Cereno Scientific

Year-end report

January - December 2021

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

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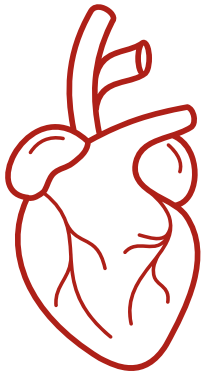
Cereno Scientific in brief



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.

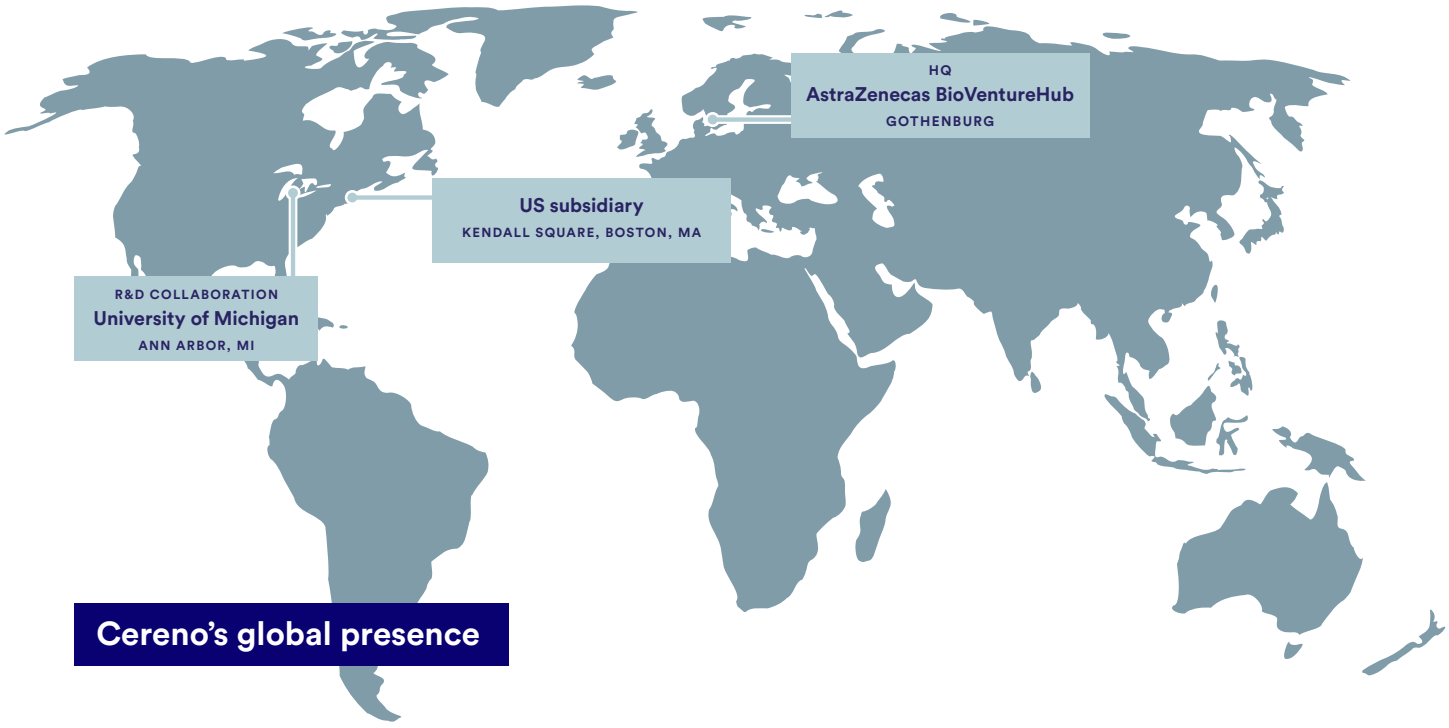
Our pipeline of comprises:

- **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

Fourth quarter summary

Financial overview

	The group		Parent company	
(SEK)	Oct-Dec 2021	Oct-Dec 2020	Oct-Dec 2021	Oct-Dec 2020
Net sales	-	-	-	-
Result after financial items	-4 237 723	-5 109 959	-4 401 536	-5 102 567
Earnings per share before dilution	-0.04	-0.07	-0.04	-0.07
Earnings per share after dilution*	-0.03	-0.07	-0.03	-0.07
Equity/assets ratio	94.1 %	88.9 %	94.1 %	88.9 %
Cash and bank balance	89 634 757	66 004 352	89 594 519	65 955 827

	The group		Parent company	
(SEK)	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net sales	-	-	-	-
Result after financial items	-16 254 890	-16 017 958	-16 576 604	-16 015 061
Earnings per share before dilution	-0.15	-0.22	-0.16	-0.22
Earnings per share after dilution*	-0.11	-0.21	-0.12	-0.21
Equity/assets ratio	94.1 %	88.9 %	94.1 %	88.9 %
Cash and bank balance	89 634 757	66 004 352	89 594 519	65 955 827

Earnings per share: Profit/loss for the period divided by 105 261 782 shares as of 31 December, 2021 and 40 219 312 shares as of 31 December, 2020.
*Diluted earnings per share: Profit/loss for the period divided by shares outstanding and warrants as of the balance sheet date, 31 December 2021 and 31 December 2020, respectively.

Significant events during the fourth quarter

- 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.
- In December, it was announced that intellectual property rights for drug candidate CS1's third patent family had been granted in Russia. This is the first patent grant in the third patent family, adding to Cereno's extensive patent protection across nearly all global key markets.

Significant events after end of period

- In January, Cereno obtained additional intellectual property rights for drug candidate CS1 in the major market Japan. The patent is part of the third patent family which now has protection in Russia as well as Japan. It adds to the growing IPR portfolio for CS1 covering almost all global markets.

- Later in January, it was announced that the progress made in preclinical program CS014 had triggered an undisclosed milestone payment to Emeriti Bio from which CS014 was acquired in 2019. CS014 is currently undergoing a preclinical development program in collaboration with the University of Michigan. Based on this progress a new patent application has been filed.

Letter from the CEO

During the fourth quarter a major focus has been on activating clinical centers to enable enrollment of patients into our Phase II study with CS1 in PAH, for which we were granted FDA IND acceptance in September. In parallel with the clinical activities, the development of our two preclinical programs in collaboration with University of Michigan have continued progressing and follow the plan that was prepared earlier in the year. For the fourth consecutive quarter we also announced further strengthening of our IPR position with the first patents granted in the third patent family for CS1. The fourth quarter was also characterized by our attendance at key events and conferences, building relationships and raising awareness of Cereno among investors as well as the scientific community.

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Cereno is always looking for innovative and efficient approaches to clinical trial designs. For the PAH study we have achieved that by including elements such as validated risk score as a secondary endpoint and the use of Abbott’s CardioMEMS system for continuous monitoring of the patients’ pulmonary pressure.

– Sten R. Sörensen, CEO

Working towards patient enrollment in Phase II study

After receiving IND acceptance from FDA to initiate our Phase II study with drug candidate CS1 in September we have been working with our partners on the activities that are required to enroll patients in the study. An important element is to identify and activate the US clinical centers where the study will be conducted. Whereas the initial plan was to enroll patients across six centers, we have subsequently decided to expand this to up to nine centers for pre-emptive risk mitigation purposes. This will enable us to respond better to potential challenges related to the ongoing pandemic. Once a clinical center is activated patient screening can begin and shortly thereafter the first patients can be enrolled. A total of 30 patients will participate in the study and we expect to share topline data by the end of 2022.

Continued progress of preclinical development programs

In parallel with the activities related to the clinical Phase II study with CS1, we have continued the development of our two preclinical programs, CS014 and CS585. CS014 is a new histone deacetylase inhibitor (HDACi) program and is Cereno’s second HDACi program based on epigenetic modulation following the ongoing development of CS1. The CS585 program comprises selective, potent, and stable prostacyclin receptor (IP) analogs and has demonstrated potential to significantly advance treatments within selected cardiovascular diseases in initial studies. Both programs are being evaluated as treatments of cardiovascular diseases. I am very satisfied to note that the two programs are making good progress and follow the plans that were prepared and initiated during the spring in collaboration with the University of Michigan and led by Dr Mike Holinstat. The progress of the CS014 program triggered a milestone payment as part of our agreement with Emeriti Bio in January and based on the new data generated in the program, a new patent application has been filed. We plan to share more details about these two promising programs during 2022.

Further strengthening of intellectual property position for CS1

During the fourth quarter we again further expanded our patent protection of CS1. This time with the first patent to be granted in the third patent family for CS1 for the Russian market. In January we added the second patent to the third patent family, this time in one of the world’s largest pharmaceutical markets, Japan. We now have patents granted across all three patent

families for CS1 covering Australia, Canada, Japan, Russia, Europe and the US. Protecting our innovations is an important element in our efforts to optimize the commercial positioning of our portfolio pipeline and I am therefore very pleased with the work that is being done in this area.

Presenting Cereno at scientific and investor events

Early December, we were excited to have our CMO Björn Dahlöf attending and presenting at this year's Global CardioVascular Clinical Trialists (CVCT) Forum. The CVCT is a global annual event that brings together leading stakeholders and experts to discuss clinical trials in the CVD space. I am proud to have the co-founders and co-chairmen of this prestigious conference, Dr Faiez Zannad and Dr Bertram Pitt, as part of our Scientific Advisory Board. We have attended the Forum before, but this time we were invited to give a presentation in a session about the evolving landscape of PAH trials with a focus on redefining clinically meaningful endpoints. To this end, Björn presented our Phase II study in PAH providing insights on the topic from a biotech industry perspective. As such, Cereno is always looking for innovative and efficient approaches to clinical trial designs. For the PAH study we have achieved that by including elements such as validated risk score as a secondary endpoint and the use of Abbott's CardioMEMS system for continuous monitoring of the patients' pulmonary pressure. Also presenting at the session from the industry perspective were representatives from Merck and Abbott. We are delighted to be invited and be part of such an important event alongside global thought leaders and industry majors within CVD.

Furthermore, I have had the opportunity to present Cereno's significant progress and future plans at a number of investor events during the fourth quarter. It was great to finally meet investors again in person at Aktiespararna's "Stora Aktiedagen" held in Stockholm in December.

Looking forward to 2022

When I reflect on 2021 it has been a year of significant progress for Cereno, and I am proud of what we have achieved with the support of our large network of partners, collaborators and not least our investors. With the 95 million SEK that was raised with the exercised TO1 warrant program we can continue developing our three programs at full speed in 2022. It is an exciting time for Cereno, and I am looking forward to another great year where we continue our journey towards bringing innovative treatments to patients affected by common and rare cardiovascular diseases. ■

February 2022

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 to start clinical studies

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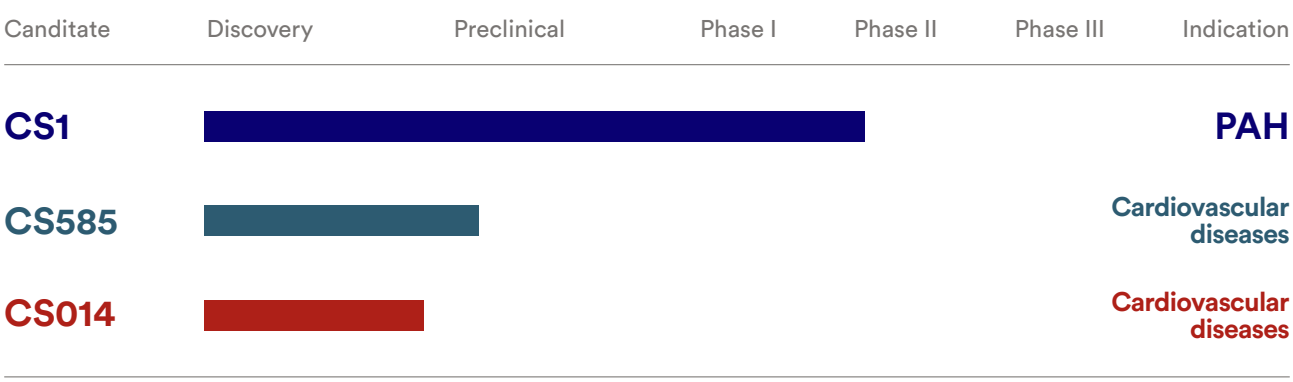
It is gratifying to follow the development of our portfolio of programs, all of which are showing great progress. We are off to a good start with our two preclinical programs, and I am looking forward to further studying their potential for cardiovascular disease.

- 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:

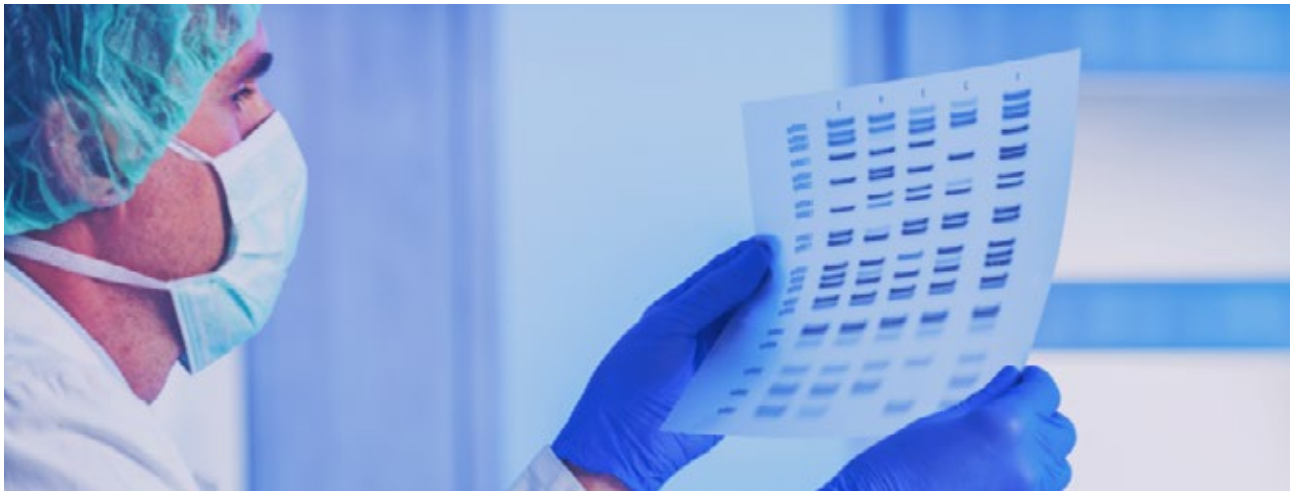
- Anti-thrombotic
- Anti-inflammatory
- Anti-fibrotic
- Pulmonary pressure-relieving properties

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 up to nine 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. Across these three 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, January - December 2021

Financial performance

During the fourth 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 fourth quarter, the group had a cash balance of approximately SEK 89.6 million and an equity/assets ratio of 94.1 %.

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 December 2021, the share capital was divided across 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. During December 2021 Cereno Scientific repurchased 1 105 262 warrants. The number of warrants that remain outstanding after the repurchase amounts to 1 142 307. After the completed share issue in September 2021, the restated number of Class B shares that the options give entitlement to is 1 488 426. 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. The warrants have a maturity of five years from their respective registration dates.

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.

Proposal for the disposal of Cereno Scientifics results

The Board of Directors and the CEO propose that no dividend be paid for the financial year 2021

Audit

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

Principles of preparation for the Interim Report

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

Upcoming financial reports

Annual Report 2021 ..... 6 April 2022
Interim Report, Q1 2022 ..... 19 May 2022

Annual General Meeting

The Annual General Meeting is scheduled for 1 June, 2022 in Gothenburg. The venue for the Annual General Meeting will be presented no later than in connection with the notice of the Annual General Meeting.

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 31 December 2021.

Owners	Capital	Votes
Avanza Pension	14.80 %	13.94 %
Chian Punar	4.23 %	3.99 %
Milad Pournouri	3.98 %	3.75 %
Peyman Pournouri	2.52 %	2.37 %
Dory Gevryie	1.52 %	1.43 %
Total five largest owners	**27.05 %**	**25.48 %**
Other shareholders	72.95 %	74.52 %
Total (4 805 shareholders)	**100.00 %**	**100.00 %**

Group – Consolidated income statement

(SEK)	01 Oct 2021 31 Dec 2021 3 months	01 Oct 2020 31 Dec 2020 3 months	01 Jan 2021 31 Dec 2021 12 months	01 Jan 2020 31 Dec 2020 12 months
Net sales	-	-	-	-
Capitalized work for own account	15 808 070	1 624 629	44 805 361	8 223 388
	15 808 070	**1 624 629**	**44 805 361**	**8 223 388**
Operating expenses				
Other external costs	-18 672 923	-5 917 060	-57 796 949	-22 509 095
Personnel costs	-761 524	-543 951	-1 774 371	-1 445 422
Depreciation of tangible fixed assets	-3 577	-3 577	-14 308	-14 308
Other operating items	-179 492	-	-225 814	-
Operating loss	**-3 809 446**	**-4 839 959**	**-15 006 081**	**-15 745 437**
Loss from financial items				
Interest income and similar incomes	-	-	1 680	-
Interest expense and similar expenses	-424 067	-270 000	-1 246 279	-271 623
Loss after financial items	**-4 233 513**	**-5 109 959**	**-16 250 680**	**-16 017 060**
Loss before tax	**-4 233 513**	**-5 109 959**	**-16 250 680**	**-16 017 060**
Income taxes	-4 210	-	-4 210	-898
Loss for the period	**-4 237 723**	**-5 109 959**	**-16 254 890**	**-16 017 958**

Group – Consolidated balance sheet

(SEK)	31 Dec 2021	31 Dec 2020
ASSETS		
Fixed assets		
Intangible assets		
Capitalized expenditures for development activities	80 164 358	37 451 534
Patents, trademarks, licenses and similar rights	9 284 476	7 191 939
	89 448 834	**44 643 473**
Tangible assets		
Fixtures, tools and installations	42 931	57 239
	42 931	**57 239**
Financial assets		
Other long-term receivables	8 320	7 534
	8 320	**7 534**
Total fixed assets	**89 500 085**	**44 708 246**
Current assets		
Current receivables		
Other receivables	1 363 425	840 446
Prepaid expenses and accrued income	239 919	678 600
	1 603 344	**1 519 046**
Cash and bank balance	**89 634 757**	**66 004 352**
Total current assets	**91 238 101**	**67 523 398**
TOTAL ASSETS	**180 738 186**	**112 231 644**

Group – Consolidated balance sheet cont.

(SEK)	31 Dec 2021	31 Dec 2020
EQUITY AND LIABILITIES		
Equity		
Share capital	10 526 178	7 181 931
Other contributed capital	189 760 849	106 207 286
Other capital including loss for the year	-30 222 102	-13 646 588
Equity attributed to the Parent Company's shareholders	**170 064 925**	**99 742 629**
Holdings without controlling influence	-	-
Total equity	**170 064 925**	**99 742 629**
Long-term liabilities		
Other liabilities to credit institutions	400 000	400 000
	400 000	**400 000**
Current liabilities		
Accounts payable	2 884 374	1 073 968
Tax liabilities	32 442	25 697
Bridge loan	4 800 000	9 120 000
Other liabilities	201 853	123 878
Accrued expenses and deferred income	2 354 592	1 745 472
	10 273 261	**12 089 015**
TOTAL EQUITY AND LIABILITIES	**180 738 186**	**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 - 31 December 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	-	-	-320 624
Resolve of warrant subscription right	-	-4 500 000	-
New share issue	3 344 247	91 966 793	-
Issue expenses	-	-3 913 230	-
Loss for the period	-	-	-16 254 890
At the end of the period	**10 526 178**	**189 760 849**	**-30 222 103**

Group – Consolidated cash flow statement

(SEK)	01 Oct 2021 31 Dec 2021 3 months	01 Oct 2020 31 Dec 2020 3 months	01 Jan 2021 31 Dec 2021 12 months	01 Jan 2020 31 Dec 2020 12 months
OPERATING ACTIVITIES				
Loss after financial items	-4 237 723	-5 109 959	-16 254 890	-16 017 060
Adjustments for items not included in the cash flow				
Depreciations	3 577	3 577	14 308	14 308
Translation differences	-160 116	5 112	-321 410	5 917
Accrued expenses for borrowings	320 000	120 000	680 000	120 000
Accrued interest cost	100 000	150 000	550 000	150 000
New share issue through offset of liability	-	818 288	-	818 288
Taxes paid	-898	-	-898	-
	-3 975 160	**-4 012 982**	**-15 332 890**	**-14 908 547**
Cash flow from operating activities before changes in working capital	**-3 975 160**	**-4 012 982**	**-15 332 890**	**-14 908 547**
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in operating receivables	37 763	-102 039	-84 298	-194 888
Increase (+)/Decrease (-) in operating liabilities	-775 988	-423 474	2 280 144	-1 041 454
Cash flow from operating activities	**-4 713 385**	**-4 538 495**	**-13 137 044**	**-16 144 889**
Investing activities				
Acquisition of intangible assets	-15 808 070	-1 624 629	-44 805 361	-8 223 388
Acquisition of tangible assets	-	-	-	-6 157
Acquisition of financial assets	-	-	-	-7 534
Cash flow from investing activities	**-15 808 070**	**-1 624 629**	**-44 805 361**	**-8 237 079**
Financing activities				
New share issue	95 311 040	59 221 712	95 311 040	59 221 712
Issue expenses	-3 913 230	-3 934 941	-3 913 230	-3 934 941
Resolve of warrant subscription right	-4 500 000	-	-4 500 000	-
Borrowings	-	-	-	10 000 000
Costs associated with borrowings	-	-	-	-1 000 000
Amortisation of loans	-5 000 000	-	-5 000 000	-
Paid interest costs	-325 000	-	-325 000	-
Cash flow from financing activities	**81 572 810**	**55 286 771**	**81 572 810**	**64 286 771**
Cash flow for the period	**61 051 355**	**49 123 647**	**23 630 405**	**39 904 803**
Cash flow equivalents at start of period	**28 583 402**	**16 880 705**	**66 004 352**	**26 099 549**
Cash and cash equivalents at the end of period	**89 634 757**	**66 004 352**	**89 634 757**	**66 004 352**

Parent company – Consolidated income statement

(SEK)	01 Oct 2021 31 Dec 2021 3 months	01 Oct 2020 31 Dec 2020 3 months	01 Jan 2021 31 Dec 2021 12 months	01 Jan 2020 31 Dec 2020 12 months
Net sales	-	-	-	-
Capitalized work for own account	15 808 070	1 624 629	44 805 361	8 223 388
	15 808 070	**1 624 629**	**44 805 361**	**8 223 388**
Operating expenses				
Other external costs	-18 840 946	-5 909 668	-58 121 192	-22 507 096
Personnel costs	-761 524	-543 951	-1 774 371	-1 445 422
Depreciation of tangible fixed assets	-3 577	-3 577	-14 308	-14 308
Other operating costs	-179 492	-	-225 815	-
Operating loss	**-3 977 469**	**-4 832 567**	**-15 330 325**	**-15 743 438**
Loss from financial items				
Interest expense and similar expenses	-424 067	-270 000	-1 246 279	-271 623
Loss after financial items	**-4 401 536**	**-5 102 567**	**-16 576 604**	**-16 015 061**
Loss before tax	**-4 401 536**	**-5 102 567**	**-16 576 604**	**-16 015 061**
Loss for the period	**-4 401 536**	**-5 102 567**	**-16 576 604**	**-16 015 061**

Parent company – Consolidated balance sheet

(SEK)	31 Dec 2021	31 Dec 2020
ASSETS		
Fixed assets		
Intangible assets		
Capitalized expenditures for development activities	80 164 358	37 451 534
Patents, trademarks, licenses and similar rights	9 284 476	7 191 939
	89 448 834	**44 643 473**
Tangible assets		
Fixtures, tools and installations	42 931	57 239
	42 931	**57 239**
Financial assets		
Shares in group company	941	941
	941	**941**
Total fixed assets	**89 492 706**	**44 701 653**
Current assets		
Current receivables		
Receivables from group companies	39 158	62 592
Other receivables	1 363 425	840 446
Prepaid expenses and accrued income	239 919	599 200
	1 642 502	**1 502 238**
Cash and bank balance	**89 594 519**	**65 955 827**
Total current assets	**91 237 021**	**67 458 065**
TOTAL ASSETS	**180 729 727**	**112 159 718**

Parent company – Consolidated balance sheet cont.

(SEK)	31 Dec 2021	31 Dec 2020
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital	10 526 178	7 181 931
Fund for development expenses	84 127 034	39 321 673
	94 653 212	**46 503 604**
Unrestricted equity		
Share premium reserve	88 053 563	52 945 059
Retained earnings	3 930 597	16 305 959
Profit/loss for the period	-16 576 604	-16 015 061
	75 407 556	**53 235 957**
Total equity	**170 060 768**	**99 739 561**
Long-term liabilities		
Other liabilities to credit institutions	400 000	400 000
	400 000	**400 000**
Current liabilities		
Accounts payable	2 884 374	1 073 968
Tax liabilities	28 142	24 847
Bridge loan	4 800 000	9 120 000
Other liabilities	201 853	123 878
Accrued expenses and deferred income	2 354 590	1 677 464
	10 268 959	**12 020 157**
TOTAL EQUITY AND LIABILITIES	**180 729 727**	**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
Disposal according to AGM resolution	-	-	-52 725 374	37 445 573	15 279 801
New share issue	3 160 000	-	56 880 000	-	-
Issue expenses	-	-	-3 934 941	-	-
Redistribution in equity	-	8 223 388	-	-8 223 388	-
Loss for the period	-	-	-	-	-16 015 061
At the end of the period	**7 181 931**	**39 321 673**	**52 945 059**	**16 305 959**	**-16 015 061**

01 January 2021 – 31 December 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
Disposal according to AGM resolution	-	-	-52 945 059	36 929 998	16 015 061
Resolve of warrant subscription right	-	-	-	-4 500 000	-
New share issue	3 344 247	-	91 966 793	-	-
Issue expenses	-	-	-3 913 230	-	-
Redistribution in equity	-	44 805 361	-	-44 805 361	-
Loss for the period	-	-	-	-	-16 576 604
At the end of the period	**10 526 178**	**84 127 034**	**88 053 563**	**3 930 596**	**-16 576 604**

Parent company – Consolidated cash flow statement

(SEK)	01 Oct 2021 31 Dec 2021 3 months	01 Oct 2020 31 Dec 2020 3 months	01 Jan 2021 31 Dec 2021 12 months	01 Jan 2020 31 Dec 2020 12 months
Operating activities				
Loss after financial items	-4 401 536	-5 102 567	-16 576 604	-16 015 061
Adjustments for items not included in the cash flow				
Depreciations	3 577	3 577	14 308	14 308
Accrued expenses for borrowings	320 000	120 000	680 000	120 000
Accrued interest cost	100 000	150 000	550 000	150 000
New share issue through offset of liability	-	818 288	-	818 288
	-3 977 959	**-4 010 702**	**-15 332 296**	**-14 912 465**
Cash flow from operating activities before changes in working capital	**-3 977 959**	**-4 010 702**	**-15 332 296**	**-14 912 465**
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in operating receivables	48 727	-31 799	-140 264	-178 080
Increase (+)/Decrease (-) in operating liabilities	-777 145	-491 481	2 343 803	-1 110 403
Cash flow from operating activities	**-4 706 377**	**-4 533 982**	**-13 128 757**	**-16 200 948**
Investing activities				
Acquisition of intangible assets	-15 808 070	-1 624 629	-44 805 361	-8 223 388
Acquisition of tangible assets	-	-	-	-6 157
Acquisition of financial assets	-	-	-	-
Cash flow from investing activities	**-15 808 070**	**-1 624 629**	**-44 805 361**	**-8 229 545**
Financing activities				
New share issue	95 311 040	59 221 712	95 311 040	59 221 712
Issue expenses	-3 913 230	-3 934 941	-3 913 230	-3 934 941
Resolve of warrant subscription right	-4 500 000	-	-4 500 000	-
Borrowings	-	-	-	10 000 000
Costs associated with borrowings	-	-	-	-1 000 000
Amortisation of loans	-5 000 000	-	-5 000 000	-
Paid interest costs	-325 000	-	-325 000	-
Cash flow from financing activities	**81 572 810**	**55 286 771**	**81 572 810**	**64 286 771**
Cash flow for the period	**61 058 363**	**49 128 160**	**23 638 692**	**39 856 278**
Cash flow equivalents at start of period	**28 536 156**	**16 827 667**	**65 955 827**	**26 099 549**
Cash and cash equivalents at the end of period	**89 594 519**	**65 955 827**	**89 594 519**	**65 955 827**

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, 9 February 2022.

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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