Cereno Scientific

Interim report Q1

January – March 2021

Org.nr. 556890–4071 | www.cerenoscientific.se | BioVentureHub Pepparedsleden 1, SE-431 83 Mölndal

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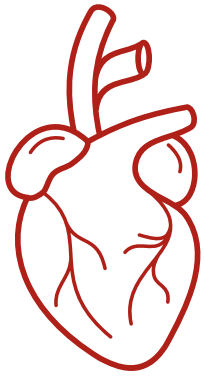
Cereno Scientific in brief



Cereno Scientific is a biotech company focusing on developing innovative treatments for patients affected by common and rare cardiovascular diseases.

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

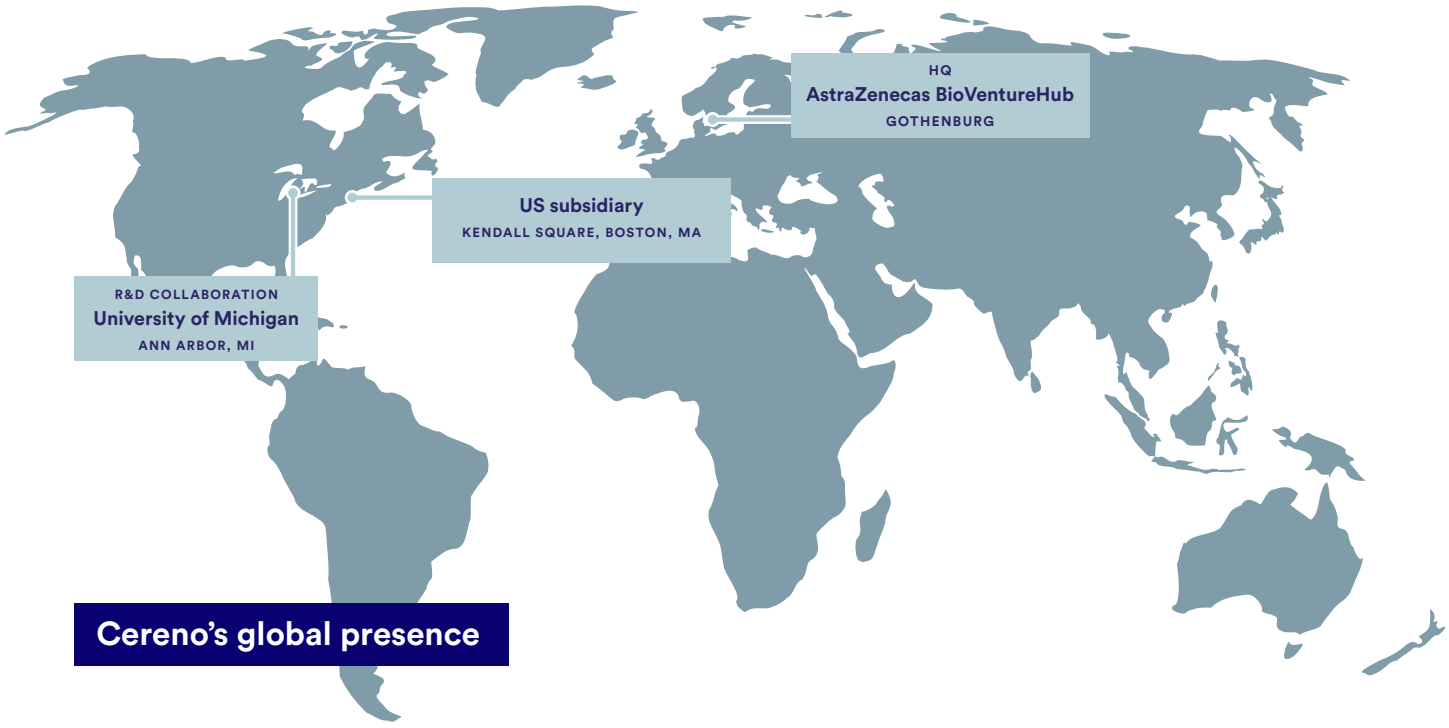
Our pipeline of comprises:

- **Drug candidate CS1 in Phase II** study being developed for the treatment of rare disease pulmonary arterial hypertension (PAH).
- **Two preclinical programs, CS585 and CS014,** evaluated for the treatment of cardiovascular diseases.

Listed on Spotlight Stock Market

June 2016

(CRNO B)



Cereno's global presence

First quarter summary

Financial overview

	The group		Parent company	
(SEK)	Jan–Mar 2021	Jan–Mar 2020	Jan–Mar 2021	Jan–Mar 2020
Net sales	-	-	-	-
Result after financial items	-3 903 947	-3 752 667	-3 904 688	-3 753 523
Earnings per share before dilution	-0.05	-0.09	-0.05	-0.09
Earnings per share after dilution*	-0.03	-0.09	-0.03	-0.09
Equity/assets ratio	87.2%	93.8%	87.2%	93.8%

Earnings per share: Profit/loss for the period divided by 71,819,312 shares as of 31 March, 2021 and 40 219 312 shares as of 31 March, 2020.
*Diluted earnings per share: Profit/loss for the period divided by shares outstanding and warrants as of the balance sheet date, 31 March 2021 and 31 March 2020, respectively

Significant events during the first quarter

- Early January 2021, 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 in 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.

- In March, the rights to in-license a preclinical program from the University of Michigan, US, were obtained through an option agreement. The agreement grants Cereno the exclusive rights to evaluate the project in a preclinical development program during a time period of up to 27 months. If the evaluation is successful, Cereno can exclusively in-license the project for further clinical development and commercialization. This marks an expansion of Cereno's project portfolio with a promising preclinical program in cardiovascular diseases.

Significant events after end of period

- In April, the timeline was set for the upcoming clinical phase II with drug candidate CS1 following the signing of the final agreements with clinical research organization Worldwide Clinical Trials. If the study timeline is followed according to plan, the first patient will start in September 2021 with study results expected in H2 2022.

- At the end of April, a collaboration agreement for the full preclinical development program of CS585 was signed with the University of Michigan. The development agreement includes the successful transition of CS585 to a clinical Phase I program. The IND-enabling work will in most part be conducted at the University of Michigan, a top-ranked public research university in the US with an extensive track record of successful collaborations with industry. CS585 is in development within cardiovascular diseases.

- At the beginning of May, it was announced that the collaboration agreement for CS014 with the University of Michigan will be extended to include a full preclinical development program. The objective of the signed development agreement is to successfully bring CS014 into a clinical Phase I program. The IND-enabling work will in most part be conducted at the University of Michigan, a top-ranked public research university in the US with an extensive track record of successful collaborations with industry. CS014 is in development within cardiovascular diseases.

- In May, Dr. Michael Holinstat, Ph.D., FAHA, took on the role as Director of Translational Research at Cereno. The role marks a further focus on the importance of Cereno's early-stage development, for which Dr. Holinstat leads the two current preclinical programs at the University of Michigan. The expansion of the Cereno team adds expertise and secures knowledge important to the company's portfolio development.

Letter from the CEO

Cereno started the year with giant strides. During the first quarter, work has intensified around our upcoming Phase II study and recently the study timeline was confirmed starting in September 2021. In parallel, our project portfolio has expanded with a new preclinical project, CS585, and development programs have been initiated for both our preclinical projects in collaboration with the University of Michigan. Overall, the goal for the company's development has been upgraded and we now have an exciting, broader and more risk-balanced project portfolio with a clear direction and a plan ahead of us to execute.

Phase II study with CS1 to start September 2021

The first months of the year have involved intensive work for our partners, CRO, manufacturing partners, scientific advisors, and ourselves in the preparations for the Phase II study. The aim is to study CS1's safety, tolerability and to do an exploratory efficacy evaluation in patients with the rare disease PAH. The plan is also to establish dose selection for later studies. The study will be conducted at approximately six clinical centers in the US with a total of 30 patients. The first patient is planned to be treated in the study in September 2021 and we are in phase with the preparations that remain before the study can start.

> **”**
>
> **The objective for the company's development has been upgraded and we now have an exciting, broader and more risk-balanced project portfolio with a clear direction and plan to execute. The goal of our project pipeline, partly with the Phase II study starting in September 2021, and partly with the two preclinical programs, is to significantly improve treatment for patients with common and rare cardiovascular diseases.**
>
> **– Sten R. Sörensen, CEO**

Expanded project portfolio with preclinical CS585

In March, we added a third project to our drug development portfolio. Cereno received the rights to in-license CS585, a preclinical phase project, through an option agreement with the University of Michigan. In practice, this means that we have exclusive rights to evaluate the project in a preclinical development program. In the event of a successful evaluation, we can exclusively in-license the project for further clinical development and commercialization. The expansion of the portfolio marked a significant milestone for the company, where we see that CS585 will be another contributing factor to a growing and higher company value for Cereno.

Research collaboration with University of Michigan for the preclinical programs

We initiated our first collaboration with the University of Michigan in the US about a year ago with good results in initial studies for the CS014 program. When deciding on the further development of our preclinical programs, the University of Michigan was one of the top choices with their extensive experience of successfully collaborating with the pharmaceutical industry. The university also has one of the largest annual academic research budgets of any university in the US, which means access to both top-ranked researchers and facilities. We are therefore very pleased that Dr. Michael Holinstat and his research group at the university will now lead the work there with our two preclinical programs, CS585 and CS014.

For both projects, full preclinical development programs have now been initiated with the goal of achieving the requirements to be able to start first-in-man studies, clinical phase I studies, within about two years.

Strengthened positioning for CS1

New patents were recently granted for CS1, which extended the drug candidate's patent protection to two of the world's largest pharmaceutical markets, Japan and the US. In addition, patent registrations were granted in Canada and Russia.

Engaged scientific advisors

At the end of May, we will hold this year's second meeting with the company's scientific advisory board. On the agenda is a company update followed by presentations and discussions around our Phase II study and our new preclinical development programs. As our scientific advisory board consists of leading opinion leaders with roles in both academia and clinical reality, we look forward to hearing their insights and updates from the field.

Outlook

Our expanded project portfolio sets the future direction for Cereno's development. We have a strong position with unique drug candidates that may make a significant difference in the treatment of cardiovascular diseases and meet the great medical needs of affected patients. ■

Gothenburg, May 2021

Sten R. Sörensen, CEO Cereno Scientific

Project portfolio

Cereno has a project portfolio targeting common and rare cardiovascular diseases. The aim is to develop treatments that can improve the life for affected patients. The portfolio comprises a Phase II program and two preclinical programs.

Clinical phase
Tolerability, safety and efficacy studies

CS1
The furthest developed drug candidate CS1 acts as an epigenetic modulator with anti-thrombotic, anti-inflammatory, anti-fibrotic and pressure-relieving properties. A clinical phase II study is planned for the treatment of the rare disease pulmonary arterial hypertension (PAH).

Preclinical phase
Laboratory studies to achieve requirements for clinical phase

CS585
The program has demonstrated potential to significantly advance treatments within selected cardiovascular diseases in initial studies.

CS014
The program comprises epigenetic modulating drug candidates that are being evaluated to treat cardiovascular diseases.

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It is gratifying to now be able to initiate two full preclinical development programs after that they have shown potential to significantly improve treatments for cardiovascular disease in animal studies. A good complement to our clinical portfolio.

- Niklas Bergh, Chief Scientific Officer (CSO)

Drug candidates in the portfolio

Canditate	Discovery	Preclinical	Phase I	Phase II	Phase III	Indication
CS1						PAH
CS585						Cardiovascular diseases
CS014						Cardiovascular diseases

Clinical drug candidate CS1

The drug candidate CS1 is a new advanced reformulation of valproic acid (VPA) and acts as an epigenetic modulator with anti-thrombotic, anti-inflammatory, anti-fibrotic, and pressure-relieving properties. CS1 is being developed as a treatment for the rare disease pulmonary arterial hypertension (PAH) with the aim to offer patients a better, disease-modifying drug. A Phase II study is planned to start in September 2021.

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, especially no bleedings. 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:

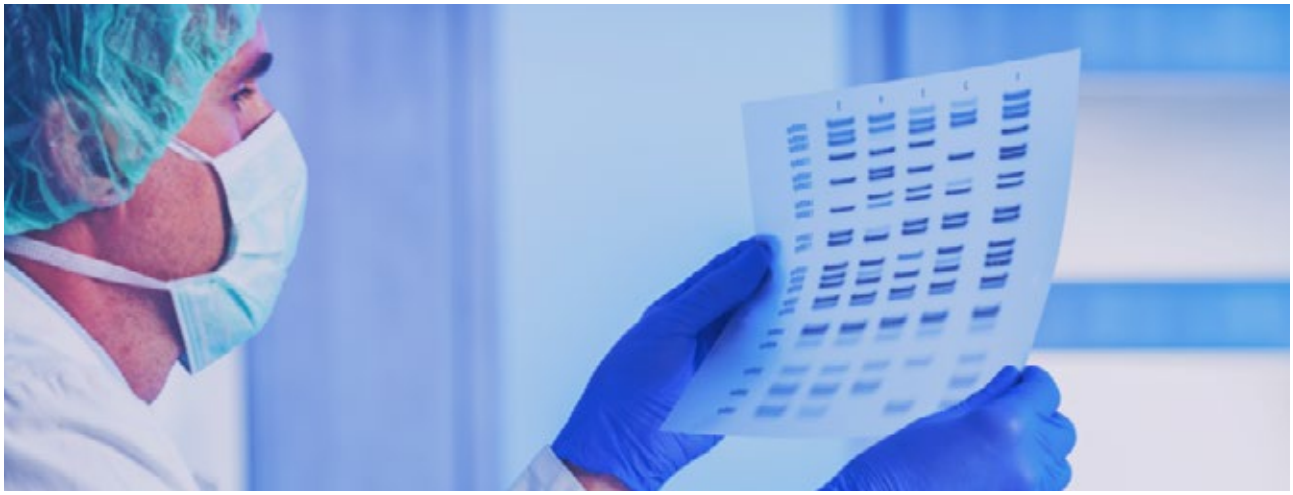
- Anti-thrombotic
- Anti-inflammatory
- Anti-fibrotic
- Pulmonary pressure-relieving properties

Phase IIa study in PAH

CS1's unique efficacy profile has been shown to be a good match with the pathogenetic mechanisms of the rare disease PAH and is believed to be able to meet remaining unmet clinical needs.

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. Through the granted ODD request, the FDA has indicated that they believe that CS1 has the potential to provide significant benefit to patients suffering from PAH.

CS1 is being developed as a treatment for the rare disease pulmonary arterial hypertension (PAH) with the aim to offer patients a better, disease-modifying drug. CS1's unique efficacy profile has been shown to be a good match with the pathogenetic mechanisms of the rare disease PAH and is believed to be able to meet the remaining unmet clinical needs.



A clinical phase II study is now being prepared to confirm CS1's safety, tolerability and efficacy in patients with PAH. The study will be conducted at approximately six different clinical centers in USA with 30 participating patients. The plan is to start the study in September 2021.

Cereno's objective is to use epigenetically modulating drugs to improve the health of patients with common and rare cardiovascular diseases.

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

Patent overview

Cereno has three patent families in relation to the drug candidate CS1. In two of these patent families, combined, patents have been granted in the major global markets, including the US, Japan and Canada. Additional patent applications currently undergo national registration processes at other strategically selected markets, which, if approved, could provide additional market exclusivity.

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Preparations for the start of the Phase II study with CS1 are beginning to fall into place. I have worked with our partners regarding, among other things, substance manufacturing to ensure that the right certifications and regulatory requirements are achieved and to ensure that distribution of the drug to study centers is secured.

- Jan-Peter Idström, Senior Director Development

Preclinical program

Cereno has two preclinical programs that are being evaluated for the treatment of cardiovascular diseases. The purpose is to conduct full preclinical development programs to meet the requirements to start clinical studies.

CS585

Preclinical program CS585 can be described as small molecules, analogs to the endogenous metabolite 12-HETrE. It is a stable, selective, and potent IP (prostacyclin) receptor agonist that has demonstrated potential to significantly improve on mechanism relevant to selected cardiovascular diseases through initial in vivo animal models.

Cereno signed an option agreement with the University of Michigan in March 2020 that gave exclusive rights to evaluate the market potential of CS585 and the possibility of in-licensing the candidate.

CS585 is now undergoing a preclinical development program through a research collaboration with the University of Michigan.

CS014

The preclinical program CS014 is being developed for the treatment of cardiovascular diseases. A preclinical development program is now being conducted with CS014 in collaboration with the University of Michigan.

CS014 was acquired from Emeriti Bio in March 2019 and has since been developed in a collaboration between Cereno and Emeriti Bio.

Research collaboration with University of Michigan

The University of Michigan is a top-ranked public research university in Ann Arbor, Michigan, US, with an extensive track record of successful collaborations with the pharmaceutical industry. The university has one of the largest annual collegiate research budgets of any university in the US. Over USD 1.6 billion is spent on research and development annually across its 2.8 million square feet of laboratory space. The university has 6,200 faculty members and roughly 38,000 employees.

Dr. Michael Holinstat leads the work on Cereno's two preclinical programs. Dr. Michael Holinstat received his Ph.D. in pharmacology from the University of Illinois, Chicago, and completed postdoctoral training at Vanderbilt University in Nashville. His research interests include areas such as thrombosis, pharmacology and hematology. Dr. Holinstat is an Associate Professor in Pharmacology and lead the translational programs in drug development in Hemostasis and Thrombosis in the Department of Pharmacology at the University of Michigan. Dr. Holinstat has built a "state of the art" laboratory to investigate the effects of different pharmacological principles on platelets and coagulation both in vitro and in vivo.

The group's performance, January – March 2021

Financial performance

During the first quarter, the company mainly invested in the development of the production process of clinical supplies, in the development of its patent portfolio, in preclinical studies and in preparations for the clinical phase II study with CS1 in PAH. At the end of the first quarter, the group had a cash balance of approximately SEK 60.1 million and an equity/assets ratio of 87.2 %.

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.

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 20 December 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.

Share capital

On 31 March 2021, 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 March 2021, 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.

In total, 34 519 281 warrants of series TO1 B have been issued and, 34 519 281 warrants of series TO2 B.

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.

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 Q2 ..... 25 August 2021
Interim report Q3 ..... November 2021

Annual General Meeting

Cereno Scientific's Annual General Meeting (AGM) 2021 will be held on June 9, 2021. The meeting will take place without any physical meeting and it is therefore not possible for the owners to attend in person or by proxy. Instead, the owners can send their votes to the AGM in advance through so-called postal voting via a digital form that is available on the company's website.

Share capital development

Year	Event	Total share capital (SEK)	Change (SEK)	Total number shares	Difference shares	Ratio value (SEK)
2012	Rights issue	50 000	50 000	50 000	50 000	1
2012	Directed issue	60 605	10 605	60 605	10 605	1
2016	Stock dividend issue	61 805	1 200	61 805	1 200	1
2016	Share split 100:1	618 050	556 245	61 805	-	10
2016	Subdivision A-/B- shares	618 050	–	6 180 500	6 118 695	0.10
2016	Directed issue	–	–	6 180 500	–	0.10
2016	Directed issue	760 050	1 420 000	7 600 500	1 420 000	0.10
2016	IPO	805 050	45 000	8 050 500	450 000	0.10
2016	Conversion	1 099 050	294 000	10 990 500	2 940 000	0.10
2018	Conversion	1 117 917.90	18 867.90	11 179 179	188 679	0.10
2018	Conversion	1 162 362.30	44 444.40	11 623 623	444 444	0.10
2018	Conversion	1 216 416.30	54 054.00	12 164 163	540 540	0.10
2018	Conversion	1 264 803.30	483 8700	12 648 033	483 870	0.10
2018	Conversion	1 306 738.70	41 935.40	13 067 387	419 354	0.10
2018	Conversion	1 345 200.10	38 461.40	13 452 001	384 614	0.10
2018	Conversion	1 372 123.10	26 923	13 721 231	269 230	0.10
2018	Conversion	1 402 892.30	30 769.20	14 028 923	307 692	0.10
2018	Conversion	1 436 225.60	33 333.30	14 362 256	333 333	0.10
2018	Conversion	1 464 797.00	28 571.40	14 647 970	285 714	0.10
2019	Conversion	1 518 130.30	53 333.30	15 181 303	533 333	0.10
2019	Conversion	1 584 796.90	66 666.60	15 847 969	666 666	0.10
2019	Conversion	1 918 130.20	333 333.30	19 181 302	3 333 333	0.10
2019	Rights issue	3 836 260.40	1 918 130.20	38 362 604	19 181 302	0.10
2019	Overallotment issue	4 008 674.10	172 413.70	40 086 741	1 724 137	0.10
2019	Remuneration issue	4 021 931.20	13 257.10	40 219 312	132 571	0.10
2020	Rights issue	7 181 931.20	3 160 000	71 819 312	31 600 000	0.10
At end of period		**7 181 931.20**		**71 819 312**		**0.10**

Share and owners

The largest shareholders by the 31 March 2021.

Owners	Capital	Votes
Avanza Pension	8.53 %	7.82 %
Milad Pournouri	4.96 %	4.55 %
Peyman Pournouri	3.56 %	3.27 %
Ivar Nordqvist	2.94 %	2.70 %
Myrlid AS	2.78 %	2.55 %
Total five largest owners	**22.77 %**	**20.89 %**
Other shareholders (total 2 983)	77.23 %	79.11 %
Total	**100.00 %**	**100.00 %**

Group – Consolidated income statement

(SEK)	01 January 2021 31 March 2021 3 months	01 January 2020 31 March 2020 3 months	01 January 2020 31 December 2020 12 months	20 December 2019 31 December 2019
Net sales	-	-	-	-
Capitalized work for own account	4 206 622	2 960 881	8 223 388	187 544
	4 206 622	**2 960 881**	**8 223 388**	**187 544**
Operating expenses				
Other external costs	-7 547 570	-6 453 503	-22 509 095	-990 364
Personnel costs	-274 322	-254 859	-1 445 422	-238 987
Depreciation of tangible fixed assets	-3 577	-3 577	-14 308	-
Other operating expenses	-16 780	-	-	-
Operating loss	**-3 635 627**	**-3 751 058**	**-15 745 437**	**-1 041 807**
Loss from financial items				
Interest income and similar incomes	1 680	-	-	-
Interest expense and similar expenses	-270 000	-1 609	-271 623	-2 021
Loss after financial items	**-3 903 947**	**-3 752 667**	**-16 017 060**	**-1 043 828**
Loss before tax	**-3 903 947**	**-3 752 667**	**-16 017 060**	**-1 043 828**
Income taxes	-	-	-898	-
Loss for the period	**-3 903 947**	**-3 752 667**	**-16 017 958**	**-1 043 828**

Group – Consolidated balance sheet

(SEK)	31 March 2021	31 March 2020	31 December 2020
ASSETS			
Fixed assets			
Intangible assets			
Capitalized expenditures for development activities	41 213 426	33 646 366	37 451 534
Patents, trademarks, licenses and similar rights	7 636 670	5 734 600	7 191 939
	48 850 096	**39 380 966**	**44 643 473**
Tangible assets			
Fixtures, tools and installations	53 662	67 970	57 239
	53 662	**67 970**	**57 239**
Financial assets			
Other long-term receivables	8 026	9 200	7 534
	8 026	**9 200**	**7 534**
Total fixed assets	**48 911 784**	**39 458 136**	**44 708 246**
Current assets			
Current receivables			
Other receivables	502 046	951 653	840 446
Prepaid expenses and accrued income	455 745	329 413	678 600
	957 791	**1 281 066**	**1 519 046**
Cash and bank balance	**60 071 685**	**18 860 568**	**66 004 352**
Total current assets	**61 029 476**	**20 141 634**	**67 523 398**
TOTAL ASSETS	**109 941 260**	**59 599 770**	**112 231 644**

Group – Consolidated balance sheet cont.

(SEK)	31 March 2021	31 March 2020	31 December 2020
EQUITY AND LIABILITIES			
Equity			
Share capital	7 181 931	4 021 931	7 181 931
Other contributed capital	106 207 286	53 262 227	106 207 286
Other capital including loss for the year	-17 552 077	-1 387 591	-13 646 588
Equity attributed to the parent company's shareholders	**95 837 140**	**55 896 567**	**99 742 629**
Holdings without controlling influence	-	-	-
Total equity	**95 837 140**	**55 896 567**	**99 742 629**
Long-term liabilities			
Other liabilities to credit institutions	400 000	400 000	400 000
	400 000	**400 000**	**400 000**
Current liabilities			
Accounts payable	2 549 635	1 667 686	1 073 968
Tax liabilities	21 916	-	25 697
Bridge loan	9 240 000	-	9 120 000
Other liabilities	18 301	15 917	123 878
Accrued expenses and deferred income	1 874 268	1 619 600	1 745 472
	13 704 120	**3 303 203**	**12 089 015**
TOTAL EQUITY AND LIABILITIES	**109 941 260**	**59 599 770**	**112 231 644**

Group – Condensed change in equity

01 January 2021 – 31 March 2021	Share capital	Other contributed capital	Other capital including profit/ loss for the year
At start of period	7 181 931	106 207 286	-13 646 588
Exchange rate differences when translating foreign subsidiaries			-1 542
Loss for the period			-3 903 947
At the end of the period	**7 181 931**	**106 207 286**	**-17 552 077**

Group – Consolidated cash flow statement

(SEK)	01 January 2021 31 March 2021 3 months	01 January 2020 31 March 2020 3 months	01 January 2020 31 December 2020 12 months	20 December 2019 31 December 2019
Operating activities				
Loss after financial items	-3 903 947	-3 752 667	-16 017 060	-1 043 828
Adjustments for items that are not included in the cash flow				
Depreciations	3 577	3 577	14 308	-
Translation differences	-2 034	-328	5 917	-
Accrued expenses for borrowings	120 000	-	120 000	-
Accrued interest cost	150 000	-	150 000	-
Share issue through offset of liability	-	-	818 288	-
Paid tax	-	-	-	-
Cash flow from operating activities before changes in working capital	**-3 632 404**	**-3 749 418**	**-14 908 547**	**-1 043 828**
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in operating receivables	561 255	193 092	-194 888	-661 012
Increase (+)/Decrease (-) in operating liabilities	1 345 105	-706 417	-1 041 454	926 457
Cash flow from operating activities	**-1 726 044**	**-4 262 743**	**-16 144 889**	**-778 383**
Investing activities				
Acquisition of intangible assets	-4 206 623	-2 960 881	-8 223 388	-349 993
Acquisition of tangible assets	-	-6 157	-6 157	-
Acquisition of financial assets	-	-9 200	-7 534	-
Cash flow from investing activities	**-4 206 623**	**-2 976 238**	**-8 237 079**	**-349 993**
Financing activities				
Share issue	-	-	59 221 712	-
Issue expenses	-	-	-3 934 941	-
Borrowings	-	-	10 000 000	-
Costs associated with borrowings	-	-	-1 000 000	-
Cash flow from financing activities	**0**	**0**	**64 286 771**	**0**
Cash flow for the period	**-5 932 667**	**-7 238 981**	**39 904 803**	**-1 128 376**
Cash flow equivalents at start of period	**66 004 352**	**26 099 549**	**26 099 549**	**27 227 925**
Cash and cash equivalents at the end of period	**60 071 685**	**18 860 568**	**66 004 352**	**26 099 549**

Parent company – Consolidated income statement

(SEK)	01 January 2021 31 March 2021 3 months	01 January 2020 31 March 2020 3 months	01 January 2020 31 December 2020 12 months	01 January 2019 31 December 2019 12 months
Net sales	-	-	-	-
Capitalized work for own account	4 206 622	2 960 881	8 223 388	10 869 705
Other operating income	-	-	-	125 862
	4 206 622	**2 960 881**	**8 223 388**	**10 995 567**
Operating expenses				
Other external costs	-7 546 631	-6 454 359	-22 507 095	-23 161 120
Personnel costs	-274 322	-254 859	-1 445 422	-942 954
Depreciation of tangible fixed assets	-3 577	-3 577	-14 308	-
Other operating expenses	-16 780	-	-	-
Operating loss	**-3 634 688**	**-3 751 914**	**-15 743 438**	**-13 108 507**
Loss from financial items				
Interest expense and similar expenses	-270 000	-1 609	-271 623	-2 171 294
Loss after financial items	**-3 904 688**	**-3 753 523**	**-16 015 061**	**-15 279 801**
Loss before tax	**-3 904 688**	**-3 753 523**	**-16 015 061**	**-15 279 801**
Loss for the period	**-3 904 688**	**-3 753 523**	**-16 015 061**	**-15 279 801**

Parent company – Consolidated balance sheet

(SEK)	31 March 2021	31 March 2020	31 December 2020
ASSETS			
Fixed assets			
Intangible assets			
Capitalized expenditures for development activities	41 213 426	33 646 366	37 451 534
Patents, trademarks, licenses and similar rights	7 636 670	5 734 600	7 191 939
	48 850 096	**39 380 966**	**44 643 473**
Tangible assets			
Fixtures, tools and installations	53 662	67 970	57 239
	53 662	**67 970**	**57 239**
Financial assets			
Shares in group company	941	941	941
	941	**941**	**941**
Total fixed assets	**48 904 699**	**39 449 877**	**44 701 653**
Current assets			
Current receivables			
Receivables from group companies	53 752	66 990	62 592
Other receivables	502 046	951 653	840 446
Prepaid expenses and accrued income	455 745	329 413	599 200
	1 011 543	**1 348 056**	**1 502 238**
Cash and bank balance	**60 021 845**	**18 801 309**	**65 955 827**
Total current assets	**61 033 388**	**20 149 365**	**67 458 065**
TOTAL ASSETS	**109 938 087**	**59 599 242**	**112 159 718**

Parent company – Consolidated balance sheet cont.

(SEK)	31 March 2021	31 March 2020	31 December 2020
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	7 181 931	4 021 931	7 181 931
Fund for development expenses	43 528 295	34 059 166	39 321 673
	50 710 226	**38 081 097**	**46 503 604**
Unrestricted equity			
Share premium reserve	52 945 059	52 725 374	52 945 059
Retained earnings	-3 915 724	-31 156 909	16 305 959
Profit/loss for the period	-3 904 688	-3 753 523	-16 015 061
	45 124 647	**17 814 942**	**53 235 957**
Total equity	**95 834 873**	**55 896 039**	**99 739 561**
Long-term liabilities			
Other liabilities to credit institutions	400 000	400 000	400 000
	400 000	**400 000**	**400 000**
Current liabilities			
Accounts payable	2 549 635	1 667 686	1 073 968
Tax liabilities	21 010	-	24 847
Bridge loan	9 240 000	-	9 120 000
Other liabilities	18 301	15 917	123 878
Accrued expenses and deferred income	1 874 268	1 619 600	1 677 464
	13 703 214	**3 303 203**	**12 020 157**
TOTAL EQUITY AND LIABILITIES	**109 938 087**	**59 599 242**	**112 159 718**

Parent company – Condensed change in equity

01 January 2021 – 31 March 2021	Share capital	Fund for development expenses	Share premium reserve	Retained earnings	Net loss for the period
At start of period	7 181 931	39 321 673	52 945 059	16 305 959	-16 015 061
Redistribution, previous year's result				-16 015 061	16 015 061
Redistribution in equity		4 206 622		-4 206 622	
Loss for the period					-3 904 688
At the end of the period	**7 181 931**	**43 528 295**	**52 945 059**	**-3 915 724**	**-3 904 688**

Parent company – Consolidated cash flow statement

(SEK)	01 January 2021 31 March 2021 3 months	01 January 2020 31 March 2020 3 months	01 January 2020 31 December 2020 12 months	01 January 2019 31 December 2019 12 months
Operating activities				
Loss after financial items	-3 904 688	-3 753 523	-16 015 061	-15 279 801
Adjustments for items that are not included in the cash flow				
Depreciations	3 577	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 conversion of loans	-	-	-	5 600 000
Deficit in resolve of conversion rights	-	-	-	-4 120 651
Share issue through offset of liability	-	-	818 288	491 399
Cash flow from operating activities before changes in working capital	**-3 631 111**	**-3 749 946**	**-14 912 465**	**-12 059 457**
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in operating receivables	490 695	126 102	-178 080	-330 225
Increase (+)/Decrease (-) in operating liabilities	1 413 057	-707 358	-1 110 403	-9 034 207
Cash flow from operating activities	**-1 727 359**	**-4 331 202**	**-16 200 948**	**-21 423 889**
Investing activities				
Acquisition of intangible assets	-4 206 623	-2 960 881	-8 223 388	-11 964 395
Acquisition of tangible assets	-	-6 157	-6 157	-65 390
Acquisition of financial assets	-	-	-	-941
Cash flow from investing activities	**-4 206 623**	**-2 967 038**	**-8 229 545**	**-12 030 726**
Financing activities				
Share issue	-	-	59 221 712	60 551 974
Issue expenses	-	-	-3 934 941	-11 360 865
Warrants issued	-	-	-	375 510
Borrowings	-	-	10 000 000	12 000 000
Costs associated with borrowings	-	-	-1 000 000	-
Amortization of loans	-	-	-	-12 000 000
Convertible loans	-	-	-	-
Costs associated with convertible loans	-	-	-	-1 249 596
Cash flow from financing activities	**0**	**0**	**64 286 771**	**48 317 023**
Cash flow for the period	**-5 933 982**	**-7 298 240**	**39 856 278**	**14 862 408**
Cash flow equivalents at start of period	**65 955 827**	**26 099 549**	**26 099 549**	**11 237 141**
Cash and cash equivalents at the end of period	**60 021 845**	**18 801 309**	**65 955 827**	**26 099 549**

The company's auditor has not audited the Interim Report. 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, 19 May 2021,

Catharina Bäärnhielm
Chair of the Board

Sverker Jern
Board member

Björn Dahlöf
Board member

Anders Svensson
Board member

Jonas Faijerson Säljö
Board member

Klementina Österberg
Board member

Sten R. Sörensen
Chief Executive Officer

Cereno Scientific

Cereno Scientific is a clinical stage biotech company within cardiovascular diseases. 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, all relevant for PAH. A clinical phase II study for CS1 in PAH is expected to be initiated in September 2021 under its US FDA granted orphan drug designation (ODD) status. In addition, Cereno has two promising preclinical development programs targeted at treating cardiovascular diseases.

The company is headquartered in AstraZeneca's BioVenture Hub, Sweden, and has a US subsidiary Cereno Scientific Inc. based in Kendall Square in Boston, Massachusetts, US. Cereno is listed on the Swedish Spotlight Stock Market (CRNO B). More information on www.cerenoscientific.com.

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