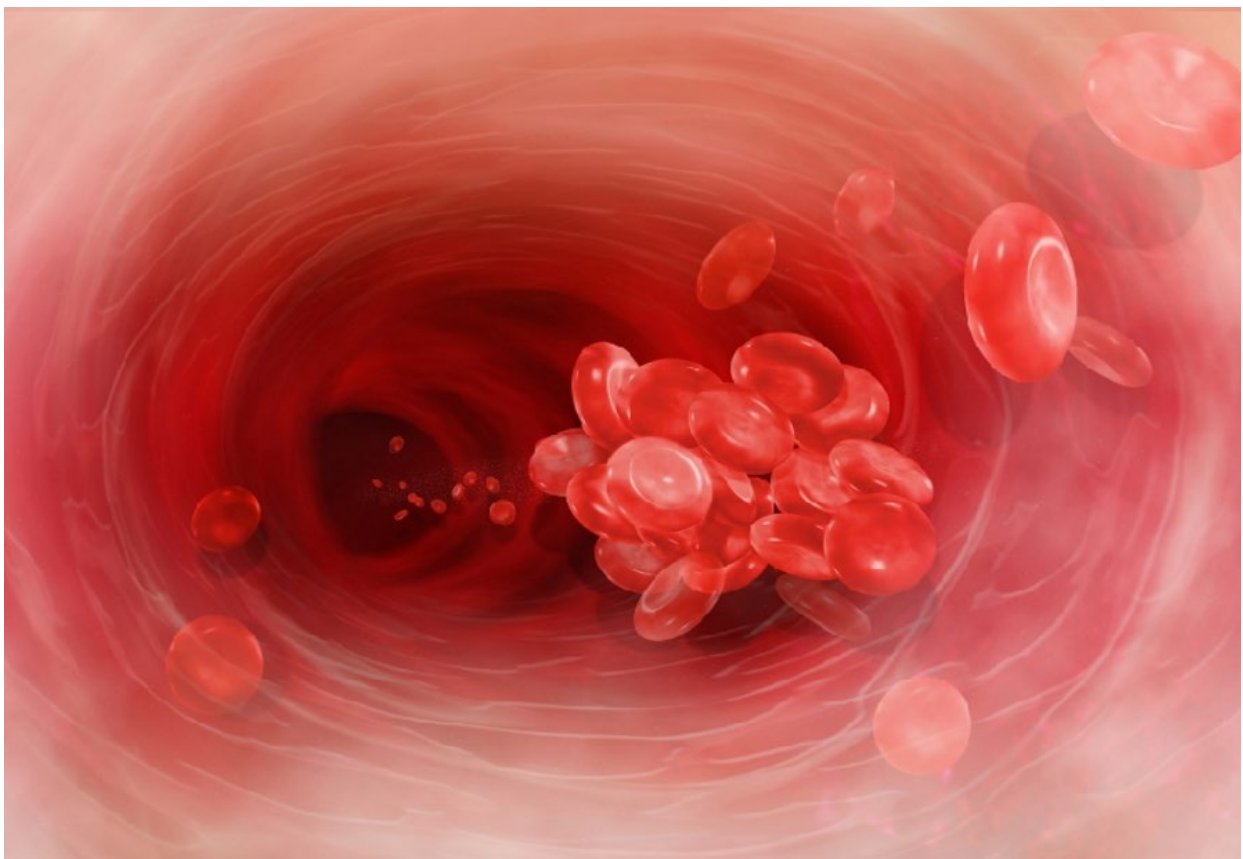


Cereno Scientific

Epigenetic Modulation for Cardiovascular Disease

Year-end Report

1 January 2019 – 31 December 2019



The Board and Chief Executive Officer of Cereno Scientific AB here with present the Year-end Report for 2019.

Summary of the Year-end Report

Cereno Scientific Group

(2019-12-20 – 2019-12-31)

- Net Sales were 0 SEK.
- Loss after financial items was SEK -1 043 828.
- Loss per share was SEK -0.03 before dilution and SEK -0.02* after dilution.
- The equity/assets ratio was 93,1 %.

Parent company

Twelve months (1 January 2019 – 31 December 2019)

- Net sales were SEK 0 (0).
- Loss after financial items was SEK -15 279 801 (-11 838 887).
- Loss per share was SEK -0.38 (-0.81) before dilution and SEK -0.36* (-0.54) after dilution.
- The equity/assets ratio was 93.1% (63.5%).

Three months (1 October 2019 – 31 December 2019)

- Net sales were SEK 0 (0).
- Loss after financial items was SEK -3,703,583 (-4,061,587).
- Loss per share was SEK -0.09 (-0.28) before dilution and SEK -0.09* (-0.18) after dilution.

Amounts in parentheses: Prior year comparative period.

Equity/assets ratio: Shareholders' equity divided by total assets.

Earnings per share: Profit/loss for the period divided by 40,219,312 shares as of 31 December 2019 and 14,647,970 shares as of 31 December 2018.

**Diluted earnings per share: Profit/loss for the period divided by shares outstanding and warrants as of the balance sheet date, 31 December 2019 and 31 December 2018 respectively.*

The "company" or "Cereno Scientific" refers to Cereno Scientific AB, Corporate Registration Number 556890-4071.

Significant events during the first quarter of 2019

- On 4 January 2019, Cereno Scientific requested the seventh tranche of convertible bonds with warrants attached to European High Growth Opportunities Securitization Fund which amounted to SEK 3,500,000.
- On 9 January 2019, Cereno Scientific received notification from European High Growth Opportunities Securitization Fund regarding conversion of convertible bonds into 533,333 class B shares in Cereno, corresponding to SEK 800,000 of the convertible loan. The conversion price per share amounted to SEK 1.50.
- On 17 January 2019, Cereno Scientific received notification from European High Growth Opportunities Securitization Fund regarding conversion of convertible bonds into 666,666 class B shares in Cereno, corresponding to SEK 800,000 of the convertible loan. The conversion price per share amounted to SEK 1.20.
- On 18 January 2019, the Board of Directors of Cereno Scientific decided to recall the latest tranche with associated warrants that the company issued on 4 January 2019 and to pause until further notice the call-down of new convertible bonds in the funding solution the company entered into with the European High Growth Opportunities Securitization Fund.
- On 22 January 2019, Cereno Scientific received notification from European High Growth Opportunities Securitization Fund regarding conversion of convertible bonds into 3,333,333 class B shares in Cereno, corresponding to SEK 4,000,000 of the convertible loan. The conversion price per share amounted to SEK 1.20. EHGOSF still has the right, according to the agreement, to convert the outstanding convertible loan into shares. After the conversion, SEK 5,200,000 remains of the convertible loan.
- On 1 Mars 2019 Cereno Scientific announced that the company has decided to completely end the financing solution the company entered into with European High Growth Opportunities Securitization Fund.
- On 7 Mars 2019 Cereno Scientific announced that the Company has received a new granted patent in Australia. The patent broadens the protection for the use of the drug candidate, CS1, in an important market for the company.
- On 11 Mars 2019 Cereno Scientific announced the establishment of a Scientific Advisory Board, whose purpose is to strengthen the transfer of knowledge from academic research into a business environment. Dr. Bertram Pitt, Honorary Professor Emeritus at the University of Michigan School of Medicine with long-standing experience and a strong reputation in the field of cardiovascular diseases, has accepted the offer to become the chair of the board.
- On 13 Mars 2019 Cereno Scientific announced that the Company has signed an agreement with Emeriti Bio AB regarding the acquisition of the compound CS014. The compound has innovative properties and will expand Cereno Scientific's pipeline product portfolio in cardiovascular diseases.
- On 18 Mars 2019 Cereno Scientific announced that the Company has recruited Dr Gordon H Williams, a Professor of Medicine at Harvard Medical School, as a new member of the Scientific Advisory Board.
- On 22 Mars 2019 Cereno Scientific announced that the Company repays the remaining convertible loan of SEK 2,600,000 to European High Growth Opportunities Securitization Fund in cash instead of issuing new shares. After the repayment, there are no longer any outstanding convertible loans left.

Significant events during the second quarter of 2019

- On 2 April 2019, Cereno Scientific announced that the company was continuing to strengthen its clinical expertise by recruiting three leading international experts in cardiology to its Scientific Advisory Board. The Scientific Advisory Board will bring world-leading expertise and experience in planning and conducting clinical studies. The new members are Dr Deepak Bhatt from Harvard Medical School, Dr

Faiez Zannad from the Université de Lorraine and director of the department of heart failure, high blood pressure and preventive cardiology at Centre Hospitalier Universitaire de Nancy, and Dr Gunnar Olsson who worked as a senior executive at AstraZeneca for over 20 years. The Board is led by chairman Dr Bertram Pitt from the University of Michigan School of Medicine, and Dr Gordon H Williams of Harvard Medical School has also been a member since early on.

- On 12 April 2019, Cereno Scientific announced the company's resolution to issue shares in a partially guaranteed preferential issue of approximately SEK 55,600,000, with preferential rights for the company's existing shareholders, contingent on the Extraordinary General Meeting's subsequent approval and resolution on changing the Company's Articles of Association regarding the number of shares and share capital. The company also announced it had entered into an agreement regarding a contracted bridge loan of SEK 12,000,000 to safeguard its short-term operating capital requirement.
- On 3 May, Cereno Scientific announced the appointment of Daniel Brodén as the new Chief Financial Officer. Daniel Brodén had been the acting CFO since May 2018 and had been working for Cereno Scientific as a consultant.
- On 7 May 2019, it was announced that Cereno Scientific had submitted a patent application for its CS014 compound with the intent of strengthening and expanding the company's product portfolio.
- An Extraordinary General Meeting of Cereno Scientific was held on 15 May 2019. The Meeting resolved, in accordance with the proposal from the Board of Directors, to adopt new Articles of Association with amended limits for share capital and the number of shares. The Meeting resolved to approve the Board's decision on a new issue with preferential rights for existing shareholders. Additionally, the Meeting resolved in accordance with the Board's proposal to authorise the Board of Directors, without preferential rights for shareholders, to make decisions on increasing the company's share capital through the new issue of Class B shares, meaning the company's share capital may increase by no more than SEK 172,413.70, corresponding to no more than 1,724,137 new Class B shares.
- On 22 May, Cereno Scientific announced that the company had submitted an application for clinical testing to the government agencies in Russia regarding the company's Phase II study with the drug candidate CS1.
- On 24 May, Cereno Scientific announced that the company, through its Scientific Advisory Board, had identified that the company's treatment concept for cardiovascular diseases had the potential to inhibit, or even prevent, the progression of fibrosis. The company can thus expand the field of indication for its treatment concept with its drug candidates CS1 and CS014. This potential expansion of indication could result in a significantly larger market potential than the company has previously communicated.
- On 31 May, Cereno Scientific announced that the company had submitted an application to the government agencies in Bulgaria regarding the company's clinical Phase II study with the drug candidate CS1.
- On 13 June, Cereno Scientific announced that the company had completed the preferential issue of Class B shares for SEK 55.6 million, which was announced on 12 April and approved at an Extraordinary General Meeting on 15 May. Total subscription to the preferential issue was 109.5%, of which approximately 61.1% was subscribed using subscription rights. The preferential issue generated approximately SEK 55.6 million in proceeds before issue expenses for the company. The overallotment issue was 100% utilised, thus generating approximately SEK 5 million in proceeds before issue expenses for the company. Issue expenses totalled approximately SEK 11 million, including remuneration to the guarantors.
- On 28 June, Cereno Scientific announced that the company, in conjunction with the preferential issue, the outcome of which was announced on 13 June, would be carrying out a private placement of 132,571 Class B shares in total with a subscription price of SEK 3.15 per share, in accordance with a

guarantee agreement, for the guarantors of the preferential issue who had chosen to receive guarantee remuneration in the form of shares.

Significant events during the third quarter of 2019

- On 5 July 2019, Cereno Scientific announced the registration of the rights issue and over-allotment issue, which provided the company SEK 60,6 million before issue costs. At the beginning of the quarter, a directed issue to the underwriters of the Rights Issue who have chosen to receive their underwriting remuneration in the form of shares was carried out and registered. In total, 132,571 shares of series B were issued to the underwriters.
- On 11 July, Cereno Scientific announced that the company recently participated at ISTH in Melbourne, Australia. The company's co-founder Pia Larsson, PhD presented Cereno's positive phase I results in the form of a poster, which received the award "Top Poster Winner".
- On 29 July, Cereno Scientific announced the publication of the company's article "A First in Class Treatment for Thrombosis Prevention. A Phase I Study With CS1, a New Controlled Release Formulation of Sodium Valproate" in the Journal of Cardiology and Vascular Medicine.
- On 28 August, the company announced that the Extraordinary General Meeting resolved unanimously on the proposal of the Board to issue at most 650,000 warrants to key persons, executive Board members and deputy Board members. Each warrant bears the right to a new subscription of 1 Class B share in the company during the period from 1 April 2023 to 31 October 2023. The subscription price is SEK 15.26 per share.
- On 6 September, the Board of Directors of Cereno Scientific resolved to issue at most 300,000 warrants to members of the company's Scientific Advisory Board. Each warrant bears the right to a new subscription of 1 Class B share in the company during the period from 1 April 2023 to 31 October 2023. The subscription price is SEK 15.26 per share.
- On 26 September, Cereno Scientific announced that the authorities in Russia have issued approval regarding the company's application to initiate a Phase II clinical trial with the drug candidate CS1. The company intends to start the study the first half of 2020 with the intention of demonstrating CS1's preventative effect against the formation of blood clots after orthopedic surgery.

Significant events during the fourth quarter of 2019

- On 19 November, Cereno Scientific announced that the authorities in Bulgaria have issued approval regarding the company's application to initiate a Phase II clinical trial with the drug candidate CS1. The company intends to start the study at mid-year 2020 with the intention of demonstrating CS1's preventative effect against the formation of blood clots after orthopedic surgery. The study will be conducted in both Bulgaria and Russia, and the company has previously been granted to start the study in Russia.
- On 10 December, Cereno Scientific announced that the company has signed an agreement with Inorbit Therapeutics AB regarding the acquisition of a new compound in preclinical phase. The compound CS036 provides a further extension of Cereno Scientific's portfolio in cardiovascular diseases.

Significant events after the end of the period

- No significant events have occurred after the end of the period.

CEO Sten R. Sørensen comments

With advancements on several fronts, 2019 was a very good year for Cereno Scientific. It is with great satisfaction that I look back on the company's most eventful year so far.

Phase II study approved in Bulgaria and Russia

In May 2019, we applied for permission to conduct a Phase II clinical trial evaluating CS1 as thrombosis prophylaxis in orthopedic surgery in Bulgaria and Russia. In the second half of the year, we achieved our biggest milestones so far when we received approval for the start of the study from ethical and regulatory authorities in both Bulgaria and Russia. We are now completing the upscaling of production of clinical trial material in order to initiate the study, which is estimated to start at mid-year 2020.



Strengthened finances ahead of Phase II study

In June, a successful share issue was completed, which strengthened the company's finances for the upcoming Phase II study. The share issue was oversubscribed and thus provided the company with SEK 60.6 million before issue costs. The capital raised is primarily used to prepare for the Phase II trial with our drug candidate, CS1.

Expanded future plans

In 2019, we have expanded our future plans in collaboration with our newly established Scientific Advisory Board, which consists of five world-leading researchers in the field of cardiovascular disease. The collaboration has led to a broadened focus area which now includes diseases that have the development of fibrosis as an important component. This provides a very exciting opportunity for the development of our pipeline platform based on epigenetic modulation through "HDAC inhibition" (Histone DeAcetylase inhibition). It provides the opportunity to treat large cardiovascular disease groups such as atrial fibrillation, stroke and myocardial infarction as well as rare diseases related to pulmonary fibrosis, thrombosis, inflammation and high blood pressure in the pulmonary circulation.

In line with our strategic ambition to broaden our pipeline and our indication areas, we acquired two new substances in preclinical phase during 2019. In March 2019, the substance CS014 was acquired from Emeriti Bio AB and in December 2019 the substance CS036 was acquired from Inorbit Therapeutics AB. The acquisitions of CS014 and CS036 means that we have a portfolio of drug candidates with the potential for several indications in cardiovascular diseases.

Broadened international presence

During the year, we have worked consciously and actively to increase our presence on the international stage. By appearing at several prestigious conferences, we have been able to expand our network of world-leading researchers and potential financial and industrial partners. One of the highlights of the year was the award we received at the annual conference International Society of Thrombosis and Hemostasis 2019 in Melbourne, Australia. Our co-founder Pia Larsson, PhD, presented our abstract "A New Treatment for Thrombosis Prevention?" in the form of a poster that won the award "Top Poster Winner".

We ended the year strongly with our participation in the important and well-regarded scientific conferences 3rd Annual Anti-Fibrotic Drug Development Summit in Boston, the Global Cardiovascular Clinical Trialists' Forum in Washington DC and the Nordic-American Life Science Conference in New York. In Boston and Washington DC, we presented our development concept based on epigenetic modulation through "HDAC inhibition" with treatment potential in diseases related to fibrosis, inflammation and thrombosis identified together with our Scientific Advisory Board. The treatment options concern both rare diseases and major cardiovascular indications.

Going forward

After a strong year 2019, I look confidently at the coming year with several important upcoming events. We look forward to being able to start our phase II study. Furthermore, we will continue to define the indications

for our broadened pipeline and our development on an international basis. We will continue to be visible at prestigious conferences for increased exposure to potential investors and partners on the international stage.

Gothenburg, 27 February 2020
Sten R. Sørensen, CEO Cereno Scientific AB

About Cereno Scientific

- **Thrombosis – causes the most deaths globally**

Thrombosis-related disease (occluding blood clots) is the leading cause of illness and death worldwide. Myocardial infarction and stroke, which in most cases are caused by thrombosis, cause great suffering for the individual and high costs for society.

- **Current treatments are inadequate – high risk of bleeding and suboptimal preventive effect**

Blood-thinning medications are widely used today to prevent blood clots. They act by inhibiting coagulation or blood platelets. This treatment is associated with a relatively high risk for serious bleeding complications, resulting in insufficient prevention effect with current drugs, since the most effective doses cannot be used, or in some cases, treatment must be discontinued due to the risk of bleeding. This entails a high risk of new blood clots.

- **Cereno Scientific works with the body's own intelligent blood clot-busting system to improve the preventive treatment of blood clots with reduced risk of bleeding side effects**

Cereno Scientific's first drug candidate, CS1, is based on the body's own intelligent defence systems against blood clots. Cereno Scientific considers that the company's concept is unique because there are currently no clinical therapies that optimise the body's clot dissolving system (the fibrinolytic system) that is triggered when blood clotting (coagulation) begins after a vascular injury has occurred.

CS1 is expected to provide an opportunity for effective preventive treatment of blood clots and a lower risk of bleeding than is the case with today's treatments with blood-thinning drugs.

- **Documented effect on risk markers for blood clots and proven preventive effect**

CS1 has documentation of effect on risk markers in experimental studies and early human studies. Preventive effect against thrombosis has been demonstrated in *in vivo* studies in animals. Indication of clinical preventive effect against heart attacks and stroke has been shown in several large independent epidemiological studies. The first clinical study with CS1 showed positive results regarding safety, desirable pharmacokinetic properties and effect on a biomarker for the risk of thrombosis. Data shows that treatment with CS1 significantly lowers PAI-1 levels. PAI-1 is the factor that inhibits t-PA, which is the substance the body itself uses to dissolve blood clots.

- **Expanded indication targets**

Cereno Scientific has expanded its future plans through a possible broadening of indications and is evaluating the potential for epigenetic modulation in rare diseases related to pulmonary fibrosis, thrombosis, inflammation and high blood pressure in the pulmonary circulation. Cereno Scientific's aim is to form a platform of drug candidates that affects the field of epigenetic modulation through "HDAC inhibition" (Histone DeAcetylase inhibition).

- **Known substance that has been used for over 40 years in large patient populations indicates low development risk**

CS1 is a new innovative formulation of a known substance that minimises the risk for unwanted side effects and indicates a relatively low development risk.

- **Relatively short time to market and possible collaboration agreement with major pharmaceutical company**

The company intends to seek collaboration agreements with major pharmaceutical companies for further development towards larger thrombosis prevention indications such as heart attack and stroke. In conjunction with the Phase II program, contacts with potential partners are expected to increase.

- **Large market potential**

CS1 has an intelligent mechanism with a possible broad indication window towards large thrombosis-related diseases, with long treatment times (preventive treatment) and therefore a large value and market potential. The company has an approved patent in the US and Australia for use of CS1. The approved patent provides Cereno Scientific with a platform for a significant market potential in the US, the world's largest drug market — a market that, for drug-related treatment of thrombosis alone, has estimated sales of approximately USD 10 billion annually and continues to grow.

- **Expanded pipeline**

In March 2019, Cereno Scientific acquired CS014 from Emeriti Bio AB, a compound that Cereno Scientific will continue to develop jointly with Emeriti Bio. In December 2019, Cereno Scientific further expanded its portfolio through the acquisition of CS036 from Inorbit Therapeutics AB. The acquisitions of CS014 and CS036, two preclinical-phase HDAC inhibitors, means that Cereno Scientific has a portfolio of drug candidates with the potential for more indications within the field of cardiovascular disease.

Operations

Cereno Scientific is developing a pipeline of preventive therapeutics that work through epigenetic modulation for cardiovascular diseases and rare diseases to meet significant unmet clinical needs. Cereno Scientific's aim is to form a platform of drug candidates that affects the field of epigenetic modulation through "HDAC inhibition" (Histone DeAcetylase inhibition).

Cereno Scientific's first drug candidate, CS1, is expected to provide an opportunity for effective preventive treatment of blood clots and a lower risk of serious bleeding complications than today's treatments with blood-thinning drugs. CS1 is an innovative formulation of a known compound and, as such, is expected to have a relatively short development time. Cereno Scientific's concept is based on many years of research, and its effectiveness has been documented in experimental animal studies, clinical studies and epidemiological studies, the latter have seen a reduced risk of both heart attack and stroke. CS1 has a unique mechanism of action, a potentially wide range of indication opportunities connected to major thrombosis-related diseases and, consequently, a large market potential. Furthermore, Cereno Scientific has expanded its future plans for CS1 by increasing its potential target indications. In addition to the ability to prevent thrombosis, opportunities have been identified for CS1 to inhibit – or even reduce already established – fibrosis development. It opens up for additional benefits in cardiovascular indications such as atrial fibrillation, heart failure, chronic kidney damage and a number of rare thrombosis diseases with significant development of fibrosis. In parallel with the development of CS1, Cereno Scientific is developing CS014 and CS036, two molecules in preclinical phase. The company is headquartered and operates in AstraZeneca's BioVentureHub. For more information, see www.cerenoscientific.com.

Company structure and shareholding

On December 20, 2019, a US subsidiary, Cereno Scientific Inc. was formed. The company is a wholly owned subsidiary of Cereno Scientific AB. In 2019, no operations were conducted in the subsidiary.

Company share

Cereno Scientific's B shares were listed on Spotlight Stock Market on 22 June 2016. Spotlight Stock Market is an affiliate of ATS Finance AB, which is a securities company under the supervision of Finansinspektionen, the Swedish financial supervisory authority. Spotlight Stock Market operates a multilateral trading facility (MTF), which is not a regulated market. On 31 December 2019, share capital was divided across 40,219,312 shares. The company has two classes of shares (of which 722,248 Class A shares). The Class A share carries the right to ten (10) votes per share. Each Class B share carries the right to one (1) vote per share. Each share gives equal rights to the company's assets and earnings. The quote value (share capital divided by number of shares) amounts to SEK 0.10.

Warrants of series 2016/2019

At the Annual General Meeting on 29 January 2016, it was resolved to issue 325,289 warrants (series 2016/2019) through a private placement, thus entitling to a subscription of 325,289 Class B shares. During the third quarter of 2017, the company repurchased 65,058 warrants at the issue price. The repurchased warrants have been cancelled; of the original 325,289 warrants, 260,231 now remain. After the completed preferential issue in June 2019, the restated number of shares that the options give entitlement to is 275,736 and the restated subscription price is SEK 5.66. The warrants can be used for subscribing Class B shares during the period 1 March 2019 – 1 December 2020. For information regarding holders of warrants, refer to the Listing Memorandum.

Warrants of convertible loans

The financing agreement concluded with the European High Growth Opportunities Securitization Fund on 1 March 2019 and consisted of convertible loans and associated warrants. The company no longer has any outstanding convertible loans. The number of warrants outstanding at the balance sheet date, 31 December 2019, was 2,247,569. After the completed preferential issue in June 2019, the restated number of shares that the options give entitlement to is 2,270,044. Of the warrants, 1,142,306 have a maturity of five years from the respective registration dates, with subscription prices between SEK 3.60 and 8.40. The 1,105,263 warrants issued on 1 March 2019 have a subscription price of SEK 1.90 and a maturity of six years, with a lock-up period during the first year in which the options may not be sold or utilised.

Warrants of series OP 2018/2022

The Extraordinary General Meeting on 23 October 2018 resolved to issue 647,256 warrants and/or employee warrants (series OP 2018/2022) entitled to subscription of 647,256 Class B shares. 323,628 warrants and/or employee warrants have a subscription price of SEK 15.00 per warrant, and 323,628 of the warrants and/or employee warrants have a subscription price of SEK 30.00 per warrant. 617,256 warrants were cancelled in the second quarter of 2019 at no cost to the company, after which 30,000 warrants are outstanding. After the completed preferential issue in June 2019, the restated number of shares that the options give entitlement to is 31,787. Of the 30,000 warrants outstanding, 15,000 now have a restated subscription price of SEK 14.16 and 15,000 have a restated subscription price of SEK 28.31. The warrants can be used for subscribing Class B shares during the period 24 July 2022 – 23 October 2022.

Warrants of series 2019/2023 N01 and series 2019/2023 S01

The Extraordinary General Meeting on 28 August 2019 resolved to issue 650,000 warrants, of which 450,000 relate to key persons (series 2019/2023 N01) and 200,000 relate to operational Board members (series 2019/2023 S01), giving an entitlement to subscribe for a total of 650,000 class B shares. The warrants have a subscription price of SEK 15.26 per warrant, and can be used for subscribing for Class B shares during the period 1 April – 31 October 2023.

Warrants of series 2019/2023 SAB01

On 6 September 2019, the Board of Directors of Cereno Scientific resolved to issue at most 300,000 warrants to members of the company's Scientific Advisory Board (series 2019/2023 SAB01). Each warrant bears the right to a new subscription of 1 Class B share in the company during the period from 1 April 2023 to 31 October 2023. The subscription price is SEK 15.26 per share.

Financial performance

During the fourth quarter, the company mainly invested in the development and production of clinical supplies. At the end of the fourth quarter, the company had a cash balance of approximately SEK 26.1 million and an equity/assets ratio of 93.1%.

Audit

The company's auditor has not audited the Interim Report.

Principles of preparation for the Interim Report

The accounts in this Interim Report have been prepared in accordance with the Annual Accounts Act and the Swedish Accounting Standards Board BFNAR 2012:1 Annual Report and Consolidated Accounts (K3).

Upcoming financial reports

Interim Report, Q1 2020

14 May 2020

Cereno Scientific's annual report for the financial year 2019 is scheduled to be published on the company's website, www.cerenoscientific.com, May 14 2020.

AGM

The Annual General Meeting is scheduled for 10 June, 2020 in Gothenburg. The venue for the Annual General Meeting will be presented no later than in connection with the notice of the Annual General Meeting.

The Board of Directors and CEO certify that this Interim Report provides a true and fair view of the company's operations.

Gothenburg, 27 February 2020

The Board and Chief Executive Officer of Cereno Scientific AB

Consolidated income statement*

(SEK)	20 Dec 2019	
	31 Dec 2019	
Net sales	-	
Capitalised work for own account	187 544	
	187 544	
<i>Operating expenses</i>		
Other external costs	-990 364	
Personnel costs	-238 987	
Operating loss	-1 041 807	
<i>Loss from financial items</i>		
Interest income	-2 021	
Loss after financial items	-1 043 828	
Loss before tax	-1 043 828	
Loss for the period	-1 043 828	

*The group commenced on 2019-12-20, therefore no comparative figures are reported.

Consolidated balance sheet*

(SEK)	31 Dec 2019	
ASSETS		
Fixed assets		
<i>Intangible assets</i>		
Capitalised expenditures for development activities	31 438 808	
Patents, trademarks, licenses and similar rights	4 981 277	
	36 420 085	
Tangible assets		
Fixtures, tools and installations	65 390	
	65 390	
Total fixed assets	36 485 475	
Current assets		
<i>Current receivables</i>		
Other receivables	1 008 819	
Prepaid expenses and accrued income	465 339	
	1 474 158	
Cash and bank balance	26 099 549	
Total current assets	27 573 707	
TOTAL ASSETS	64 059 182	

* The group commenced on 2019-12-20, therefore no comparative figures are reported.

Consolidated balance sheet, continued

(SEK)	31 Dec 2019	
EQUITY AND LIABILITIES		
<i>Equity</i>		
Share capital	4 021 931	
Other contributed capital	52 725 374	
Other capital including loss for the year	3 199 257	
Equity attributed to the Parent Company's shareholders	59 946 562	
Holdings without controlling influence	-	
Total equity	59 946 562	
<i>Long-term liabilities</i>		
Other liabilities to credit institutions	400 000	
	400 000	
<i>Current liabilities</i>		
Accounts payable	2 489 039	
Other liabilities	93 141	
Accrued expenses and deferred income	1 427 440	
	4 009 620	
TOTAL EQUITY AND LIABILITIES	64 356 182	

Consolidated cash flow statement*

(SEK)	20 Dec 2019	31 Dec 2019
OPERATING ACTIVITIES		
Loss after financial items	-1 043 828	
Cash flow from operating activities before changes in working capital	-1 043 828	
<i>Cash flow from changes in working capital</i>		
Increase (-)/Decrease (+) in operating receivables	-661 012	
Increase (+)/Decrease (-) in operating liabilities	926 457	
Cash flow from operating activities	-778 383	
Investment		
Acquisition of intangible assets	-349 993	
Cash flow from investing activities	-349 993	
Financing activities		
	-	
Cash flow from financing activities	0	
Cash flow for the period	-1 128 376	
Cash and cash equivalents at start of period	27 227 925	
Cash and cash equivalents at end of period	26 099 549	

* The group commenced on 2019-12-20, therefore no comparative figures are reported.

Parent Company's condensed income statement

(SEK)	01 Oct 2019 31 Dec 2019 <i>3 months</i>	01 Oct 2018 31 Dec 2018 <i>3 months</i>	01 Jan 2019 31 Dec 2019 <i>12 months</i>	01 Jan 2018 31 Dec 2018 <i>12 months</i>
Net sales	-	-	-	-
Capitalised work for own account	3 623 191	2 420 362	10 869 705	6,785,733
Other operating income	-	8 610	125 862	145,889
	3 623 191	2 428 972	10 995 567	6,931,622
<i>Operating expenses</i>				
Other external costs	-6 903 722	-5 413 179	-23 161 120	-15,763,255
Personnel costs	-417 981	-197 852	-942 954	-855,165
Operating loss	-3 698 512	-3 182 059	-13 108 507	-9,686,798
<i>Loss from financial items</i>				
Interest income	-	-	-	-
Interest expenses and similar expenses	-5 071	-879 528	-2 171 294	-2,152,089
Loss after financial items	-3 703 583	-4 061 587	-15 279 801	-11,838,887
Loss before tax	-3 703 583	-4 061 587	-15 279 801	-11,838,887
Loss for the period	-3 703 583	-4 061 587	-15 279 801	-11,838,887

Parent Company's condensed balance sheet

(SEK)	31 Dec 2019	31 Dec 2018
ASSETS		
Fixed assets		
<i>Intangible assets</i>		
Capitalised expenditures for development activities	31 438 808	20,569,104
Patents, trademarks, licenses and similar rights	4 981 277	3,886,587
	36 420 085	24,455,691
Tangible assets		
Fixtures, tools and installations	65 390	-
	65 390	0
Financial assets		
Shares in Group Company	65 390	-
	65 390	0
Total fixed assets	36 486 416	24,455,691
Current assets		
<i>Current receivables</i>		
Other receivables	1 008 819	1,015,973
Prepaid expenses and accrued income	465 339	127,960
	1 474 158	1,143,933
Cash and bank balance	26 099 549	11,237,141
Total current assets	27 573 707	12,381,074
TOTAL ASSETS	64 060 123	36,836,765

Parent Company's condensed balance sheet, continued

(SEK)	31 Dec 2019	31 Dec 2018
EQUITY AND LIABILITIES		
<i>Equity</i>		
<i>Restricted equity</i>		
Share capital	4 021 931	1,464,797
Fund for development expenses	31 098 285	20,228,580
	35 120 216	21,693,377
<i>Non-restricted equity</i>		
Share premium reserve	52 725 374	11,334,253
Retained earnings	-12 916 227	2,203,254
Profit/loss for the year	-15 279 801	-11,838,887
	24 529 346	1,698,620
Total equity	59 649 562	23,391,997
<i>Long-term liabilities</i>		
Other liabilities to credit institutions	400 000	400,000
	400 000	400,000
<i>Current liabilities</i>		
Accounts payable	2 489 039	1,521,672
Convertible loans	-	9,550,404
Other liabilities	94 082	-
Accrued expenses and deferred income	1 427 440	1,972,692
	4 010 561	13,044,768
TOTAL EQUITY AND LIABILITIES	64 060 123	36,836,765

Parent Company - Condensed change in equity

01 Jan 2019 – 31 Dec 2019	Share capital	Fund for development expenses	Share premium reserve	Retained earnings	Net loss for the period
At start of period	1,464,797	20,228,580	11 334 253	2,203,254	-11,838,887
Redistribution, previous year's result			-11 334 253	-504 634	11,838,887
Share issue through conversion of loans	453,333		5 146 667		
Deficit in resolve of conversion rights				-4 120 652	
Warrants issued				375 510	
New share issue	2,103,801		58 939 572		
Issue expenses			-11 360 865		
Redistribution in equity		10 869 705		-10 869 705	
Loss for the period					-15 279 801
At the end of the period	4 021 931	31 098 285	52 725 374	-12 916 227	-15 279 801

Parent Company's condensed cash flow statement

(SEK)	01 Oct 2019 31 Dec 2019 3 months	01 Oct 2018 31 Dec 2018 3 months	01 Jan 2019 31 Dec 2019 12 months	01 Jan 2018 31 Dec 2018 12 months
OPERATING ACTIVITIES				
Loss after financial items	-3 703 583	-4 061 587	-15 279 801	-11,838,887
<i>Adjustments for items not included in the cash flow</i>				
Accrued expenses for borrowings	-	875 876	1 249 596	2,145,404
Share issue through conversion of loans	-	-	5 600 000	-
Deficit in resolve of conversion rights	-	-	-4 120 651	-
New share issue through offset of liability	-	-	491 399	-
	-3 703 583	-3 185 711	-12 059 457	-9,693,483
Cash flow from operating activities before changes in working capital	-3 703 583	-3 185 711	-12 059 457	-9,693,483
<i>Cash flow from changes in working capital</i>				
Increase (-)/Decrease (+) in operating receivables	-661 019	-476 407	-330 225	-735 558
Increase (+)/Decrease (-) in operating liabilities	1 767 104	377 604	-9 034 207	1 665 768
Cash flow from operating activities	-2 597 498	-3 284 514	-21 423 889	-8 763 273
Investment				
Acquisition of intangible assets	-3 976 881	-2 207 224	-11 964 395	-7 743 444
Acquisition of tangible assets	-65 390	-	-65 390	-
Acquisition of financial assets	-941	-	-941	-
Cash flow from investing activities	-4 043 212	-2 207 224	-12 030 726	-7 743 444
Financing activities				
New share issue	-	-	60 551 974	-
Issue expenses	-	-	-11 360 865	-
Warrants issued	334 650	-	375 510	-
Borrowings	-	-	12 000 000	-
Amortisation of loans	-	-	-12 000 000	-
Convertible loans	-	7 000 000	-	22,500,000
Costs associated with convertible loans	-	-210 000	-1 249 596	-3,395,000
Cash flow from financing activities	334 650	6 790 000	48 317 023	19,105,000
Cash flow for the period	-6 306 060	1 298 262	14 862 408	2,598,283
Cash and cash equivalents at start of period	32 405 609	9 938 879	11 237 141	8,638,858
Cash and cash equivalents at end of period	26 099 549	11 237 141	26 099 549	11,237,141

Cereno Scientific

Intelligent Thrombosis Prevention



About Cereno Scientific AB

Cereno Scientific is developing a pipeline of preventive therapeutics that work through epigenetic modulation through “HDAC inhibition” (Histone DeAcetylase inhibition) for cardiovascular diseases and rare diseases. The company's first program, CS1, is a phase II dual-acting antithrombotic drug aimed at venous thrombosis and stroke prevention for atrial fibrillation. Cereno Scientific also evaluates the potential of epigenetic modulation for rare diseases related to pulmonary fibrosis, thrombosis, inflammation and high blood pressure in the pulmonary circulation system. In parallel with the development of CS1, Cereno Scientific develops CS014 and CS036, two preclinical phase HDAC inhibitors. The company is located in AstraZeneca's BioVentureHub. Cereno Scientific's Class B share has been listed on Spotlight Stock market since June 2016 with the ticker CRNO B, ISIN SE0008241558.

Cereno Scientific AB

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