initial sales is expected to take place during 2026.

Timelines
- Agreement signed August 2024
- Finalization of Study 0202 – early 2025
- Regulatory submission 2025
- First commercial sales 2026

About Proveca
Proveca is a global pharmaceutical company who specialise in the development and licensing of medicines to address the unmet medical needs for children. Working with clinicians, parents, carers and children, Proveca are leading the way to provide licenced medicines that are tailored to children's specific requirements.

Proveca therapy area
Proveca design, develop and license medicines for children, with a core focus in neurology, cardiology and immunology. Proveca identify products which require a new paediatric license (new indication) and/or an improved format for administration.

Commercial outlook
In Europe alone, it is estimated that more than 20 million children are exposed each year to acute and procedural pain without access to adequate approved medicine. Projected potential peak sales in the high double digit million euros.

6. Highlights after the period

CT001 receives positive opinion after only 2 rounds during the Medical Device Regulation (MDR) approval process. The MDR opinion ensures medical devices with a drug component are safe and effective. The EMA reviews the drug part, while a Notified Body evaluates the device. Together, they ensure the product meets EU efficacy and safety standards

Q1 2025

- Positive opinion of MDR for CT001

Q2 2025

Q3 2025

- Top-line results – study 0201
- US launch of CT001
- EMA Filling

Q4 2025

Contributions across the entire value chain

Chairman

Martin Olin

Swarm Oncology, CEO

Member of the Board of Directors since 2020, and Chairman since 2022.

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 Swarm Oncology Ltd Member BoD of Dan Group Alarm A/S, Acousort AB

Rachel Curtis Gravesen

Consultant & Board member

Member of the Board of Directors since 2022

Education: City University of London, journalist and MA at University of Cambridge
About: Rachel has over 25 years' experience in leadership, business and communication, with multiple roles in investor relations and communications. Rachel also previously held roles at Genmab and Novo Nordisk.

Other ongoing assignments: Own consultancy company

Anders Dyhr Dombernowsky-Toft, MD

Executive Chairman

Member of the Board of Directors since 2024

Education: MD, PhD, Doctor of Medical Science, Copenhagen, MBA IMD Switzerland.
About: Anders has 20+ years of experience in senior leadership roles in both large pharma, small biotech and medtech industry. Extensive experience in pre-commercialization drug development at global scales.

Other ongoing assignments: Executive Chairman Aptol Pharma and Member BoD IMP Scandinavia

Flemming Steen Jensen

Ascendis Pharma, EVP Supply & Quality

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, supply chain, QA, engineering.

Other ongoing assignments: None

Charlotte Videbæk, MD

Entrepreneur & Board member

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: Consultant and Co-founder and Board member of Tissue-Link Aps

Vast experience from leading pharma and biotech companies

Leadership Team

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 and late-stage development roles where he managed several teams and cross-functional projects.

In addition, Jes Trygved is also an MBA Advisor at Copenhagen Business School (CBS)

Malene Cording

CLINICAL

Louise Bak

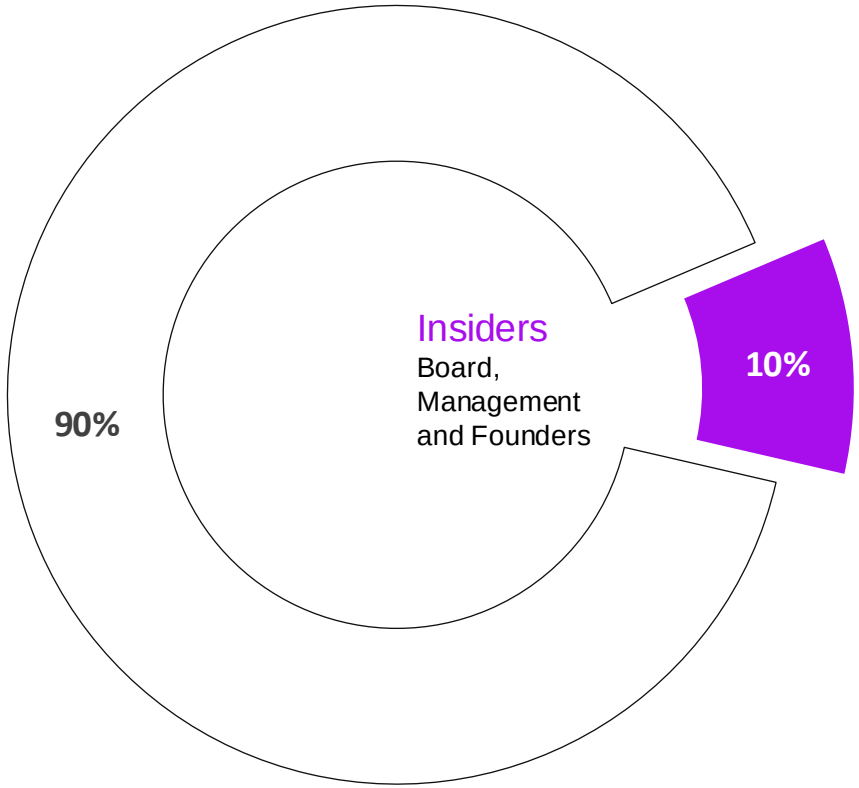
REGULATORY

Mai Brigsted

QA

Martin Juhl

CHIEF SCIENTIFIC OFFICER



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 2024 amounted to 17.425.094

There was an increase to the number of shares during the first quarter of 2024, related to the rights issue and associated warrant TO2 adding additional approximately DKK 17.1 million before issuing costs.

Every share equals the same rights to the Company's assets and results.

FINANCIAL CALENDAR

Q4 and Annual Year Report 2024: 28 FEB 2025

Annual General Meeting 2024: 28 MAR 2025

Q1 Report: 15 May 2025
Q2 Report: 21 August 2025
Q3 Report: 13 November 2025
Q4 and year-end report: 27 February 2026

Annual General Meeting 2025: March 2026

The share and corporate governance
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 2024 amounted to 17,425,094
Every share equals the same rights to the Company's assets and results.

The Board of Directors have proposed that no dividend is paid out for the fiscal year, 1 January 2024 - 31 December 2024.

The company has started to adopt and provide a status on the recommendations on corporate governance for listed growth companies, as outlined by the Danish Association of listed growth companies (see link for current status - Link).

Annual General Meeting and and availability of the Annual Report
The Annual General Meeting 2023 was held on Thursday 27 March 2024 at 9.00 AM. The annual report and the minutes from the annual general meeting is available on Cessatech's website.

The Annual General Meeting for 2024 will take place on 28 March 2025.

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10. Financial highlights and ratios – Annual reporting

	2024	2023	2022	2021	2020
Key figures	01/Jan/24	01/Jan/23	01/Jan/22	01/Jan/21	06/Apr/20
Amounts in DKK ´000´	31/Dec/24	31/Dec/23	31/Dec/22	31/Dec/21	31/Dec/20
Income statement					
Operating Loss	-19.053	-22.510	-17.589	-13.833	-901
Net financial items	1.335	-8.230	-210	-60	-8
Loss for the period	-14.670	-26.527	-14.656	-11.569	-849
Cash at Bank	12.373	3.373	23.343	3.275	13.506
Total assets	15.900	8.504	28.187	30.653	13.808
Equity	8.274	-1.919	23.855	26.242	13.611
Cash flows					
Cash flows from:					
- Operating activities	-7.207	-19.970	-14.845	-10.104	-732
- Investing activities	0	0	0	-127	-76
- Financial activities	16.207	0	34.913	0	14.314
The Period´s cash flow	9.000	-19.970	20.068	-10.231	13.506
Dividend	0	0	0	0	0
Ratios					
Solvency ratio	52%	-23%	85%	86%	99%
Earnings per share (DKK)	-0,85	-1,92	-2,06	-3,09	-0,55

For definitions of ratios, see under material accounting policy information.

10. Financial highlights and ratios – Quarterly reporting

Below is the financial reporting on the Q4-2024 related to the annual announcement required by Spotlight Stock Market, which is not included as part of the financial statements in the Annual Report

INCOME STATEMENT	Q4 2024	Q4 2023
	01/Oct/24	01/Oct/23
Amounts in DKK ´000´	31/Dec/24	31/Dec/23
Revenue	-870	0
Other external expenses	-5.237	-3.008
Staff expenses	-2.560	-1.844
Operating loss before net financials	**-8.667**	**-4.852**
Financial expenses, net	71	-6.277
Loss before tax	**-8.596**	**-11.129**
Tax on loss for the period	1.380	-880
Net loss for the period	**-7.216**	**-12.009**
Other comprehensive income for the period	0	0
Total comprehensive income	**-7.216**	**-12.009**
Basis and diluted earnings per share	**-0,41**	**-0,87**

CASH FLOW STATEMENT	Q4 2024	Q4 2023
	01/Oct/24	01/Oct/23
Amounts in DKK ´000´	31/Dec/24	31/Dec/23
Loss before tax	**-8.596**	-11.129
Financial expenses, reversed net	-71	6.277
Other non-cash items	572	107
Tax credit paid out	4.213	3.143
Change in working capital	10.240	-196
Cash flow from operating activities before net financials	**6.358**	**-1.798**
Financial expenses paid/received	71	-20
Cash flow from operating activities	**6.429**	**-1.819**
Purchase of intangible assets	0	0
Cash flow from investing activities	**0**	**0**
Cash capital increase, TO1/2 + Rights Issue		0
Transaction cost, cash capital increase		0
Cash flow from financing activities	**0**	**0**
Total cash flow for the period	6.429	-1.819
Cash, beginning of the period	5.944	5.192
Cash, end of the period	**12.373**	**3.373**

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Operating income and operating results
The operating income and result for 2024 were as expected. Net revenue amounted to DKK 2.486 and comprise of recognised revenue related to a part of the up-front payment received from Proveca in 2024. The operating result was KDKK -19,053 in 2024 compared to KDKK -22,510 for 2023

The operating result was as expected as the Company is currently conducting development activities.

Balance sheet and solidity
The total equity at 31 December 2024 was KDKK 8,274.
The solvency ratio as per 31 December 2024 was 52%.

Cash flow
The total cash flow for the year 2024 was KDKK 9,000 compared to KDKK –19.970 for 2023 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 2024 from operating activities. During the year 2025 the Company expects income of its US operations. Please refer to note 2 to the Financial Statements.

Subsequent events
Subsequent to the balance sheet date no adjusting or non-adjusting events 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 2024

The Financial Statements have been prepared in accordance with IFRS Accounting 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 Company's financial position at 31 December 2024 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

In our opinion, Management´s Review includes a true and fair review 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 adopted at the Annual General Meeting.

Copenhagen, 28 February 2025

Executive Management

Jes Trygved
CEO

Board of Directors

Martin Olin
Chairman

Charlotte Videbæk

Anders Dyhr Dombernowsky-Toft

Rachel Curtis Gravesen

Flemming Steen Jensen

13.

Independent auditors 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 2024, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2024 in accordance with IFRS Accounting 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 2024, which comprise income statement and statement of comprehensive income, balance sheet, statement of cash flows, statement of changes in equity and notes, including material accounting policy information ("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 ethical 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

Material Uncertainty Related to Going Concern
We draw attention to Note 2 in the Financial Statements, which describes that the Company's currently has no product on market and uncertainties regarding the timing of income.
These circumstances indicate that material uncertainty exists that may cast significant doubt on the Company's ability to continue as going concern. Our opinion has not been modified in respect of this matter.

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 IFRS Accounting 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, 28 February 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Torben Jensen
State Authorised Public Accountant
mne18651

Claus Carlsson
State Authorised Public Accountant
mne29461

	INCOME STATEMENT	2024	2023
		01/Jan/24	01/Jan/23
	Amounts in DKK ´000´	31/Dec/24	31/Dec/23
	Revenue	2.486	0
	Other external expenses	-15.312	-16.592
3	Staff expenses	-6.227	-5.918
	Operating loss before net financials	**-19.053**	**-22.510**
	Financial expenses, net	1.335	-8.230
	Loss before tax	**-17.718**	**-30.740**
4	Tax on loss for the period	3.048	4.213
	Net loss for the period	**-14.670**	**-26.527**
	Other comprehensive income for the period	0	0
	Total comprehensive income	**-14.670**	**-26.527**
5	**Basis and diluted earnings per share**	**-0,85**	**-1,92**

15. Balance sheet

	Amounts in DKK ´000´	2024 01/Jan/24 31/Dec/24	2023 01/Jan/23 31/Dec/23
	Assets		
	Fixed Assets		
	- Patents	203	203
	Intangible Assets	**203**	**203**
	Total non-current assets	**203**	**203**
	Current assets		
4	- Receivables corporate tax	3.048	4.213
	- Other receivables	276	606
	- Prepayments	0	109
	- Cash at bank	12.373	3.373
	Total current assets	**15.697**	**8.301**
	Total assets	**15.900**	**8.504**

		2024 01/Jan/24 31/Dec/24	2023 01/Jan/23 31/Dec/23
	Equity and liabilities		
	Equity		
	Share capital	3.485	2.758
	Retained earnings	4.789	-4.677
5	**Total equity**	**8.274**	**-1.919**
	Liabilities		
	- Trade payables	1.242	657
	- Deferred revenue	4.972	0
	- Liabilities measured at fair value	0	8.636
	- Other payables	1.412	1.130
	Current liabilities	**7.626**	**10.423**
	Total liabilities	**7.626**	**10.423**
	Total equity and liabilities	**15.900**	**8.504**

16.

Statement of changes in equity

16. Statement of changes in equity

CHANGE IN EQUITY 2024 Amounts in DKK ´000´	Share-Capital	Share Premium	Retained earnings	Shareholders equity
At 1 January 2024	2.758	0	-4.677	-1.919
Share capital increase T02	727	16.400	7.254	24.381
Transfer		-16.400	16.400	0
Incentive Warrant Scheme			1.402	1.402
Expenses in connection with capital increase			-920	-920
Total comprehensive income for the period			-14.670	-14.670
At 31 December 2024	**3.485**	**0**	**4.789**	**8.274**

CHANGE IN EQUITY 2023 Amounts in DKK ´000´	Share-Capital	Share Premium	Retained earnings	Shareholders equity
At 1 January 2023	2.758	0	21.098	23.855
Incentive Warrant Scheme	0	0	753	753
Total comprehensive income for the period	0	0	-26.527	-26.527
At 31 December 2023	**2.758**	**0**	**-4.677**	**-1.919**

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17. Cash flow statement

	CASH FLOW STATEMENT	2024	2023
		01/Jan/24	01/Jan/23
	Amounts in DKK ´000´	31/Dec/24	31/Dec/23
	Loss before tax	-17.718	-30.740
	Financial expenses, reversed net	-1.335	8.230
	Other non-cash items	1.402	754
	Tax credit paid out	4.213	3.143
7	Change in working capital	6.278	-1.148
	Cash flow from operating activities before net financials	**-7.161**	**-19.762**
	Financial expenses paid/received	-46	-208
	Cash flow from operating activities	**-7.207**	**-19.970**
	Purchase of intangible assets	0	0
	Cash flow from investing activities	**0**	**0**
	Cash capital increase, TO1/2 + Rights Issue	17.127	0
	Transaction cost, cash capital increase	-920	0
	Cash flow from financing activities	**16.207**	**0**
	Total cash flow for the period	9.000	-19.970
	Cash, beginning of the period	3.373	23.343
	Cash, end of the period	**12.373**	**3.373**

18 - Notes

1. Material accounting policy information
2. Capital resources and liquidity
3. Staff expenses
4. Tax
5. Equity
6. Distribution of profit/loss for the year
7. Change in working capital
8. Financial risks
9. Fees to auditors
10. Related parties
11. Operating lease commitments and other commitments
12. Events occurring after the balance sheet date

18.1. Material accounting policy information

Cessatech A/S is a limited liability company domiciled in Denmark. The Financial Statements have been prepared in accordance with IFRS Accounting 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

Revenue

The Company generates revenue from out-licensing of intellectual property rights ('IP') through joint development and license agreements. Out-licensing of IP is either standalone (through license agreements), or in combination with research and development services through joint development agreements or other obligations under such contracts.

For all contracts with customers, the Company:

- identifies the performance obligations in the contract
- determines the transaction price
- allocates the transaction price to the performance obligations in the contract
- recognizes revenue when or as the Company satisfies a performance obligation.

Agreements with commercial partners generally include non-refundable upfront license, as well as royalties on product sales or net profit from licensed products, if and when such product sales occur.

Agreements that include multiple elements, total contract consideration is attributed to separately identifiable components on a reliable basis that reasonably reflects the selling prices that might be expected to be achieved in stand-alone transactions provided that each component has value to the customer on a stand-alone basis. The allocated consideration is recognized as revenue in accordance with the principles described above.

For license agreements that includes certain performance obligations in addition to the license, the Company determines if the license is 'distinct' by assessing whether the customer can benefit from the license on its own or together with other resources that are readily available, and whether the license is separately identifiable from other goods or services in the contract.

If the license is not distinct, then the Company recognizes revenue for the single performance obligation when or as the combined goods or services are transferred to the customer.

If the license is distinct, or for license agreements that do not include other obligations than the license, the Company determines the nature of the license. If the nature of the obligation is to provide the customer with a right to access the Company's IP throughout the license period, then the Company recognizes revenue over time, because the customer simultaneously consumes and receives benefit from the Company's performance of providing access to its IP as that performance occurs. A obligation to provide the customer with a right to use the Company's IP is satisfied at a point in time.

License agreements and research and collaboration agreements may include rights to variable consideration that is contingent on meeting specific develop or commercial milestones or other performance criteria.

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 Company 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. A new Incentive Warrant Scheme was adopted in January 2023 and in July 2024. See also note 3 for more details.

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.

Earnings per share
Basic net result per share is calculated as the net result for the year divided by the weighted average number of outstanding ordinary shares, excluding treasury shares.

Diluted net result per share is calculated as the net result for the year divided by the weighted average number of outstanding ordinary shares, excluding treasury shares adjusted for the dilutive effect of share equivalents. As the income statement shows a net loss, no adjustments have been made for the dilutive effect.

18 Notes

1

Material accounting policy information

BALANCE SHEET

Acquired patents
Acquired patents are measured in the balance sheet at the lower of cost less accumulated amortization and recoverable amount.

Cost comprises the acquisition price, costs directly related to the acquisition and costs for preparation of the asset until such time as the asset is ready for use. The amortization is performed on a straight-line basis with no residual value over the period of validity starts when patent is taken into commercial use. Amortization methods, useful lives and residual values are reviewed every year

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.

Liabilities measured at fair value comprise TO 2 warrants. Upon initial recognition the fair value of the TO 2 warrants are recognised based on the fair value according to Spotlight Stock Market immediately after the listing, due to the fact that these were free of charge. Subsequently, the fair value is determined each balance sheet date using the same principle. Any subsequent change in fair value is recognised as a financial item in the income statement. The TO 2 warrants are reclassified from a derivative liability to equity at the time of pricing, because the T0 2 warrants meet the definition of equity as of this point in time.

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 interest-bearing 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:

Solvency ratio:
Equity at year end x 100 /
Total assets at year end

Earnings per share:
Net loss for the year /
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.

Revenue recognition

In determining the revenue from considerations received under out-licensing of intellectual property rights ('IP') Management needs to perform judgements regarding performance obligations, transaction price, as well as allocation of transaction price to performance obligations as well as when and how performance obligations are fulfilled.

The license agreement with Proveca, included an up-front payment received in 2024. The up-front payment is considered part of the Company obligations up to submission of application and market launch and the consideration received is thus recognised over time on a straight line basis. Revenue recognised in 2024 amounts to KDKK 2.486. The part not recognised as revenue is recognised as deferred income in the balance sheet. When Proveca obtains revenue from the license, the Company will receive royalty based on such revenue.

For the joint development and license agreement with Ventis Pharma the joint development agreement set the cost to be borne by both parties and some of those cost will be shared 50% - 50% and other borne individually by both parties. After market launch the Company will receive royalty based on Ventis Pharma's net profit from the licensed product. No revenue recognized under this contract in 2024.

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 2024.

18. 2 Capital resources and liquidity

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 2024. 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 and to some extend from potential revenue streams from commercial partners.

Furthermore, the Company has a Loan Facility Agreement with a group of investors amounting to DKK 10 million with maturity April 2026. The Loan Facility is subject to certain conditions; the Company must not have filed for bankruptcy, or is reconstructing its business or terminated any of its clinical trials pertaining to CT001. The Company has not yet used this facility.

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.

The Company is in a strong position, with a close to final development program and first commercial US revenue from sale of products expected in 2025 – however, the Board of Directors and Executive Management also acknowledge that currently the Company has no products on market and still not sure about timing of income. Therefore, there will still be material uncertainties that may raise significant doubt about the Company's ability to ensure the adequately liquidity to continue operations up to and beyond 31 December 2025, but overall, the Company has never been in a better position than now.

If the Company has higher net negative cash-flow than expected the Board of Directors and Executive Management will examine other sources of liquidity and/or reduce the operating expenses to ensure going concern of the Company.

The Board of Directors and Executive Management have based on the prerequisite that the above-mentioned uncertainties will have a positive outcome concluded that the Company is a going concern for 2025.

Notes

18. 3 Staff expenses

Amounts in DKK ´000´	2024	2023
Wages and salaries	4.470	4.699
Pensions	333	430
Incentive Warrant Scheme	1.402	754
Other Social security costs etc.	23	35
Total	6.227	5.918

Key management comprising Executive Management

Wages and salaries	1.350	1.144
Incentive Warrant Scheme	599	433
Other Social security costs etc.	7	8
Total	1.956	1.585

Board of Directors

Wages and salaries	300	350
Incentive Warrant Scheme	214	159
Total	514	509
The average number of employees	4	4

Incentive Warrant Schemes
In December 2020, the Board of Directors and the CEO received warrants as part of Cessatech's Incentive Warrant Scheme. Subsequently two other Incentive Warrant Scheme have established, one in January 2023, the other in July 2024 - both including key employees.

Incentive Warrant Scheme I - 2020
The total fair value of warrants granted in 2020 had 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%

Incentive Warrant Scheme II - 2023
The total fair value of the new warrants granted in 2023 had a value of TDKK 986. The assessed fair value at expected grant date of options granted is DKK 0.87. 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 volatility of the Company.

The model inputs for the granted warrants was effective as of 17 January 2023 and included:
Vested warrants are expected to be exercisable for a period of two years after vesting
Exercise price: DKK 1.70
Grant date: 17 January 2023
Expiry date: 31 December 2027
Expected price volatility of the company's shares: 77%
Expected dividend yield: 0%
Risk-free interest rate: 2.30%

Incentive Warrant Scheme 2024 - III
The total fair value of warrants granted in 2024 had a value of TDKK 2,885. The assessed fair value at expected grant date of options granted is DKK 4.47. 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 volatility of the Company.

The model inputs for the granted warrants was effective as of 26 July 2024 and included:
Vested warrants are expected to be exercisable for a period of one years after vesting
Exercise price: DKK 7.00
Grant date: 26 July 2024
Expiry date: 31 December 2031
Expected price volatility of the company's shares: 86,2%
Expected dividend yield: 0%
Risk-free interest rate: 2.30%

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 at 31 December 2024 amounted to 1,884,900 warrants (31 December 2023: 1,320,733 warrants). Weighted average remaining contractual life of the warrants outstanding at 31 December 2024 are 4.3 year (31 December 2023: 3.8 years).

Notes

18. 4 Tax

Amounts in DKK ´000´	2024	2023
Tax on profit/loss for the year:		
Current tax (tax under the tax credit scheme)	3.048	4.213
Total	3.048	4.213
Reconciliation of effective tax:		
Tax computed on loss	3.898	6.763
Timing differences	-1.094	0
Other permanent differences	302	337
Non-taxable income	304	0
Non-deductible expenses	-362	-1.973
Non-recognized deferred tax asset	0	-914
Effective tax rate (2024 -17%, 2023 -14%)	3.048	4.213
Deferred tax:		
Tax loss carried forward	3.701	3.701
Write down to assessed value	-3.701	-3.701
Total	0	0

The Company has a loss for the year and tax on the loss for the year is KDKK 3.048
The unrecognised deferred tax assets from tax losses carried forward of KDKK 3.701 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 3.048 and is anticipated to be paid out from the Danish Tax Authorities in Q4, 2025 to the Company.

The tax credit is not considered as a subsidy as the paid-out tax credit reduces the Company's tax loss carry forward.

18. 5 Equity

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.

Share capital
The share capital consists of 17.425.095 of DKK 0.2 each. The shares are fully paid in. The shares are not divided into classes, and no shares enjoy special rights.

	2024	2023
1 January	13.788.755	13.788.755
Shares issued, January 2024	3.636.339	
Shares issued, 31 December	17.425.094	13.788.755
All shares have a nominal value of DKK 0,2		
Weighted average number of shares used as denominator, when calculation earnings per share	17.248.469	13.788.755

Incentive Warrant Scheme
The Board of Directors is authorised during the period until 1 January 2027 on one or more occasions to issue up to 1,936,122 warrants, without pre-emptive rights for the Company's shareholders, 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.

TO2 warrants
In January 2024, a successful outcome of warrants of series TO 2, from a Rights Issue resulting in additional cash share capital contribution of KDKK 17.1 million at an exercise discounted price of DKK 4.71, before issuing costs. The total number of outstanding TO 2 warrants was 3,838,110 at 31 December 2023 of which 94.7% were exercised in January 2024. Upon initial recognition, due to the fact that these were free of charge, the fair value of the TO 2 warrants recognised as financial liability is based on the fair value according to Spotlight Stock Market immediately after the listing. Subsequent the fair value is determined each balance sheet date using the same principle. Any subsequent change in fair value is recognised as financial item in the income statement. The fair value change in 2024 recognised as financial income amounted to KDKK 1.382 (2023: expense of KDKK 8.022).

Authorizations to increase the share capital
The Board of Directors is authorised to cash increase of the share capital: In the period until 23 March 2029, the board of directors is authorized to increase the Company's share capital in one or more issues of new shares at a price equal to market price without preemption rights for the Company's existing shareholders by up to a nominal amount of DKK 4,635,075.

Notes

18. 6 Distribution of profit/loss for the year

Amounts in DKK ´000´	2024	2023
Proposed dividends for the year	0	0
Retained earnings	-14.670	-26.527
Total	-14.670	-26.527

18. 7 Change in working capital

Amounts in DKK ´000´	2024	2023
Other receivables and prepayments	440	782
Change in trade payables	585	-2.081
Change in deferred revenue	4.972	0
Change in other payables	282	150
Total	6.278	-1.148

Notes

18. 8 Financial risks

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 2024, 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 Company has a Loan Facility Agreement with a group of investors amounting to DKK 10 million with maturity April 2026. The Company has not yet drawn on this facility

	Within		Over		
Amounts in DKK ´000´	1 year	1-2 year(s)	2-5 years	5 years	Total
As at 31 December 2024					
Trade payables	1.242	0	0	0	1.242
Other payables	1.412	0	0	0	1.412
Total	2.654	0	0	0	2.654

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.

Financial assets and liabilities measured at fair value
There were no assets at fair value as at 31 December 2024 and 2023. There were no liabilities measured at fair value as at 31 December 2024. Liabilities measured at fair value as at 31 December 2023 relates to the fair value at outstanding T02 warrants. The fair value has been determined using the market price (level 1) at Spotlight Stock Market.

Notes

18. 9 Fees to auditors appointed at the Annual General Meeting

Amounts in DKK ´000´	2024	2023
Statutory audit fees	116	110
Other assurance services	0	0
Tax and VAT advisory services	18	18
Other services	15	17
Total	149	145

Non-audit services of DKK 35k (2022: DKK 67k) are related to review of tax statements and assistance with filing of tax return as well as reading and commenting on quarterly reporting and advice related to determination of fair value of warrants and subscription rights.

Shareholders	Number of shares	Shares %	Incentive Warrants (2024)	Incentive Warrants (2023)	Incentive Warrants (2020)
Shareholders >5%					
Jes Trygved (CEO)	926.899	5,3%	250.000	550.000	248.000
All other shareholders	16.498.195	94,7%			
SUM	**17.425.094**				
Board of Directors					
Martin Olin (chairman)	356.686	2,0%	40.000	45.000	12.400
Rachel Curtis Gravesen	204.417	1,2%	20.000	30.000	
Charlotte Videbæk (C- ApS)	174.663	1,0%	20.000	30.000	12.400
Anders Dyhr Dombernowsky-Toft	50.860	0,3%	20.000		
Flemming Jensen	0	0,0%	20.000	30.000	12.400

18. 10 - Transactions with related parties

For remuneration to the Board of Directors, Executive Management and key management personnel in 2024 please refer to note 3.

The left table provides information of transactions that have been entered into with related parties including total number of shares and outstanding incentive warrants granted in respectively 2024, 2023 and 2020

TO2 warrants

In January 2024, a successful outcome of warrants of series TO 2, from a Rights Issue resulting in additional KDDK 17.1 million at an exercise discounted price of DKK 4.71, before issuing costs. The total number of outstanding TO 2 warrants was 3,838,110 at 31 December 2023 of which 94.7% were exercised in January 2024

18. 11 - Lease commitments and other commitments

The company lease commitment of DKK 150k at 31 December 2024

18. 12 - Events occurring after the balance sheet date

None