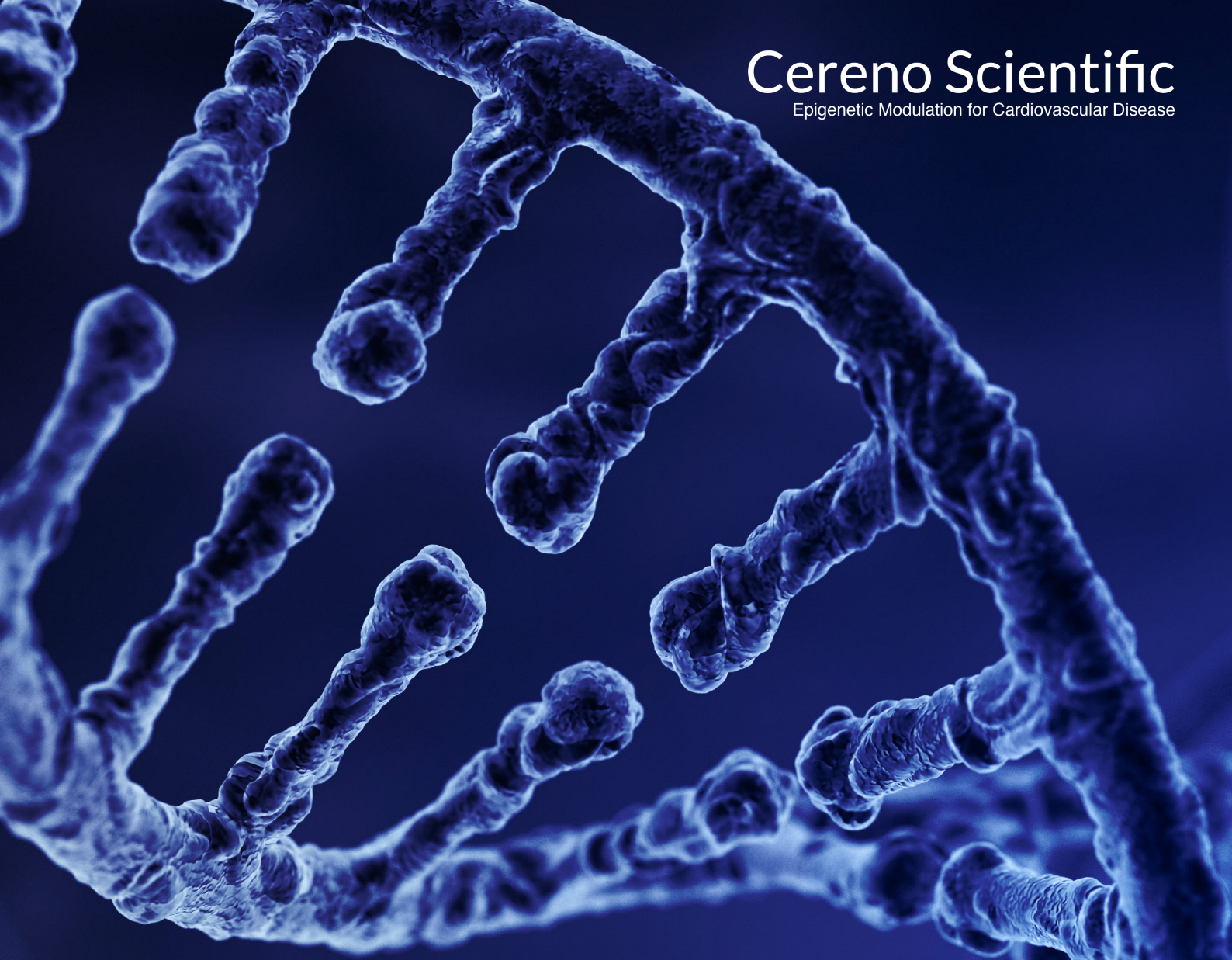
Cereno Scientific

Epigenetic Modulation for Cardiovascular Disease



Year-end report

January - December 2020

Corp. Reg. No. 556890–4071 | www.cerenoscientific.com | BioVentureHub Pepparedsleden 1, SE-431 83 Mölndal, Sweden

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Financial calendar

5 May 2021 | Annual report

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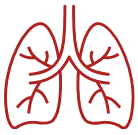
At a glance

Cereno strives to unlock the potential of epigenetic modulation for treating rare and common cardiovascular diseases in areas of great unmet need.

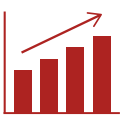
Cardiovascular disease is the number 1 cause of death globally, killing nearly twice as many people as cancer.

Cereno is on of the first to develop a cardiovascular therpay using epigenetic modulation without altering genetic material.



Our pipeline of epigenetic modulators:

- Drug candidate CS1, Phase II study is being planned for the treatment of rare disease pulmonary arterial hypertension (PAH) and selected thrombotic indications.
- Preclinical NCE program, are evaluated for the treatment of cardiovascular indications.



Listed on Spotlight Stock Market since June 2016 (CRNO B).

Summary

Cereno Scientific Group

Year to date (1 January – 31 December 2020)
- Net Sales were 0 SEK
- Loss after financial items was SEK 16 017 060
- Loss per share was SEK 0.22 before dilution and SEK 0.21 after dilution*
- The equity/assets ratio was 88.9 %

Fourth quarter (1 October – 31 December 2020)
- Net Sales were 0 SEK
- Loss after financial items was SEK 5 109 959
- Loss per share was SEK 0.07 before dilution and SEK 0.07 after dilution*

Parent company

Year to date (1 January – 31 December 2020)
- Net sales were SEK 0 (0)
- Loss after financial items was SEK 16 015 061 (15 279 801)
- Loss per share was SEK 0.22 (0.38) before dilution and SEK 0.21 (0.36) after dilution*
- The equity/assets ratio was 88.9 % (93.1%)

Forth quarter (1 October – 31 December 2020)
- Net sales were SEK 0 (0)
- Loss after financial items was SEK 5 102 567 (-3 703 583)
- Loss per share was SEK 0.07 (0.09) before dilution and SEK 0.07 (0.09) after dilution*

Significant events during forth quarter

- In October, Cereno confirmed that the record date for distribution of warrants of series TO1 and TO2 to current shareholders is on the 9 October 2020 and first day of trading in the warrants is on the 14 October 2020.
- In December, the agreement with Mangold Fondkommission to act as liquidity provider for the company's share was terminated. The share has a good spread and a liquidity provider is therefore no longer needed.

Significant events after the end of the period

- Early January, a letter of intent with the global contract research organization (CRO) Worldwide Clinical Trials was signed. Worldwide will provide support and guidance in the final preparatory steps as well as conduct the clinical Phase II study with drug candidate CS1 in rare disease pulmonary arterial hypertension (PAH).
- In conjunction with a Scientific Advisory Board meeting in January, Dr. Raymond L. Benza M.D., FACC, FAHA, FACP, US, was appointed to the Cereno Scientific Advisory Board. Benza is a global thought leader within pulmonary arterial hypertension (PAH) and has been working as an advisor to the company's Phase II program with drug candidate CS1 in PAH.
- At the end of January, an expansion of the intellectual property rights (IPR) for drug candidate CS1 across two different patent families was announced. The patent granted in Canada belongs to the company's first patent family, and the patent granted in Russia belongs to the company's second patent family. This is a result of Cereno's continuous work in securing IPR for its assets to strengthen the commercial positioning.

– 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 40 219 321 shares as of 30 September 2020 and 40 219 321 shares as of 30 Sep 2019.
– *Diluted earnings per share: Profit/loss for the period divided by shares outstanding and warrants as of the balance sheet date, 31 December 2020 and 30 December 2019, respectively.

Letter from the CEO

During the fourth quarter, we have worked intensively on both our clinical and preclinical projects. Later this year, a Phase II study is planned to start in pulmonary arterial hypertension (PAH) with our drug candidate CS1. The preparations are many and running at a good pace. This year will further mean intensified work with continued research around our preclinical projects. All in all, this contributes to a strengthen commercial positioning for Cereno together with the new, important additions to our patent portfolio. Our main principle for 2021 is to accelerate even further, which is made possible by our strengthened financials.

Preparations ahead Phase II study with CS1 in PAH

At the center of our focus is the preparation for the upcoming clinical Phase III study with CS1 in PAH. It is an important study both for the company and the patients that today are affected by PAH with lacking treatment options. That is why the advisory pre-IND meeting with the US FDA marked an important milestone for us in December, and at the same time being the kick-off for the IND-application process for permission to start the study in the US. The next milestone achieved was at the beginning of January when we started a partnership with the global contract research organization (CRO) Worldwide Clinical Trials that will support the preparations ahead of study start as well as execute the study in the US.

Expansion of the scientific advisory board

We have during 2020 had a close collaboration with our scientific advisory board and advisors to set our research and development up for success in the best possible way. We have built a strong network surrounding us with key expertise within our main areas of focus. Dr. Raymond L. Benza is a global thought leader within the rare disease PAH and have important experience from several previously conducted clinical studies, which have given us invaluable insights, including how our PAH study in the US should be best designed to show the efficacy data both regulatory authorities would like to see as a basis for approval and doctors to prescribe the drug to patients. In January, Dr. Benza was appointed to Cereno's scientific advisory board and he will contribute with a new and important perspective during our continued clinical development.

Strengthening our IPR

We were recently granted three new patents in the key markets Japan, Canada and Russia that expanded the intellectual property rights (IPR) to more regions. This means that CS1's patent protection now has expanded to cover two of the world's largest pharmaceutical markets, Japan and the US. A robust IPR portfolio is a contributing to a beneficial position of Cereno for commercial success and often a key question in discussions with potential partners.

Sten R. Sörensen, CEO Cereno Scientific

Priorities ahead

We have entered a new year with strengthened financials following the capital raising during the fall of 2020 and have now an exciting spring ahead. In addition to the preparatory work with our Phase II study with CS1 in PAH, will our work to continue development of our preclinical NCE-program be an important part of our operations. This will be done through continuation of our collaboration with the University of Michigan in the US that, during the year, have conducted preclinical studies to in-depth study the properties of substances in the NCE-program.

We also plan to continue to participate in investor events and biotech congresses to build relationships and raise awareness of Cereno on a national as well as international arena.

We have an exciting project portfolio of clinical and preclinical drug candidates that attracts attention. Cereno has carved out a unique position to in the future be able to meet the major unmet needs for new disease-modifying treatment alternatives for patients with common and rare cardiovascular diseases.

Gothenburg, February 2021
Sten R. Sörensen, CEO Cereno Scientific

Cardiovascular diseases

Cardiovascular diseases (CVDs) are the most common cause of death in the world, killing nearly twice as many people as cancer. It is a group of disorders of the heart and blood vessels. An estimated 17.8 million people died from cardiovascular diseases in 2017, a figure estimated to increase to 22.2 million people annually by 2022. Of these deaths, approximately 85% are due to heart attacks and thrombotic stroke. There are both common and rare diseases among cardiovascular diseases.

With an increasing number of people suffering from severe conditions resulting from CVDs in combination with insufficient treatments, the medical need to improve the situation for these patients is growing.

Cereno combines an extensive experience in cardiovascular diseases with epigenetic modulation in a novel approach to develop new treatments for patients in need. The aim is to use epigenetic modulating drugs to improve the health of cardiovascular patients, both in common and rare diseases. Cereno's focus is to develop novel treatments in cardiovascular diseases that offer better efficacy and fewer side effects compared to today's available drugs.

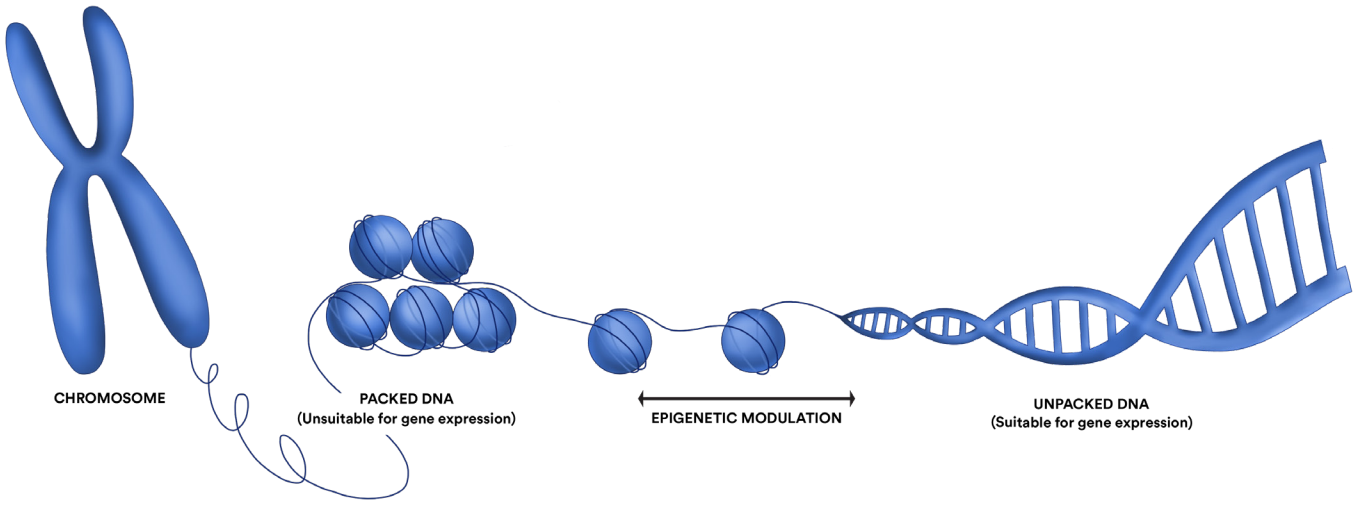
Epigenetic modulation

Epigenetic modulation is the alteration of gene expression without altering genetic material. In recent years, epigenetic modulation has played a critical rolein new therapies within oncology, but the use of epigenetic modulation in cardiovascular diseases is just beginning. To carry out gene expression, cells must control the coiling and uncoiling of DNA around the terminal tails of core histones. This is where the importance of the histone deacetylases (HDACs) come into play.

One of the most common epigenetic modulators is a class of enzymes called HDACs. HDACs are found throughout the body in most cells, and, when stimulated, they can lead to changes in how an individual's DNA is read within the cells, which can affect key cellular mechanisms, thus increasing the risk of disease. Scientists have found ways of regulating some disease-causing epigenetic changes as a form of therapy, using inhibitors. The compounds HDAC inhibitors are epigenetic modulators with a whole spectrum of potential disease-modifying effects, thus attracting attention from many pharmaceutical and biotech companies in different disease areas. Cereno Scientific is the first to explore the commercial possibilities of epigenetic modulation in CVD.

Cereno's pipeline uses an epigenetic modulation platform based on histone deacetylase inhibitors (HDACi). The pipeline of HDAC inhibitors holds the potential to disrupt the existing CVD treatments with safer and more efficacious therapies.

Simplified illustration of epigenetic modulation



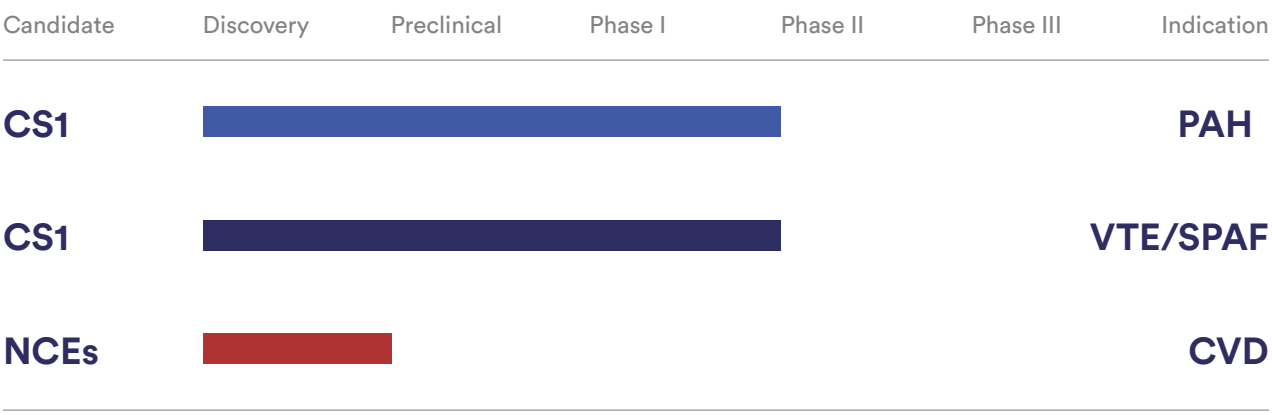
Pipeline

Cereno has a pipeline of epigenetic modulators targeting common and rare cardiovascular diseases (CVDs). The pipeline comprises of a Phase II candidate, CS1, as well as several preclinical candidates.

Clinical phase II
The lead candidate, CS1, is a new formulation of valproic acid, with a mechanism of action proven in preclinical studies to have the ability to balance the level of t-PA and PAI-1. The candidate acts as an epigenetic modulator with anti-fibrotic, anti-thrombotic, anti-inflammatory, and pressure reducing properties. A clinical Phase II study is being planned for the treatment of the rare disease pulmonary arterial hypertension (PAH). It has also shown promising data within selected thrombotic indications.

Preclinical phase
The new chemical entities (NCEs) is a collective name for Cereno's drug candidates currently being evaluated in the preclinical stage. The program comprises epigenetic modulating drugs primarily targeted to treat CVDs. Several new compounds have been discovered and are being evaluated for a number of CVDs.

Asset development stage



Clinical drug candidate CS1

The lead drug candidate, CS1, is a key reformulation of valproic acid (VPA) and acts as an epigenetic modulator with anti-thrombotic, anti-inflammatory, anti-fibrotic, and pressure reducing properties. CS1's epigenetic mechanism is expressed through histone deacetylase (HDAC) inhibition and brings a novel treatment approach to cardiovascular diseases. The current body of evidence supporting CS1's properties has been provided through a successful Phase I study, but also through in vitro studies, animal models, human physiological data, and independent epidemiology studies. In preclinical studies, CS1 showed an improvement in the endogenous fibrinolytic system by supporting thrombolysis only at the site of the injury with few side effects. With the clinical phase I study, CS1 demonstrated good safety and tolerability, robust reduction of PAI-1 and no problems with bleeding.

Combined, CS1 shows strong promise for a four-fold efficacy:

- Anti-thrombotic
- Anti-inflammatory
- Anti-fibrotic
- Pulmonary pressure reduction

Phase IIa study in PAH

A clinical phase IIa study with CS1 in rare disease pulmonary arterial hypertension (PAH) is expected to be initiated in mid-2021. CS1's unique effect profile forms a good match with PAH's pathogenetic mechanisms and could address the unmet clinical needs within the treatment of the rare disease.

The clinical development program for CS1 in PAH is anchored in the Orphan Drug Designation (ODD) that was granted by the US Food and Drug Administration (FDA) in March 2020. The US FDA grants orphan drug designations to entice the development of products that are intended for the treatment of rare diseases that affect fewer than 200,000 people in the US. Several incentives are associated with ODDs to facilitate the drug development for rare diseases, such as seven years of market exclusivity in the US if the drug is approved, FDA assistance in clinical trial design, and tax credits for qualified clinical trial costs.

"CS1 has to definitely be tested in PAH, it could be game-changing for patients."

- Dr. Raymond L. Benza, global thought leader in PAH treatment and a scientific advisor to Cereno.

With the granted ODD request, CS1 has fulfilled the criteria of showing a potential to provide significant benefit to patients suffering from PAH. The disease presents patients with serious unmet needs, being progressive with unsatisfying treatment options. Patients with PAH have a poor prognosis with a 5-year mortality rate of around 30%, and the disease substantially decreases the quality of life of patients. PAH is one of five different types of pulmonary hypertension affecting around 5-15 out of 100,000 people globally.

Cereno's development program for CS1 in thrombotic indication VTE/SPAF is deferred to follow after the Phase II study program in PAH.

Cereno Scientific Group, January – December 2020

Company structure and shareholding

Cereno Scientific Group comprises parent company Cereno Scientific AB and its US subsidiary Cereno Scientific Inc. The US subsidiary was formed on December 20, 2019, and is wholly owned by Cereno Scientific AB.

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.

Financial performance
During the fourth quarter, the company mainly invested in the development of the production process of clinical supplies, in the development of its patent portfolio, and in preclinical studies within its NCE program. The directed issue that the Board of Directors resolved upon on 30 September 2020 got registered at the Swedish Companies Registration Office in October and provided the company with approximately SEK 60 million before deduction of transaction costs. At the end of the fourth quarter, the group had a cash balance of approximately SEK 66 million and an equity/assets ratio of 88.9 %.

Risk factors
A number of risk factors can have a negative impact on Cereno Scientific's operations. It is therefore of great importance to take into account relevant risks in addition to the company's growth opportunities. These risks are described without mutual arrangement and without claims to be comprehensive in the company's prospectus issued in connection with the rights issue in May 2019 and which can be read on the Company's website.

Share capital
On 31 December 2020, the share capital was divided across 71 819 312 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 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 2020, was 2 247 569. After the completed preferential issue in June 2019, the restated number of Class B 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 and the 1 105 263 warrants issued on 1 March 2019 have a maturity of six years from the registration date. The subscription price for the new shares that the warrants can be used to subscribe to have been recalculated after the directed issue in September 2020 and is now SEK 1.90.

Warrants of series OP 2018/2022
The Extraordinary General Meeting on 23 October 2018 resolved to issue warrants and/or employee warrants (series OP 2018/2022) entitled to subscription of Class B shares. The series has 30 000 warrants 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 share 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.

Warrants of series TO1 B and TO2 B
On 30 September 2020, the Board of Directors, based on the authorization granted by the Annual General Meeting on 10 June 2020, resolved on a directed issue of shares and warrants. The Board of Directors also resolved on an issue of warrants to existing shareholders as well as to the lender that was part of the loan financing agreement that the company entered into.

A total of 34 519 303 warrants of series TO 1 B have been issued, where 15 800 000 are allotted to investors in the directed issue, 2 631 579 to the lender and 16 087 724 to current shareholders in the company. For series TO2 B a total of 34 519 303 warrants of series TO2 B have been issued, where 15 800 000 are allotted to investors in the directed issue, 2 631 579 to the lender and 16 087 724 to current shareholders in the company.

Warrants of series TO1 B will, upon full exercise, provide the company an additional maximum of approximately SEK 98.4 million, based on the maximum subscription price. Warrants of series TO2 B will, upon full exercise, provide the company an additional maximum of approximately SEK 114.8 million, based on the maximum subscription price. The actual issue amount will naturally depend upon the final subscription price.

Warrants of series TO1 B and TO2 B are trading on Spotlight Stock Market under the short names CRNO TO 1 B and CRNO TO2 B respectively.

Additional terms for the warrants of series TO1 B and TO2 B as well as further information about the directed issue, the loan financing and the allotment of warrants to existing shareholders can be found in the company's press release as per 30 September 2020.

Proposal for the disposal of Cereno Scientific results

The Board of Directors and the President propose that no dividend be paid for the financial year 2020.

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).

Annual General Meeting

The Annual General Meeting is scheduled for 9 June, 2021 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 parent company and the group's operations.

Gothenburg, 25 February 2021
The Board and Chief Executive Officer of Cereno Scientific AB

Consolidated income statement*

(SEK)	01 Oct 2020 31 Dec 2020 *3 months*	01 Jan 2020 31 Dec 2020 *12 months*	20 Dec 2019 31 Dec 2019
Net sales	-	-	-
Capitalized work for own account	1 624 629	8 223 388	187 544
	1 624 629	**8 223 388**	**187 544**
OPERATING EXPENSES			
Other external costs	-5 917 060	-22 509 095	-990 364
Personnel costs	-543 951	-1 445 422	-238 987
Depreciation of tangible fixed assets	-3 577	-14 308	-
OPERATING LOSS	**-4 839 959**	**-15 745 437**	**-1 041 807**
LOSS FROM FINANCIAL ITEMS			
Interest expense and similar expenses	-270 000	-271 623	-2 021
Loss after financial items	**-5 109 959**	**-16 017 060**	**-1 043 828**
LOSS BEFORE TAX	**-5 109 959**	**-16 017 060**	**-1 043 828**
LOSS FOR THE PERIOD	**-5 109 959**	**-16 017 060**	**-1 043 828**

*The group commenced on 20 December, 2019

Consolidated balance sheet*

(SEK)	31 Dec 2020	31 Dec 2019
ASSETS		
FIXED ASSETS		
Intangible assets		
Capitalized expenditures for development activities	37 451 534	31 438 808
Patents, trademarks, licenses and similar rights	7 191 939	4 981 277
	44 643 473	**36 420 085**
Tangible assets		
Fixtures, tools and installations	57 239	65 390
	57 239	**65 390**
Financial assets		
Other long-term receivables	7 534	-
	7 534	**0**
TOTAL FIXED ASSETS	**44 708 246**	**36 485 475**
CURRENT ASSETS		
Current receivables		
Other receivables	840 446	1 008 819
Prepaid expenses and accrued income	678 600	465 339
	1 519 046	**1 474 158**
Cash and bank balance	**66 004 352**	**26 099 549**
TOTAL CURRENT ASSETS	**67 523 398**	**27 573 707**
TOTAL ASSETS	**112 231 644**	**64 059 182**

*The group commenced on 20 December, 2019

Consolidated balance sheet* (continued)

(SEK)	31 Dec 2020	31 Dec 2019
EQUITY AND LIABILITIES		
Equity		
Share capital	7 181 931	4 021 931
Other contributed capital	106 207 286	52 725 374
Other capital including loss for the year	-13 645 738	2 902 257
Equity attributed to the Parent Company's shareholders	**99 743 479**	**59 649 562**
Holdings without controlling influence	-	-
TOTAL EQUITY	**99 743 479**	**59 649 562**
Long-term liabilities		
Other liabilities to credit institutions	400 000	400 000
	400 000	**400 000**
Current liabilities		
Accounts payable	1 073 968	2 489 039
Tax liabilities	24 847	-
Bridge loan	9 120 000	-
Other liabilities	123 878	93 141
Accrued expenses and deferred income	1 745 472	1 427 440
	12 088 165	**4 009 620**
TOTAL EQUITY AND LIABILITIES	**112 231 644**	**64 059 182**

*The group commenced on 20 December, 2019

Condensed change in equity

01 Jan 2020 - 31 Dec 2020	Share capital	Other contributed capital	Other capital including profit/ loss for the year
At start of the period	4 021 931	52 725 374	2 902 257
Exchange rate differences when translating foreign subsidiaries	-	-	5 917
Reclassification of warrants issued		536 853	-536 853
New share issue	3 160 000	56 880 000	
Issue expenses		-3 934 941	
Loss for the period			-16 017 060
At the end of the period	**7 181 931**	**106 207 286**	**-13 645 739**

Consolidated cash flow statement*

(SEK)	01 Oct 2020 31 Dec 2020 *3 months*	01 Jan 2019 31 Dec 2019 *12 months*	20 Dec 2019 31 Dec 2019
OPERATING ACTIVITIES			
Loss after financial items	-5 109 959	-16 017 060	-1 043 828
Adjustments for items that are not included in the cash flow			
Depreciations	3 577	14 308	-
Translation differences	5 112	5 917	-
Accrued expenses for borrowings	120 000	120 000	-
Accrued interest cost	150 000	150 000	-
New share issue through offset of liability	818 288	818 288	-
	-4 012 982	**-14 908 547**	**-1 043 828**
Cash flow from operating activities before changes in working capital	**-4 012 982**	**-14 908 547**	**-1 043 828**
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in operating receivables	-102 039	-194 888	-661 012
Increase (+)/Decrease (-) in operating liabilities	-423 474	-1 041 454	926 457
Cash flow from operating activities	**-4 538 495**	**-16 144 889**	**-778 383**
INVESTING ACTIVITIES			
Acquisition of intangible assets	-1 624 629	-8 223 388	-349 993
Acquisition of tangible assets	-	-6 157	-
Acquisition of financial assets	-	-7 534	-
Cash flow from investing activities	**-1 624 629**	**-8 237 079**	**-349 993**
FINANCING ACTIVITIES			
New share issue	59 221 712	59 221 712	-
Issue expenses	-3 934 941	-3 934 941	-
Borrowings	-	10 000 000	-
Costs associated with borrowings	-	-1 000 000	-
Cash flow from financing activities	**55 286 771**	**64 286 771**	**0**
Cash flow for the period	**49 123 647**	**39 904 803**	**-1 128 376**
Cash flow equivalents at start of period	**16 880 705**	**26 099 549**	**27 227 925**
Cash and cash equivalents at the end of period	**66 004 352**	**66 004 352**	**26 099 549**

*The group commenced on 20 December, 2019

Parent company's condensed income statement

(SEK)	01 Oct 2020 31 Dec 2020 *3 months*	01 Oct 2019 31 Dec 2019 *3 months*	01 Jan 2020 31 Dec 2020 *12 months*	01 Jan 2019 31 Dec 2019 *12 months*
Net sales	-	-	-	-
Capitalized work for own account	1 624 629	3 623 191	8 223 388	10 869 705
Other operating income	-	-	-	125 862
	1 624 629	**3 623 191**	**8 223 388**	**10 995 567**
Operating expenses				
Other external costs	-5 909 668	-6 903 722	-22 507 096	-23 161 120
Personnel costs	-543 951	-417 981	-1 445 422	-942 954
Depreciation of tangible fixed assets	-3 577	-	-14 308	-
OPERATING LOSS	**-4 832 567**	**-3 698 512**	**-15 743 438**	**-13 108 507**
Loss from financial items				
Interest expenses and similar expenses	-270 000	-5 071	-271 623	-2 171 294
Loss after financial items	**-5 102 567**	**-3 703 583**	**-16 015 061**	**-15 279 801**
LOSS BEFORE TAX	**-5 102 567**	**-3 703 583**	**-16 015 061**	**-15 279 801**
LOSS FOR THE PERIOD	**-5 102 567**	**-3 703 583**	**-16 015 061**	**-15 279 801**

Parent company's condensed balance sheet

(SEK)	31 Dec 2020	31 Dec 2019
ASSETS		
FIXED ASSETS		
Intangible assets		
Capitalized expenditures for development organization	37 451 534	31 438 808
Patents, trademarks, licenses and similar rights	7 191 939	4 981 277
	44 643 473	**36 420 085**
TANGIBLE ASSETS		
Fixtures, tools and installations	57 239	65 390
	57 239	**65 390**
FINANCIAL ASSETS		
Shares in group company	941	941
	941	**941**
TOTAL FIXED ASSETS	**44 701 653**	**36 486 416**
CURRENT ASSETS		
Current receivables		
Receivables from group companies	62 592	-
Other receivables	840 446	1 008 819
Prepaid expenses and accrued income	599 200	465 339
	1 502 238	**1 474 158**
Cash and bank balance	**65 955 827**	**26 099 549**
TOTAL CURRENT ASSETS	**67 458 065**	**27 573 707**
TOTAL ASSETS	**112 159 718**	**64 060 123**

Parent company's condensed balance sheet (continued)

(SEK)	31 Dec 2020	31 Dec 2019
EQUITY AND LIABILITIES		
Restricted equity		
Share capital	7 181 931	4 021 931
Fund for development expenses	39 321 673	31 098 285
	46 503 604	**35 120 216**
Unrestricted equity		
Share premium reserve	52 945 059	52 725 374
Retained earnings	16 305 959	-12 916 227
Profit/loss for the period	-16 015 061	-15 279 801
	53 235 957	**24 529 346**
TOTAL EQUITY	**99 739 561**	**59 649 562**
Long-term liabilities		
Other liabilities to credit institutions	400 000	400 000
	400 000	**400 000**
Current liabilities		
Accounts payable	1 073 968	2 489 039
Tax liabilities	24 847	-
Bridge loan	9 120 000	-
Other liabilities	123 878	94 082
Accrued expenses and deferred income	1 677 464	1 427 440
	12 020 157	**4 010 561**
TOTAL EQUITY AND LIABILITIES	**112 159 718**	**64 060 123**

Parent company's condensed change in equity

01 Jan 2020 - 31 Dec 2020	Share capital	Fund for development expenses	Share premium reserve	Retained earnings	Net loss for the period
At start of period	4 021 931	31 098 285	52 725 374	-12 916 227	-15 279 801
Disposal according to AGM resolution	-	-	-52 725 374	37 445 573	15 279 801
New share issue	3 160 000	-	56 880 000	-	-
Issue expenses	-	-	-3 934 941	-	-
Redistribution in equity	-	8 223 388	-	-8 223 388	-
Loss for the period	-	-	-	-	-16 015 061
At the end of the period	**7 181 931**	**39 321 673**	**52 945 059**	**16 305 958**	**-16 015 061**

Parent company's condensed cash flow statement

(SEK)	01 Oct 2020 31 Dec 2020 *3 months*	01 Oct 2019 31 Dec 2019 *3 months*	01 Jan 2020 31 Dec 2020 *12 months*	01 Jan 2019 31 Dec 2019 *12 months*
OPERATING ACTIVITIES				
Loss after financial items	-5 102 567	-3 703 583	-16 015 061	-15 279 801
Adjustments for items not included in the cash flow				
Depreciations	3 577	-	14 308	-
Accrued expenses for borrowings	120 000	-	120 000	1 249 596
Accrued interest cost	150 000	-	150 000	-
Share issue through conversions of loans	-	-	-	5 600 000
Deficit in resolve of conversion rights	-	-	-	-4 120 651
New share issue through offset of liability	818 288	-	818 288	491 399
	-4 010 702	**-3 703 583**	**-14 912 465**	**-12 059 457**
Cash flow from operating activities before changes in working capital	**-4 010 702**	**-3 703 583**	**-14 912 465**	**-12 059 457**
Cahs flow from changes in working capital				
Increase (-)/Decrease (+) in operating receivables	-31 799	-661 019	-178 080	-330 225
Increase (+)/Decrease (-) in operating liabilities	-491 481	1 767 104	-1 110 403	-9 034 207
Cash flow from operating activities	**-4 533 982**	**-2 597 498**	**-16 200 948**	**-21 423 889**
Investing activities				
Acquisition of intangible assets	-1 624 629	-3 976 881	-8 223 388	-11 964 395
Acquisition of tangible assets	-	-65 390	-6 157	-65 390
Acquisition of financial assets	-	-941	-	-941
Cash flow from investing activities	**-1 624 629**	**-4 043 212**	**-8 229 545**	**-12 030 726**
Financing activities				
New share issue	59 221 712	-	59 221 712	60 551 974
Issue expenses	-3 934 941	-	-3 934 941	-11 360 865
Warrants issued	-	334 650	-	375 510
Borrowings	-	-	10 000 000	12 000 000
Costs associated with borrowings	-	-	-1 000 000	-
Amortisation of loans	-	-	-	-12 000 000
Convertible loans	-	-	-	-
Costs associated with convertible loans	-	-	-	-1 249 596
Cash flow from financing activities	**55 286 771**	**334 650**	**64 286 771**	**48 317 023**
Cash flow for the period	**49 128 160**	**-6 306 060**	**39 856 278**	**14 862 408**
Cash flow equivalents at start of period	**16 827 667**	**32 405 609**	**26 099 549**	**11 237 141**
Cash and cash equivalents at end of period	**65 955 827**	**26 099 549**	**65 955 827**	**26 099 549**

About Cereno Scientific AB

Cereno Scientific is a leading clinical stage biotech company within cardiovascular epigenetic modulation. The lead drug candidate, CS1, is a Phase II candidate in development for the treatment of the rare disease pulmonary arterial hypertension (PAH) and thrombotic indications. CS1 is an HDAC (Histone DeACetylase) inhibitor that acts as an epigenetic modulator with anti-thrombotic, anti-inflammatory, anti-fibrotic and pressure-relieving properties. A clinical phase II study program for CS1 in PAH is expected to be initiated in mid-2021 under its US FDA granted orphan drug designation (ODD) status. In addition, Cereno has a preclinical HDAC inhibitor development program targeted at treating cardiovascular diseases. The company is headquartered in AstraZeneca's BioVenture Hub, Sweden, and has an American subsidiary, Cereno Scientific Inc., with an office in Kendall Square in Boston, Massachusetts, US. Cereno is listed on the Swedish stock market Spotlight, ticker: CRNO B, ISIN SE0008241558.

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