Cereno Scientific

Interim report Q2

April – June 2021

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

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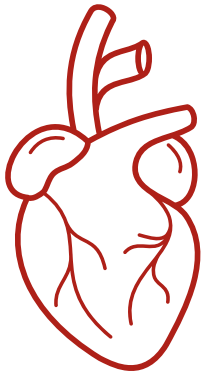
Cereno Scientific in brief



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.

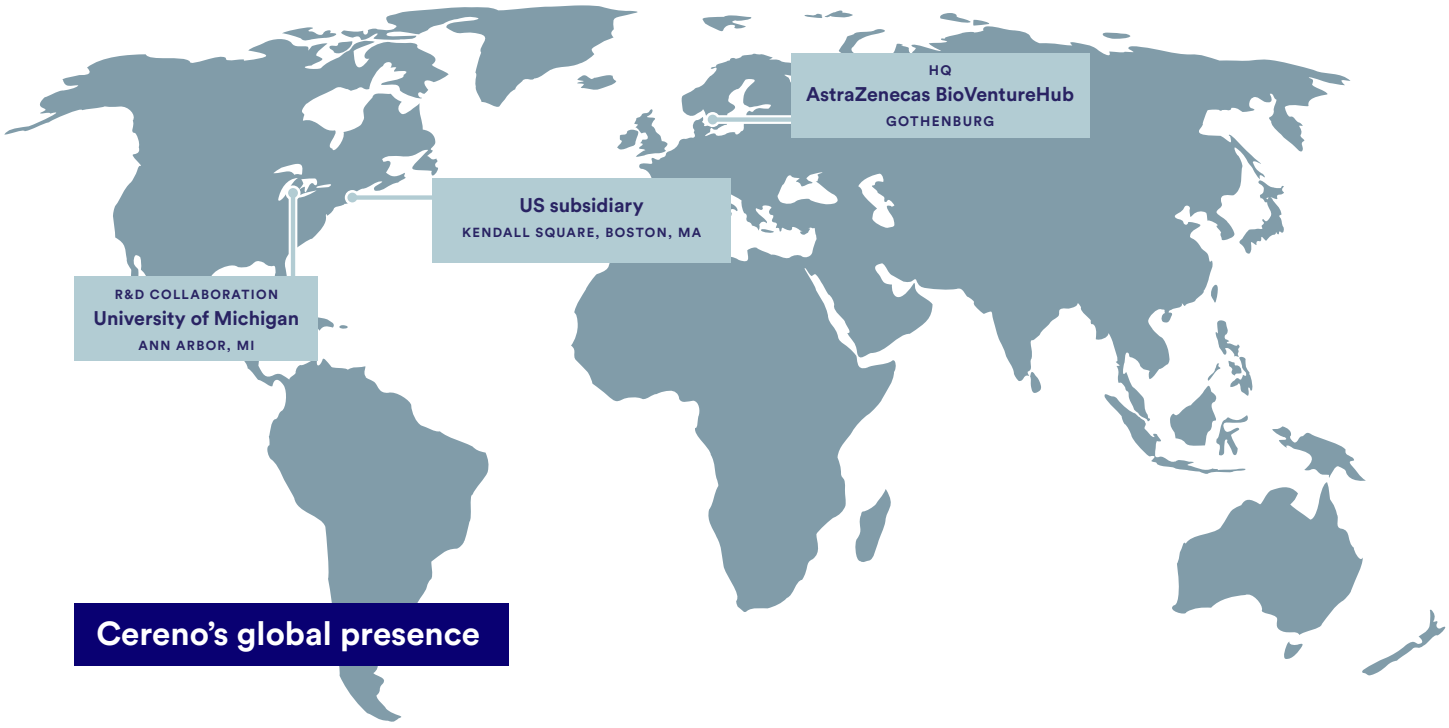
Our pipeline of comprises:

- **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

Second quarter summary

Financial overview

	The group		Parent company	
(SEK)	April-June 2021	April-June 2020	April-June 2021	April-June 2020
Net sales	-	-	-	-
Result after financial items	-4 756 911	-4 021 921	-4 913 851	-4 019 006
Earnings per share before dilution	-0.07	-0.10	-0.07	-0.10
Earnings per share after dilution*	-0.03	-0.09	-0.03	-0.09
Equity/assets ratio	84.5 %	94.9 %	84.8 %	94.9 %

	The group		Parent company	
(SEK)	Jan-June 2021	Jan-June 2020	Jan-June 2021	Jan-June 2020
Net sales	-	-	-	-
Result after financial items	-8 660 858	-7 774 588	-8 818 539	-7 772 530
Earnings per share before dilution	-0.12	-0.19	-0.12	-0.19
Earnings per share after dilution*	-0.06	-0.18	-0.06	-0.18
Equity/assets ratio	84.5 %	94.9 %	84.8 %	94.9%

Earnings per share: Profit/loss for the period divided by 71 819 312 shares as of 30 June, 2021 and 40 219 312 shares as of 30 June, 2020.

*Diluted earnings per share: Profit/loss for the period divided by shares outstanding and warrants as of the balance sheet date, 30 June 2021 and 30 June 2020, respectively

Significant events during the second quarter 2021

- 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 study 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, joined 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 capacity and secures expert knowledge important to the company's portfolio development.

- In June, intellectual property rights (IPR) for drug candidate CS1's second patent family has been granted in Australia. This is a result of Cereno's continuous work in securing IPR for its assets to strengthen the commercial positioning. This patent for Australia will be valid through 2035, with the possibility of a patent extension of additional five years maximum.

Significant events after end of period

- In August, it was announced that a collaboration agreement was entered with global healthcare company Abbott regarding use of its CardioMEMS™ HF System in the upcoming Phase II study with Cereno's drug candidate CS1. The technology will be used to remotely and continously monitor the pulmonary pressure in the Phase II study evaluating CS1 for the treatment of PAH. The CardioMEMS device allows Cereno to use a smaller-sized patient population for the Phase II study, which is both time and cost efficient.

Letter from the CEO

The second quarter of the year has continued to be characterized by intensive work with preparations for the start of our Phase II study with CS1. In parallel, we have expanded our pipeline with two preclinical development programs in collaboration with the University of Michigan and secured stronger patent protection for CS1 in Australia. Recently, we were also able to announce that we have partnered with the global healthcare company Abbott to use their innovative CardioMEMS HF System hemodynamic monitoring system in the Phase II study with CS1. This not only helps us to be able to carry out a more time- and cost-effective study, but also signals a quality seal on our drug candidate and our abilities externally. In summary, a very productive first half of 2021.

> **The collaboration with Abbott contributes to strengthen the study's credibility, execution and Cereno as a company. Abbott, as one of the major global players, is showing confidence in our research and capabilities through their choice to partner with us to test their monitoring device in a new disease.**
>
> **– Sten R. Sörensen, CEO**

Ongoing preparations for Phase II study with CS1

The team has successfully worked closely with the contract research organization (CRO) Worldwide Clinical Trials that will run the project management of the study when it is underway, the manufacturing partner Galenica to secure substance to use in the study and a number of other partners needed for the study. Another important activity is the ongoing discussions that have taken place for some time with selected clinical sites and physicians in the US for participation in the study. We have also expanded our internal team before the study initiation to have the right competence and capacity to handle the study's planning, regulatory requirements and logistics for its execution. In other words, the study preparations continue so that we are standing ready to go on all fronts when it is time.

Collaboration with Abbott in the Phase II study – a milestone

Our recently communicated partnership and collaboration with Abbott in the Phase II study with CS1 in PAH is a significant milestone for Cereno. The benefits of using their hemodynamic monitoring device in the study include, among other things, time and cost savings due to the smaller patient base required thanks to the fact that we can continuously collect information about the study participants' lung pressure. The collaboration also contributes to strengthening the study's credibility, execution and Cereno as a company. Abbott, as one of the major global players, is showing confidence in our research and capabilities through their choice to partner with us to test their monitoring device in a new disease. We have already received feedback from experts in the field of cardiovascular disease who see the quality seal a collaboration with Abbott adds to the Phase II study and Cereno. It is motivating to receive positive feedback on how the study can hopefully in several ways completely change and improve how PAH patients are cared for and treated in the future.

Initiated preclinical development programs

Our two preclinical development programs, CS585 and CS014, at the University of Michigan have now been initiated according to plan. Over a two-year period ahead, the development will be executed with the aim of preparing the drug candidates to start Phase I clinical programs. The collaboration with Dr Holinstat and

his research group has successfully started during the summer and we look forward with great expectations to the further development of our pipeline together.

Extended equity research coverage promotes understanding

A few days ago, an initial coverage report was released by Redeye as the start of an initiative where we engage equity analysts to follow the company. The main intention is to increase the visibility of Cereno within Sweden. It is also of importance for us to enable investors and stakeholders to develop a better understanding of the business. We thus hope to be able to offer a new media to those who want to delve deeper through this third-party perspective.

Autumn and winter 2021

During autumn, I look forward to initiating the Phase II study in PAH with CS1 with our very competent and passionate team as well as continue to drive a positive development of our promising pipeline. In addition to the development work, we also have plans to participate in partnering conferences to meet potential stakeholders for our projects, participate in medical and scientific congresses to continue to establish our science among experts in cardiovascular disease. We appreciate the support and the growing interest from our shareholders and the market. The hope is to be able to meet existing and potential shareholders in safe forms in the near future. We will continue to frequently communicate about our plans and progress in various channels to reach out with our information and spread our message about Cereno's vision to provide better treatments to patients with common and rare cardiovascular diseases.■

August 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 comprises prostacyclin receptor (IP) analogs and 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:

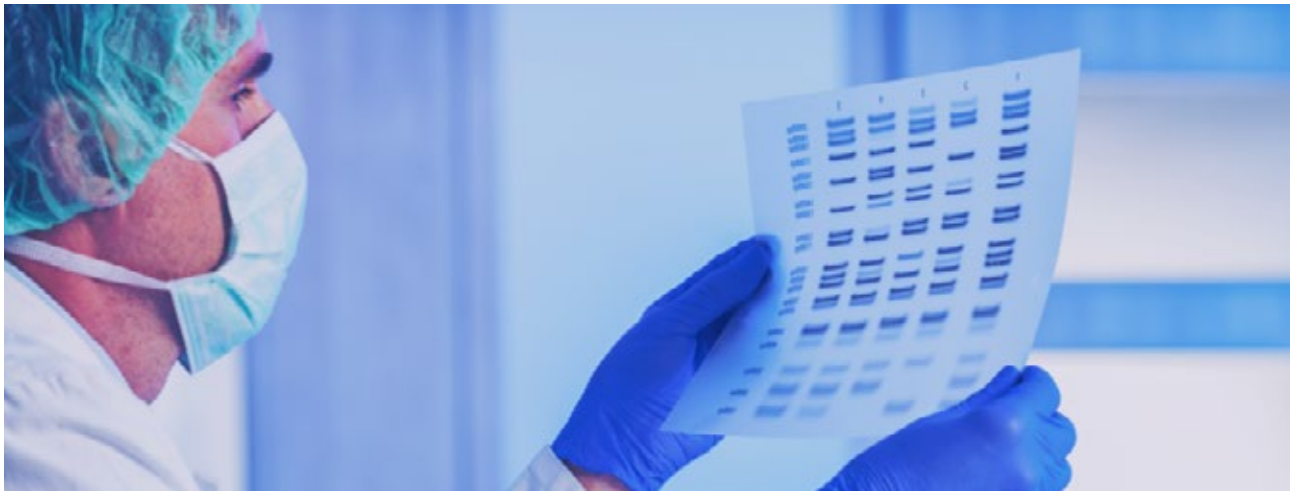
- Anti-thrombotic
- Anti-inflammatory
- Anti-fibrotic
- Pulmonary pressure-relieving properties

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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CardioMEMS provides a unique opportunity to continuously monitor the patient's condition regarding pulmonary pressure, which is the dominant disease manifestation for PAH. In addition, we can determine the most effective dosage and early signals regarding efficacy based on a relatively small patient material.

- Björn Dahlöf, Chief Medical Officer

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 a small molecule, an analog 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 2021 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.

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

A preclinical development program is now being conducted with CS014 in collaboration with the University of Michigan.

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, April – June 2021

Financial performance

During the second 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 second quarter, the group had a cash balance of approximately SEK 41.4 million and an equity/assets ratio of 84.5 %.

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 30 June 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, 30 June 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 on the company's web page.

Review by auditor

This Interim Report has not been reviewd by the company's auditor.

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 Q3 ..... 16 November 2021
Year-end report ..... 9 February 2022

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	Directed 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 30 June 2021.

Owners	Capital	Votes
Avanza Pension	7.70 %	7.06 %
Milad Pournouri	5.13 %	4.70 %
Peyman Pournouri	3.92 %	3.60 %
Chian Punar	3.70 %	3.39 %
Myrlid AS	2.78 %	2.55 %
Total five largest owners	**23.24 %**	**21.31 %**
Other shareholders (total 3 635)	76.76 %	78.69 %
Total	**100.00 %**	**100.00 %**

Group – Consolidated income statement

(SEK)	01 April 2021 30 June 2021 3 months	01 April 2020 30 June 2020 3 months	01 January 2021 30 June 2021 6 months	01 January 2020 30 June 2020 6 months	01 January 2020 31 December 2020 12 months
Net sales	-	-	-	-	-
Capitalized work for own account	15 511 128	2 307 899	19 717 750	5 268 780	8 223 388
Other operating income	21 097	-	4 317	-	-
	15 532 225	**2 307 899**	**19 722 067**	**5 268 780**	**8 223 388**
Operating expenses					
Other external costs	-19 483 001	-5 870 144	-27 030 571	-12 323 647	-22 509 095
Personnel costs	-520 346	-456 085	-794 668	-710 944	-1 445 422
Depreciation of tangible fixed assets	-3 577	-3 577	-7 154	-7 154	-14 308
Operating loss	**-4 474 699**	**-4 021 907**	**-8 110 326**	**-7 772 965**	**-15 745 437**
Loss from financial items					
Interest income and similar incomes	-	-	1 680	-	-
Interest expense and similar expenses	-282 212	-14	-552 212	-1 623	-271 623
Loss after financial items	**-4 756 911**	**-4 021 921**	**-8 660 858**	**-7 774 588**	**-16 017 060**
Loss before tax	**-4 756 911**	**-4 021 921**	**-8 660 858**	**-7 774 588**	**-16 017 060**
Income taxes	-	-	-	-	-898
Loss for the period	**-4 756 911**	**-4 021 921**	**-8 660 858**	**-7 774 588**	**-16 017 958**

Group – Consolidated balance sheet

(SEK)	30 June 2021	30 June 2020	31 December 2020
ASSETS			
Fixed assets			
Intangible assets			
Capitalized expenditures for development activities	56 248 701	35 493 600	37 451 534
Patents, trademarks, licenses and similar rights	8 112 522	6 195 266	7 191 939
	64 361 223	**41 688 866**	**44 643 473**
Tangible assets			
Fixtures, tools and installations	50 085	64 393	57 239
	50 085	**64 393**	**57 239**
Financial assets			
Other long-term receivables	7 829	8 601	7 534
	7 829	**8 601**	**7 534**
Total fixed assets	**64 419 137**	**41 761 860**	**44 708 246**
Current assets			
Current receivables			
Other receivables	1 432 388	805 528	840 446
Prepaid expenses and accrued income	304 622	357 997	678 600
	1 737 010	**1 163 525**	**1 519 046**
Cash and bank balance	**41 425 474**	**11 736 979**	**66 004 352**
Total current assets	**43 162 484**	**12 900 504**	**67 523 398**
TOTAL ASSETS	**107 581 621**	**54 662 364**	**112 231 644**

Group – Consolidated balance sheet cont.

(SEK)	30 June 2021	30 June 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	-22 468 366	-5 406 368	-13 646 588
Equity attributed to the parent company's shareholders	**90 920 851**	**51 877 790**	**99 742 629**
Holdings without controlling influence	-	-	-
Total equity	**90 920 851**	**51 877 790**	**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	3 609 375	1 318 913	1 073 968
Tax liabilities	23 238	-	25 697
Bridge loan	9 360 000	-	9 120 000
Other liabilities	110 063	117 219	123 878
Accrued expenses and deferred income	3 158 094	948 442	1 745 472
	16 260 770	**2 384 574**	**12 089 015**
TOTAL EQUITY AND LIABILITIES	**107 581 621**	**54 662 364**	**112 231 644**

Group – Condensed change in equity

01 January 2020 – 31 December 2020	Share capital	Other contributed capital	Other capital including profit/ loss for the year
At start of period	4 021 931	52 725 374	2 902 257
Exchange rate differences when translating foreign subsidiaries	-	-	5 965
Reclassification of issued warrants	-	536 853	-536 853
New share issue	3 160 000	56 880 000	-
Issue expenses	-	-3 934 941	-
Loss for the period	-	-	-16 017 958
At the end of the period	**7 181 931**	**106 207 286**	**-13 646 589**

01 January 2021 – 30 June 2021	Share capital	Other contributed capital	Other capital including profit/ loss for the year
At start of period	7 181 931	106 207 286	-13 646 589
Exchange rate differences when translating foreign subsidiaries	-	-	-160 919
Loss for the period	-	-	-8 660 858
At the end of the period	**7 181 931**	**106 207 286**	**-22 468 366**

Group – Consolidated cash flow statement

(SEK)	01 April 2021 30 June 2021 3 months	01 April 2020 30 June 2020 3 months	01 January 2021 30 June 2021 6 months	01 January 2020 30 June 2020 6 months	01 January 2020 31 December 2020 12 months
Operating activities					
Loss after financial items	-4 756 911	-4 021 921	-8 660 858	-7 774 588	-16 017 060
Adjustments for items that are not included in the cash flow					
Depreciations	3 577	3 577	7 154	7 154	14 308
Translation differences	-159 181	3 743	-161 214	2 816	5 917
Accrued expenses for borrowings	120 000	-	240 000	-	120 000
Accrued interest cost	150 000	-	300 000	-	150 000
Share issue through offset of liability	-	-	-	-	818 288
Paid tax	-	-	-	-	-
Cash flow from operating activities before changes in working capital	**-4 642 515**	**-4 014 601**	**-8 274 918**	**-7 764 618**	**-14 908 547**
Cash flow from changes in working capital					
Increase (-)/Decrease (+) in operating receivables	-779 219	117 541	-217 964	310 633	-194 888
Increase (+)/Decrease (-) in operating liabilities	2 286 651	-918 629	3 631 754	-1 625 046	-1 041 454
Cash flow from operating activities	**-3 135 083**	**-4 815 689**	**-4 861 128**	**-9 079 031**	**-16 144 889**
Investing activities					
Acquisition of intangible assets	-15 511 128	-2 307 900	-19 717 750	-5 268 781	-8 223 388
Acquisition of tangible assets	-	-	-	-6 157	-6 157
Acquisition of financial assets	-	-	-	-8 601	-7 534
Cash flow from investing activities	**-15 511 128**	**-2 307 900**	**-19 717 750**	**-5 283 539**	**-8 237 079**
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**	**0**	**0**	**64 286 771**
Cash flow for the period	**-18 646 211**	**-7 123 589**	**-24 578 878**	**-14 362 570**	**39 904 803**
Cash flow equivalents at start of period	**60 071 685**	**18 860 568**	**66 004 352**	**26 099 549**	**26 099 549**
Cash and cash equivalents at the end of period	**41 425 474**	**11 736 979**	**41 425 474**	**11 736 979**	**66 004 352**

Parent company – Consolidated income statement

(SEK)	01 April 2021 30 June 2021 3 months	01 April 2020 30 June 2020 3 months	01 January 2021 30 June 2021 6 months	01 January 2020 30 June 2020 6 months	01 January 2020 31 December 2020 12 months
Net sales	-	-	-	-	-
Capitalized work for own account	15 511 128	2 307 899	19 717 750	5 268 780	8 223 388
Other operating income	21 097	-	4 318	-	-
	15 532 225	**2 307 899**	**19 722 068**	**5 268 780**	**8 223 388**
Operating expenses					
Other external costs	-19 639 941	-5 867 229	-27 186 573	-12 321 589	-22 507 095
Personnel costs	-520 346	-456 085	-794 668	-710 944	-1 445 422
Depreciation of tangible fixed assets	-3 577	-3 577	-7 154	-7 154	-14 308
Operating loss	**-4 631 639**	**-4 018 992**	**-8 266 327**	**-7 770 907**	**-15 743 438**
Loss from financial items					
Interest expense and similar expenses	-282 212	-14	-552 212	-1 623	-271 623
Loss after financial items	**-4 913 851**	**-4 019 006**	**-8 818 539**	**-7 772 530**	**-16 015 061**
Loss before tax	**-4 913 851**	**-4 019 006**	**-8 818 539**	**-7 772 530**	**-16 015 061**
Loss for the period	**-4 913 851**	**-4 019 006**	**-8 818 539**	**-7 772 530**	**-16 015 061**

Parent company – Consolidated balance sheet

(SEK)	30 June 2021	30 June 2020	31 December 2020
ASSETS			
Fixed assets			
Intangible assets			
Capitalized expenditures for development activities	56 248 701	35 493 600	37 451 534
Patents, trademarks, licenses and similar rights	8 112 522	6 195 266	7 191 939
	64 361 223	**41 688 866**	**44 643 473**
Tangible assets			
Fixtures, tools and installations	50 085	64 393	57 239
	50 085	**64 393**	**57 239**
Financial assets			
Shares in group company	941	941	941
	941	**941**	**941**
Total fixed assets	**64 412 249**	**41 754 200**	**44 701 653**
Current assets			
Current receivables			
Receivables from group companies	-	65 616	62 592
Other receivables	1 432 388	805 528	840 446
Prepaid expenses and accrued income	304 622	354 685	599 200
	1 737 010	**1 225 829**	**1 502 238**
Cash and bank balance	**41 026 206**	**11 681 577**	**65 955 827**
Total current assets	**42 763 216**	**12 907 406**	**67 458 065**
TOTAL ASSETS	**107 175 465**	**54 661 606**	**112 159 718**

Parent company – Consolidated balance sheet cont.

(SEK)	30 June 2021	30 June 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	59 039 423	36 367 065	39 321 673
	66 221 354	**40 388 996**	**46 503 604**
Unrestricted equity			
Share premium reserve	-	-	52 945 059
Retained earnings	33 518 208	19 260 567	16 305 959
Profit/loss for the period	-8 818 539	-7 772 530	-16 015 061
	24 699 669	**11 488 037**	**53 235 957**
Total equity	**90 921 023**	**51 877 033**	**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	3 036 640	1 318 913	1 073 968
Other liabilities to group companies	166 407	-	-
Tax liabilities	23 238	-	24 847
Bridge loan	9 360 000	-	9 120 000
Other liabilities	110 063	117 219	123 878
Accrued expenses and deferred income	3 158 094	948 441	1 677 464
	15 854 442	**2 384 573**	**12 020 157**
TOTAL EQUITY AND LIABILITIES	**107 175 465**	**54 661 606**	**112 159 718**

Parent company – Condensed change in equity

01 January 2020 – 31 December 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	-12 916 226	-15 279 801
Redistribution, previous year's result	-	-	-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**	**16 305 959**	**-16 015 061**

01 January 2021 – 30 June 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	-	-	-52 945 059	36 929 998	16 015 061
Redistribution in equity	-	19 717 750	-	-19 717 750	-
Loss for the period	-	-	-	-	-8 818 539
At the end of the period	**7 181 931**	**59 039 423**	**0**	**33 518 207**	**-8 818 539**

Parent company – Consolidated cash flow statement

(SEK)	01 April 2021 30 June 2021 3 months	01 April 2020 30 June 2020 3 months	01 January 2021 30 June 2021 6 months	01 January 2020 30 June 2020 6 months	01 January 2020 31 December 2020 12 months
Operating activities					
Loss after financial items	-4 913 851	-4 019 006	-8 818 539	-7 772 530	-16 015 061
Adjustments for items that are not included in the cash flow					
Depreciations	3 577	3 577	7 154	7 154	14 308
Accrued expenses for borrowings	120 000	-	240 000	-	120 000
Accrued interest cost	150 000	-	300 000	-	150 000
Share issue through conversion of loans	-	-	-	-	-
Deficit in resolve of conversion rights	-	-	-	-	-
Share issue through offset of liability	-	-	-	-	818 288
Cash flow from operating activities before changes in working capital	**-4 640 274**	**-4 015 429**	**-8 271 385**	**-7 765 376**	**-14 912 465**
Cash flow from changes in working capital					
Increase (-)/Decrease (+) in operating receivables	-725 467	122 227	-234 772	248 329	-178 080
Increase (+)/Decrease (-) in operating liabilities	1 881 230	-918 630	3 294 286	-1 625 987	-1 110 403
Cash flow from operating activities	**-3 484 511**	**-4 811 832**	**-5 211 871**	**-9 143 034**	**-16 200 948**
Investing activities					
Acquisition of intangible assets	-15 511 128	-2 307 900	-19 717 750	-5 268 781	-8 223 388
Acquisition of tangible assets	-	-	-	-6 157	-6 157
Acquisition of financial assets	-	-	-	-	-
Cash flow from investing activities	**-15 511 128**	**-2 307 900**	**-19 717 750**	**-5 274 938**	**-8 229 545**
Financing activities					
Share issue	-	-	-	-	59 221 712
Issue expenses	-	-	-	-	-3 934 941
Warrants issued	-	-	-	-	-
Borrowings	-	-	-	-	10 000 000
Costs associated with borrowings	-	-	-	-	-1 000 000
Amortization of loans	-	-	-	-	-
Convertible loans	-	-	-	-	-
Costs associated with convertible loans	-	-	-	-	-
Cash flow from financing activities	**0**	**0**	**0**	**0**	**64 286 771**
Cash flow for the period	**-18 995 639**	**-7 119 732**	**-24 929 621**	**-14 417 972**	**39 856 278**
Cash flow equivalents at start of period	**60 021 845**	**18 801 309**	**65 955 827**	**26 099 549**	**26 099 549**
Cash and cash equivalents at the end of period	**41 026 206**	**11 681 577**	**41 026 206**	**11 681 577**	**65 955 827**

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, 25 August 2021,

Catharina Bäärnhielm
Chair of the Board

Anders Svensson
Board member

Björn Dahlöf
Board member

Klementina Österberg
Board member

Jonas Faijerson Säljö
Board member

Rein Piir
Board member

Sverker Jern
Board member

Sten R. Sörensen
Chief Excutive 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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