Cereno Scientific

Interim report Q3

July - September 2021

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

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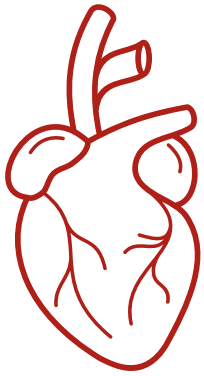
Cereno Scientific in brief



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.

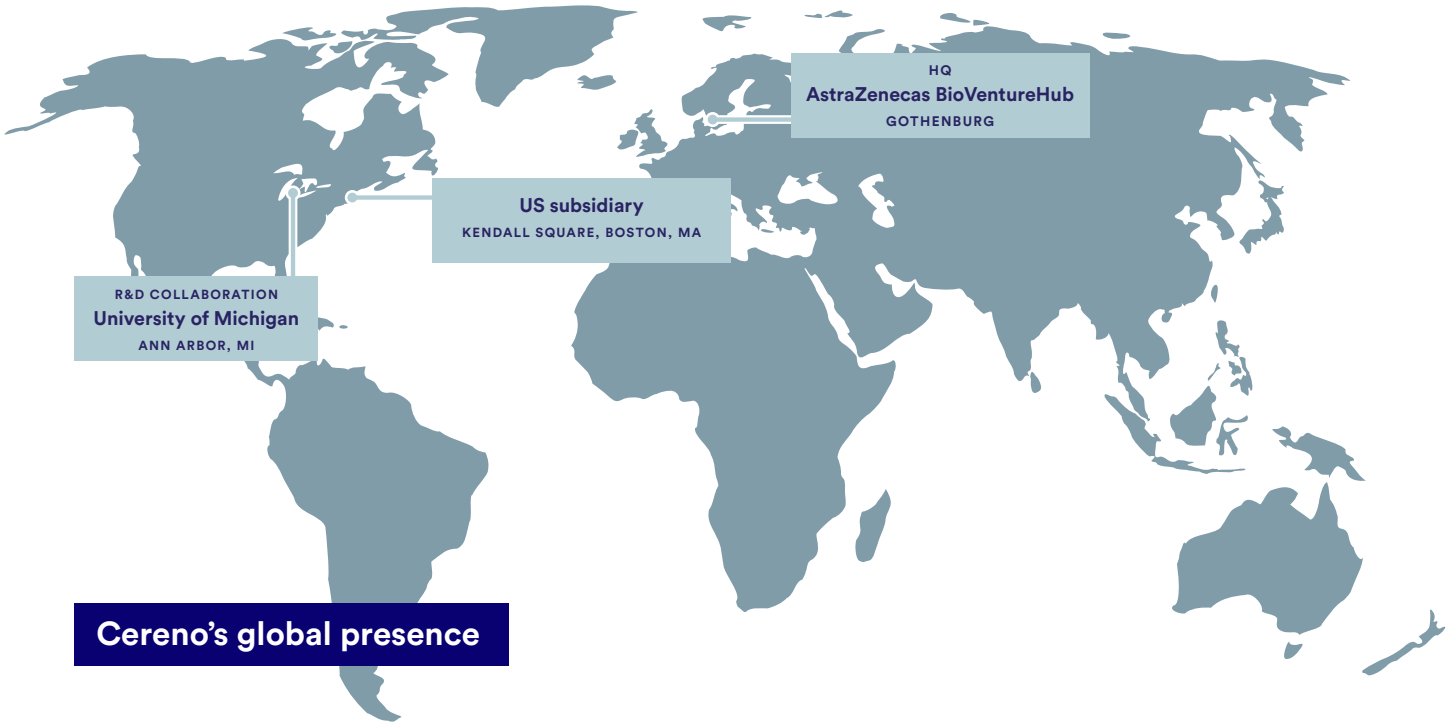
Our pipeline of comprises:

- **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

Third quarter summary

Financial overview

	The group		Parent company	
(SEK)	July-Sept 2021	July-Sept 2020	July-Sept 2021	July-Sept 2020
Net sales	-	-	-	-
Result after financial items	-3 356 309	-3 132 513	-3 356 528	-3 139 965
Earnings per share before dilution	-0.05	-0.08	-0.05	-0.08
Earnings per share after dilution*	-0.02	-0.07	-0.02	-0.07
Equity/assets ratio	89.9 %	86.3 %	89.9 %	86.3 %

	The group		Parent company	
(SEK)	Jan-Sept 2021	Jan-Sept 2020	Jan-Sept 2021	Jan-Sept 2020
Net sales	-	-	-	-
Result after financial items	-12 017 167	-10 907 101	-12 175 066	-10 912 494
Earnings per share before dilution	-0.17	-0.27	-0.17	-0.27
Earnings per share after dilution*	-0.08	-0.25	-0.08	-0.25
Equity/assets ratio	89.9 %	86.3 %	89.9 %	86.3 %

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

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

Significant events during the third quarter

- 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 Phase II study with Cereno's drug candidate CS1. The technology will be used to remotely and continuously 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.

- In early September, Cereno obtained patents in 15 European countries for drug candidate CS1 following a completed validation and opposition period. This solidifies CS1's protection by adding to the already granted markets, thus securing patent protection for CS1 in nearly all global key markets.

- Also in early September, Cereno's CS585 program was granted the first patent in the US. The CS585 program is currently undergoing a 2-year preclinical development program in collaboration with the University of Michigan with the aim of a successful transition to a Phase I clinical program. The program comprises prostacyclin receptor agonists that have demonstrated potential to significantly improve on mechanisms relevant to selected cardiovascular diseases.

- Later in September, Cereno Scientific obtained IND acceptance from FDA to start a Phase II study with drug candidate CS1 in PAH. The IND application was submitted in August in a collaborative effort with global partner Abbott. The acceptance of the IND allowed Cereno to start the planned Phase II study in patients with PAH at clinical sites in the US in accordance with the submitted study protocol.

Significant events after end of period

- In early October, Cereno announced that warrants of series TO1 were subscribed to approximately 96.9 percent and Cereno received approximately SEK 95.3 million before issue costs. The warrants were issued during the fourth quarter of 2020 and a total of 33,442,470 warrants were exercised at a subscription price of SEK 2.85 per share.

Letter from the CEO

The third quarter of the year included an important milestone for Cereno as we obtained FDA's IND acceptance for initiating our Phase II study with CS1 in PAH. In parallel with the hard work that went into preparing and submitting the IND application, we have made great progress with the ongoing development of our two preclinical programs. At the same time, it was satisfying to see that we were able to continue strengthening our intellectual property position with new patents obtained for both the CS1 and CS585 programs. Recently, we also announced that we were able to raise more than SEK 95 million before issue costs through our TO1 warrant program which is a great result that enables us to continue our programs at full speed and look ahead on our future with confidence.

> **Importantly, we also see the IND acceptance as a great step for patients living with PAH as CS1 has the potential to completely change how these patients are treated. Now, the work continues as we move along with the implementation of the Phase II study.**
>
> **– Sten R. Sörensen, CEO**

FDA's IND acceptance for initiating Phase II study with CS1 in PAH in the US

Obtaining IND acceptance from the US FDA for our lead drug candidate CS1 was a great achievement. We have worked intensely together with our partners, including major healthcare company Abbott, to prepare the necessary documentation and steps needed to start the clinical Phase II study in PAH. This includes the development of the study protocol which is the core document for the IND application as all other documents submitted as part of the application relates to different parts of the protocol. Within the stipulated 30 days we received the confirmation that FDA had accepted our IND application. This was expected but still very positive news and a key milestone for the Company. Importantly, we also see the IND acceptance as a great step for patients living with PAH as CS1 has the potential to completely change how these patients are treated. Now, the work continues as we move along with the implementation of the Phase II study. We are looking forward to our continued collaboration with Abbott as the provider of CardioMEMS, a cutting-edge hemodynamic monitoring device. The device provides several benefits including a smaller patient base as we can continuously collect information about the study patients' lung pressure, which leads to time and cost savings. We expect to have topline results for the Phase II study during the second half of 2022.

Progress of ongoing preclinical programs

During the third quarter our two preclinical programs, CS585 and CS014, have been progressing according to the development plans. We are very happy with the collaboration with Dr Mike Holinstat and his research group at the University of Michigan. It is highly rewarding to work with experts of this high caliber in the field of translational research for cardiovascular disease.

Strengthening of patent positions for CS1 and CS585

We continue to pursue the intellectual property protection of our portfolio, and I am glad to see this focus paying off with the recent patent protection expansion for our programs. For CS1 we obtained our first patents in Europe for 15 countries through the European Patent Office (EPO) and when we add that to CS1's existing patent protection in Australia, Canada, Japan, Russia, and the US we now have coverage across almost all the most important global markets. In addition, it is very positive for us that our preclinical CS585 program was granted the first patent in the key US market. Strengthening our patent po-

sition continues to be a priority for us as broad patent protection is generally an important factor when looking at an asset's commercial potential.

Successful capital raise prioritized for execution of preclinical programs and Phase II study

On the first day of October, we were able to share the news that our issued TO1 warrants were successfully exercised at nearly 97% thus raising more than SEK 95 million before costs. This funding enables us to continue our clinical and non-clinical programs at full speed. It is satisfying to see the high level of confidence that our shareholders have in us, and we aim to continue building on that by enabling both shareholders and investors to develop a better understanding of our business. To that end, an initial coverage report was recently released by Aktiespararna, in addition to the previous analytical coverage and report initiated by Redeye in August. Aktiespararna, with about 70,000 members, is the world's largest member organization for private individuals who save in shares and funds. In this effort, I will also have the pleasure of presenting at several investor events during this autumn.

Looking ahead

We recently held our annual strategy meeting. It was great to see the board and management team together again after a long time with only virtual meetings and we enjoyed two days full of great discussions around our way forward. With our highly competent management team and board, leading scientific advisory board, scientific collaborations with Abbott and University of Michigan, three promising programs in the portfolio and a high level of confidence expressed from our shareholders, I remain confident that we as a company are on the right path to deliver on our vision to provide better treatments to patients with common and rare cardiovascular diseases. ■

November 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. CS1 is in clinical phase II 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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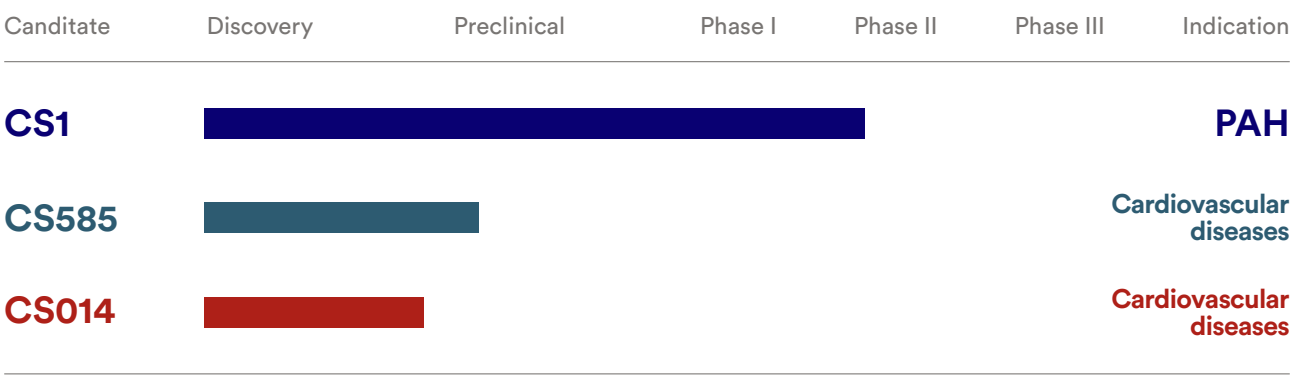
It is gratifying to follow the development of our portfolio of programs, all of which are showing great progress. We are off to a good start with our two preclinical programs, and I am looking forward to further studying their potential for cardiovascular disease.

- Niklas Bergh, Chief Scientific Officer (CSO)

Drug candidates in the portfolio



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. Cereno's Investigational New Drug (IND) application has been accepted allowing initiation of a Phase II study.

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.

In September 2021 Cereno obtained IND acceptance from FDA to start a clinical phase II study 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.

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, Canada, Europe, Australia and Russia. 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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The Phase II study has the primary goal of looking at safety and tolerability since this is the first time CS1 is given to patients with PAH. However, we will also be able to determine the best dose(s), number of patients needed informed by exploratory efficacy variables, and relevant pharmacokinetics for future studies which is a great advantage.

- 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, July – September 2021

Financial performance

During the third quarter, the company mainly invested in the conduct of the clinical phase II study with CS1 in PAH, in the production of clinical supplies, in the development of its patent portfolio and in preclinical studies. At the end of the third quarter, the group had a cash balance of approximately SEK 28.6 million and an equity/assets ratio of 89.9 %

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.

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 September 2021, the share capital was divided across 71 819 312 shares. Registration with the Swedish Companies Registration Office of the share issue with warrants of series TO1 was completed in October, after which the share capital is divided over 105 261 782 shares. The company has two classes of shares of which 722 248 are 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. There are currently 2 247 569 warrants outstanding. After the completed share issue in September 2021, the restated number of Class B shares that the options give entitlement to is 2 928 582. 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 SEK 1.90. 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.

Warrants of series OP 2018/2022

The Extraordinary General Meeting on 23 October 2018 resolved to issue 30 000 warrants and/or employee warrants (series OP 2018/2022) entitled to subscription of Class B shares. After the completed share issue in September 2021, the restated number of shares that the warrants give entitlement to is 40 915. Of the warrants outstanding, half of them now have a restated subscription price of SEK 11.00 and the other half have a restated subscription price of SEK 22.00. 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). After the completed share issue in September 2021, the restated number of Class B shares that the warrants give entitlement to is 836 647 with a subscription price of SEK 11,86. The warrants 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 300,000 warrants to members of the company's Scientific Advisory Board (series 2019/2023 SAB01). After the completed share issue in September 2021, the restated number of Class B shares that the warrants give entitlement to is 386 145 with a subscription price of SEK 11,86. The warrant can be used for subscribing for Class B shares during the period from 1 April 2023 to 31 October 2023.

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 and 34 519 281 warrants of series TO2 B were issued.

The warrants of series TO1 B were used for subscription to new shares in September 2021. In total, 33 442 470 warrants were exercised for subscription of 33 442 470 shares of series B, meaning that approximately 96.9 percent of all outstanding warrants of series TO1 were exercised for subscription of shares. No warrants of series TO1 B are now outstanding.

Left outstanding are 34 519 281 warrants of series TO2. The subscription period for subscription to new shares runs during the period from 14 September 2022 until and including 28 September 2022. Upon full exercise, the company can receive a 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 TO2 B are trading on Spotlight Stock Market under the short name CRNO TO2 B.

Additional terms for the warrants of series 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.

Audit

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

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
2021	Share issue	10 526 178.20	3 344 247.00	105 261 782	33 442 470	0.10
At end of period		**10 526 178.20**		**105 261 782**		**0.10**

Share and owners

The largest shareholders by the 30 September 2021.*

Owners	Capital	Votes
Avanza Pension	10.06 %	9.23 %
Chian Punar	4.17 %	3.83 %
Milad Pournouri	4.02 %	3.69 %
Peyman Pournouri	3.84 %	3.52 %
Dory Gevryie	2.23 %	2.04 %
Total five largest owners	**24.33 %**	**22.31 %**
Other shareholders (total 4 088)	75.67 %	77.69 %
Total	**100.00 %**	**100.00 %**

* The new shares that were subscribed for in September 2021 through the excersise of TO1 are not included.

Group – Consolidated income statement

(SEK)	01 July 2021 30 Sept 2021 3 months	01 July 2020 30 Sept 2020 3 months	01 January 2021 30 Sept 2021 9 months	01 Jan 2020 30 Sept 2020 9 months	01 Jan 2020 31 Dec 2020 12 months
Net sales	-	-	-	-	-
Capitalized work for own account	9 279 541	1 329 979	28 997 291	6 598 759	8 223 388
	9 279 541	**1 329 979**	**28 997 291**	**6 598 759**	**8 223 388**
Operating expenses					
Other external costs	-12 093 455	-4 268 388	-39 124 026	-16 592 035	-22 509 095
Personnel costs	-218 179	-190 527	-1 012 847	-901 471	-1 445 422
Depreciation of tangible fixed assets	-3 577	-3 577	-10 731	-10 731	-14 308
Other operating items	-50 639	-	-46 322	-	-
Operating loss	**-3 086 309**	**-3 132 513**	**-11 196 635**	**-10 905 478**	**-15 745 437**
Loss from financial items					
Interest income and similar incomes	-	-	1 680	-	-
Interest expense and similar expenses	-270 000	-	-822 212	-1 623	-271 623
Loss after financial items	**-3 356 309**	**-3 132 513**	**-12 017 167**	**-10 907 101**	**-16 017 060**
Loss before tax	**-3 356 309**	**-3 132 513**	**-12 017 167**	**-10 907 101**	**-16 017 060**
Income taxes	-	-	-	-	-898
Loss for the period	**-3 356 309**	**-3 132 513**	**-12 017 167**	**-10 907 101**	**-16 017 958**

Group – Consolidated balance sheet

(SEK)	30 Sept 2021	30 Sept 2020	31 Dec 2020
ASSETS			
Subscribed unpaid capital	**95 311 040**	**60 040 000**	**-**
Fixed assets			
Intangible assets			
Capitalized expenditures for development activities	65 201 609	36 596 944	37 451 534
Patents, trademarks, licenses and similar rights	8 439 156	6 421 901	7 191 939
	73 640 765	**43 018 845**	**44 643 473**
Tangible assets			
Fixtures, tools and installations	46 508	60 816	57 239
	46 508	**60 816**	**57 239**
Financial assets			
Other long-term receivables	8 088	8 234	7 534
	8 088	**8 234**	**7 534**
Total fixed assets	**73 695 361**	**43 087 895**	**44 708 246**
Current assets			
Current receivables			
Other receivables	1 531 051	572 989	840 446
Prepaid expenses and accrued income	110 056	994 018	678 600
	1 641 107	**1 567 007**	**1 519 046**
Cash and bank balance	**28 583 402**	**16 880 705**	**66 004 352**
Total current assets	**30 224 509**	**18 447 712**	**67 523 398**
TOTAL ASSETS	**199 230 910**	**121 575 607**	**112 231 644**

Group – Consolidated balance sheet cont.

(SEK)	30 Sept 2021	30 Sept 2020	31 Dec 2020
EQUITY AND LIABILITIES			
Equity			
Share capital	7 181 931	4 021 931	7 181 931
Ongoing share issue	3 344 247	3 160 000	-
Other contributed capital	194 314 966	106 272 327	106 207 286
Other capital including loss for the year	-25 824 495	-8 540 192	-13 646 588
Equity attributed to the parent company's shareholders	**179 016 649**	**104 914 066**	**99 742 629**
Holdings without controlling influence	-	-	-
Total equity	**179 016 649**	**104 914 066**	**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	7 936 713	5 984 947	1 073 968
Tax liabilities	25 467	-	25 697
Bridge loan	9 480 000	9 000 000	9 120 000
Other liabilities	18 871	31 940	123 878
Accrued expenses and deferred income	2 353 210	1 244 654	1 745 472
	19 814 261	**16 261 541**	**12 089 015**
TOTAL EQUITY AND LIABILITIES	**199 230 910**	**121 575 607**	**112 231 644**

Group – Condensed change in equity

01 January 2020 – 31 December 2020	Share capital	Ongoing share issue	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 September 2021	Share capital	Ongoing share issue	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	-	-	-	-160 739
New share issue	-	3 344 247	91 966 793	-
Issue expenses	-	-	-3 859 113	-
Loss for the period	-	-	-	-12 017 167
At the end of the period	**7 181 931**	**3 344 247**	**194 314 966**	**-25 824 495**

Group – Consolidated cash flow statement

(SEK)	01 July 2021 30 Sept 2021 3 months	01 July 2020 30 Sept 2020 3 months	01 Jan 2021 30 Sept 2021 9 months	01 Jan 2020 30 Sept 2020 9 months	01 Jan 2020 31 Dec 2020 12 months
OPERATING ACTIVITIES					
Loss after financial items	-3 356 309	-3 132 513	-12 017 167	-10 907 101	-16 017 060
Adjustments for items not included in the cash flow					
Depreciations	3 577	3 577	10 731	10 731	14 308
Translation differences	-79	-944	-161 293	1 505	5 917
Accrued expenses for borrowings	120 000	-	360 000	-	120 000
Accrued interest cost	150 000	-	450 000	-	150 000
Share issue through offset of liability	-	-	-	-	818 288
Cash flow from operating activities before changes in working capital	**-3 082 811**	**-3 129 880**	**-11 357 729**	**-10 894 865**	**-14 908 547**
Cash flow from changes in working capital					
Increase (-)/Decrease (+) in operating receivables	95 903	-403 482	-122 061	-92 849	-194 888
Increase (+)/Decrease (-) in operating liabilities	-575 623	1 007 067	3 056 132	-617 979	-1 041 454
Cash flow from operating activities	**-3 562 531**	**-2 526 295**	**-8 423 658**	**-11 605 693**	**-16 144 889**
Investing activities					
Acquisition of intangible assets	-9 279 541	-1 329 979	-28 997 292	-6 598 760	-8 223 388
Acquisition of tangible assets	-	-	-	-6 157	-6 157
Acquisition of financial assets	-	-	-	-8 234	-7 534
Cash flow from investing activities	**-9 279 541**	**-1 329 979**	**-28 997 292**	**-6 613 151**	**-8 237 079**
Financing activities					
New share issue	-	-	-	-	59 221 712
Issue expenses	-	-	-	-	-3 934 941
Borrowings	-	10 000 000	-	10 000 000	10 000 000
Costs associated with borrowings	-	-1 000 000	-	-1 000 000	-1 000 000
Cash flow from financing activities	**0**	**9 000 000**	**0**	**9 000 000**	**64 286 771**
Cash flow for the period	**-12 842 072**	**5 143 726**	**-37 420 950**	**-9 218 844**	**39 904 803**
Cash flow equivalents at start of period	**41 425 474**	**11 736 979**	**66 004 352**	**26 099 549**	**26 099 549**
Cash and cash equivalents at the end of period	**28 583 402**	**16 880 705**	**28 583 402**	**16 880 705**	**66 004 352**

Parent company – Consolidated income statement

(SEK)	01 July 2021 30 Sept 2021 3 months	01 July 2020 30 Sept 2020 3 months	01 Jan 2021 30 Sept 2021 9 months	01 Jan 2020 30 Sept 2020 9 months	01 Jan 2020 31 Dec 2020 12 months
Net sales	-	-	-	-	-
Capitalized work for own account	9 279 541	1 329 979	28 997 291	6 598 759	8 223 388
	9 279 541	**1 329 979**	**28 997 291**	**6 598 759**	**8 223 388**
Operating expenses					
Other external costs	-12 093 674	-4 275 840	-39 280 246	-16 597 428	-22 507 096
Personnel costs	-218 179	-190 527	-1 012 847	-901 471	-1 445 422
Depreciation of tangible fixed assets	-3 577	-3 577	-10 731	-10 731	-14 308
Other operating costs	-50 639	-	-46 321	-	-
Operating loss	**-3 086 528**	**-3 139 965**	**-11 352 854**	**-10 910 871**	**-15 743 438**
Loss from financial items					
Interest expense and similar expenses	-270 000	-	-822 212	-1 623	-271 623
Loss after financial items	**-3 356 528**	**-3 139 965**	**-12 175 066**	**-10 912 494**	**-16 015 061**
Loss before tax	**-3 356 528**	**-3 139 965**	**-12 175 066**	**-10 912 494**	**-16 015 061**
Loss for the period	**-3 356 528**	**-3 139 965**	**-12 175 066**	**-10 912 494**	**-16 015 061**

Parent company – Consolidated balance sheet

(SEK)	30 Sept 2021	30 Sept 2020	31 Dec 2020
ASSETS			
Subscribed unpaid capital	**95 311 040**	**60 040 000**	**-**
Fixed assets			
Intangible assets			
Capitalized expenditures for development activities	65 201 609	36 596 944	37 451 534
Patents, trademarks, licenses and similar rights	8 439 156	6 421 901	7 191 939
	73 640 765	**43 018 845**	**44 643 473**
Tangible assets			
Fixtures, tools and installations	46 508	60 816	57 239
	46 508	**60 816**	**57 239**
Financial assets			
Shares in group company	941	941	941
	941	**941**	**941**
Total fixed assets	**73 688 214**	**43 080 602**	**44 701 653**
Current assets			
Current receivables			
Receivables from group companies	54 166	53 432	62 592
Other receivables	1 531 051	572 989	840 446
Prepaid expenses and accrued income	106 012	994 018	599 200
	1 691 229	**1 620 439**	**1 502 238**
Cash and bank balance	**28 536 156**	**16 827 667**	**65 955 827**
Total current assets	**30 227 385**	**18 448 106**	**67 458 065**
TOTAL ASSETS	**199 226 639**	**121 568 708**	**112 159 718**

Parent company – Consolidated balance sheet cont.

(SEK)	30 Sept 2021	30 Sept 2020	31 Dec 2020
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	7 181 931	4 021 931	7 181 931
Ongoing share issue	3 344 247	3 160 000	-
Fund for development expenses	68 318 964	37 697 044	39 321 673
	78 845 142	**44 878 975**	**46 503 604**
Unrestricted equity			
Share premium reserve	88 107 680	53 010 100	52 945 059
Retained earnings	24 238 667	17 930 588	16 305 959
Profit/loss for the period	-12 175 066	-10 912 494	-16 015 061
	100 171 281	**60 028 194**	**53 235 957**
Total equity	**179 016 423**	**104 907 169**	**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	7 932 669	-	1 073 968
Tax liabilities	25 467	5 984 947	24 847
Bridge loan	9 480 000	9 000 000	9 120 000
Other liabilities	18 871	31 940	123 878
Accrued expenses and deferred income	2 353 209	1 244 652	1 677 464
	19 810 216	**16 261 539**	**12 020 157**
TOTAL EQUITY AND LIABILITIES	**199 226 639**	**121 568 708**	**112 159 718**

Parent company – Condensed change in equity

01 January 2020 – 31 December 2020	Share capital	Ongoing share issue	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
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**	**0**	**39 321 673**	**52 945 059**	**16 305 959**	**-16 015 061**

01 January 2021 – 30 September 2021	Share capital	Ongoing share issue	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
Disposal according to AGM resolution	-	-	-	-52 945 059	36 929 998	16 015 061
New share issue	-	3 344 247	-	91 966 793	-	-
Issue expenses	-	-	-	-3 859 113	-	-
Redistribution in equity	-	-	28 997 291	-	-28 997 291	-
Loss for the period	-	-	-	-	-	-12 175 066
At the end of the period	**7 181 931**	**3 344 247**	**68 318 964**	**88 107 680**	**24 238 666**	**-12 175 066**

Parent company – Consolidated cash flow statement

(SEK)	01 July 2021 30 Sept 2021 3 months	01 July 2020 30 Sept 2020 3 months	01 Jan 2021 30 Sept 2021 9 months	01 Jan 2020 30 Sept 2020 9 months	01 Jan 2020 31 Dec 2020 12 months
Operating activities					
Loss after financial items	-3 356 528	-3 139 965	-12 175 066	-10 912 494	-16 015 061
Adjustments for items not included in the cash flow					
Depreciations	3 577	3 577	10 731	10 731	14 308
Accrued expenses for borrowings	120 000	-	360 000	-	120 000
Accrued interest cost	150 000	-	450 000	-	150 000
New share issue through offset of liability	-	-	-	-	818 288
Cash flow from operating activities before changes in working capital	**-3 082 951**	**-3 136 388**	**-11 354 335**	**-10 901 763**	**-14 912 465**
Cash flow from changes in working capital					
Increase (-)/Decrease (+) in operating receivables	45 781	-394 610	-188 991	-146 281	-178 080
Increase (+)/Decrease (-) in operating liabilities	-173 339	1 007 067	3 120 947	-618 921	-1 110 403
Cash flow from operating activities	**-3 210 509**	**-2 523 931**	**-8 422 379**	**-11 666 965**	**-16 200 948**
Investing activities					
Acquisition of intangible assets	-9 279 541	-1 329 979	-28 997 292	-6 598 760	-8 223 388
Acquisition of tangible assets	-	-	-	-6 157	-6 157
Cash flow from investing activities	**-9 279 541**	**-1 329 979**	**-28 997 292**	**-6 604 917**	**-8 229 545**
Financing activities					
New share issue	-	-	-	-	59 221 712
Issue expenses	-	-	-	-	-3 934 941
Borrowings	-	10 000 000	-	10 000 000	10 000 000
Costs associated with borrowings	-	-1 000 000	-	-1 000 000	-1 000 000
Cash flow from financing activities	**0**	**9 000 000**	**0**	**9 000 000**	**64 286 771**
Cash flow for the period	**-12 490 050**	**5 146 090**	**-37 419 671**	**-9 271 882**	**39 856 278**
Cash flow equivalents at start of period	**41 026 206**	**11 681 577**	**65 955 827**	**26 099 549**	**26 099 549**
Cash and cash equivalents at the end of period	**28 536 156**	**16 827 667**	**28 536 156**	**16 827 667**	**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, 16 November 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. In addition, Cereno has two promising preclinical development programs, CS014 and CS585, 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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