Cereno Scientific

2021 Annual report

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

Contents

Annual General Meeting
Cereno Scientific's Annual General Meeting will be held on June 1, 2022, in Gothenburg. All documents relating to the meeting, including the annual report, will be available on the company's website no later than two weeks before the meeting.

Shareholders who have their shares registered through the bank's notary department or other nominee must, in order to be entitled to attend the meeting, temporarily register the shares in their own name. Such registration must be completed by May 23, which means that shareholders must notify the trustee well in advance of this date.

Financial calendar
Interim report Q1.....May 19, 2022
Annual general meeting .....June 1, 2022
Interim report Q2 ..... August, 2022
Interim report Q3 ..... November, 2022

Cereno's global presence

Cereno Scientific in brief

June 2016

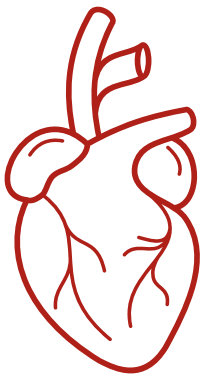
Listed on Spotlight Stock Market

(CRNO B)

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

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

Common types of cardiovascular disease include heart attack, stroke, heart failure, arrhythmia, and heart valve complications. There are, however, many more conditions since cardiovascular disease refers to all diseases involving the heart or blood vessels.



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 disease.

Year of 2021

Q1

First quarter

- Early January 2021, **a letter of intent with the global contract research organization (CRO) Worldwide Clinical Trials was signed.** Worldwide will provide support and guidance in the final preparatory steps as well as conduct the clinical Phase II study with drug candidate CS1 in rare disease pulmonary arterial hypertension (PAH).

- In conjunction with a Scientific Advisory Board meeting in January, **Dr. Raymond L. Benza M.D., FACC, FAHA, FACP, US, was appointed to the Cereno Scientific Advisory Board.** Benza is a global thought leader in pulmonary arterial hypertension (PAH) and has been working as an advisor to the company's Phase II program with drug candidate CS1 in PAH.

- At the end of January, **an expansion of the intellectual property rights (IPR) for drug candidate CS1 across two different patent families was announced.** The patent granted in Canada belongs to the company's first patent family, and the patent granted in Russia belongs to the company's second patent family. This is a result of Cereno's continuous work in securing IPR for its assets to strengthen the commercial positioning.

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

Q2

Second quarter

- 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. **The study started in September 2021.**

- 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 was 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.

Second quarter cont.

- 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 were 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.

Q3

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 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.

Q4

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.

After end of year

- 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.
- In February, **Cereno invited investors, financial analysts, and media to a webcast presentation.** The presentation focused on the Phase II study of drug candidate CS1 in PAH and was hosted by Cereno's CEO Sten R. Sörensen and CMO Dr. Björn Dahlöf who was joined by Dr. Raymond Benza, Principal Investigator for the study and Dr. Philip Adamson, Vice President and Chief Medical Officer at study collaborator Abbott.
- In late-February, **announced the recruitment of Fredrik Frick as Head of Clinical Operations.** The appointment adds another experienced executive to Cereno's management team, thereby further strengthens the R&D organization as the company's pipeline builds and progresses through preclinical and clinical studies.
- In March, **the European Patent Office (EPO) granted a patent for CS1's second patent family.** The new patent adds to the existing intellectual property rights (IPR) for this strategically important market which now covers two of Cereno's three patent families.

Interview with the CEO

Cereno has taken significant strides forward during 2021; progress and growth is evident in core areas such as clinical development, expansion of the preclinical pipeline as well as a strengthened organization. CEO Sten R. Sörensen comments on the achievements of the past year and what is in store for 2022 and beyond.

2021 has been a significant year, but what has been the most important event?

– A strong drug development portfolio is a key element in our vision to develop innovative treatments for patients affected by common and rare cardiovascular disease. We have taken great strides in our efforts to grow and progress our portfolio to this point, which is a result of several positive events during the year.

– A major milestone this past fall was obtaining the go-ahead from the US FDA to initiate our Phase II study with CS1 in the rare disease PAH. We have since worked to finalize selection and activation of the US clinical sites where the study will be executed. An additional important highlight is the successful work achieved in IPR – CS1 obtained patents in 18 different countries expanding across all three patent families in 2021 alone.

– Our preclinical development portfolio has grown. During the spring of 2021, we signed an option agreement with the University of Michigan obtaining exclusive rights to in license the preclinical program CS585, adding this program to our existing preclinical program CS014. With one program in clinical Phase II and two programs in preclinical development we now have a portfolio of three promising development programs that are being pursued.

– Another important focus is ensuring that we have a team that can keep up with the expanded project portfolio. We have added key competences to support our preclinical and clinical activities in areas such as translational research, clinical trial management, IT and data management, quality assurance, safety and pharmacovigilance.

– Last but not least, I consider our external collaborations as being very important enablers in delivering on our vision and strategies. Indeed, these partners are adding both top level expertise and development capabilities as well as validation to our programs. We have both expanded the collaboration with University of Michigan for our two preclinical programs and entered into collaborations with large, global companies that we initiated for our clinical program such as Abbott and Worldwide Clinical Trials.

How would you describe the key activities during 2022?

– Running a clinical Phase II study is a major operation with many actors involved and we will continue to focus on the conduct of the CS1 Phase II study. The work does not stop once you have received an IND acceptance to start a study, it is rather at that point it intensifies. We have nine clinical sites taking part in the study. These sites are each being brought through the stages of site contracting, site regulatory approval and study start preparations before being fully ready to initiate patient recruitment. Each potential study participant then goes through a thorough screening process to evaluate suitability according to set criteria before officially being enrolled in the study, followed by several steps for preparation

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>
> **- Sten R. Sörensen, CEO**

> By steadily developing our clinical and preclinical programs and consistently delivering valuable progress, we are set to increasingly attract more interest from both a scientific and commercial perspective.

ahead of starting the study's active treatment period. For this particular study, enrolled patients undergo right heart catherization and implantation of Abbott's CardioMEMS pulmonary monitoring system. Each patient will then have up to six weeks to familiarize themselves with the CardioMEMS system during which baseline measurements are also obtained. The patients are then randomized into one of three dosages of CS1 and treated for 12 weeks.

– In parallel, the many activities in the preclinical development programs for CS585 and CS014 continues. I am looking forward to sharing preclinical data from these programs through medical congresses and scientific publications later this year. As the preclinical programs develop, we have also started activities required to initiate clinical Phase I studies. Our aim is to have two drug candidates ready for Phase I in 2023.

What are the biggest challenges and key resources needed to achieve the 2022 milestones?

– There is a lot of uncertainty in the world right now. Thankfully it seems that the Covid-19 pandemic is starting to loosen its tight grip on our society, but now a new crisis is looming. Russia's invasion of Ukraine adds new uncertainty as most of the western world has its attention on the unfolding situation. My sympathy goes to all those who are affected by the invasion. Although it does not have any immediate direct impact on Cereno, it remains uncertain whether there will be any indirect or longer-term effects.

– With that said, we are working diligently on reaching our key goal for 2022 of delivering top-line results for the Phase II study with CS1 by the end of the year. When you are in the business of drug development, especially in a stage where patients are involved, unforeseen challenges may quickly develop. The game-changer is to be proactive and prepared to effectively handle the challenges as they arise.

– As such, I cannot stress enough the importance of having competent team members, advisors, and partners. This spring, I am therefore looking forward to welcoming Fredrik Frick in the role as Head of Clinical Operations and to continue regular interactions with our world-leading scientific advisory board that provide valuable input in terms of strategy formulation and execution.

Where do you see Cereno in three years' time?

– We have built a good foundation for Cereno with a promising project portfolio, competent team, and strong partners. Our continued focus will be to evolve our programs and the company. By steadily developing our clinical and preclinical programs and consistently delivering valuable progress, we are set to increasingly attract more interest from both a scientific and commercial perspective.

– We are eager to deliver on our vision to significantly improve the lives of patients living with common and rare cardiovascular disease. ■

Goals and strategy

Cereno's overarching goal is to develop innovative treatments within common and rare cardiovascular disease. Cereno's strategy, business model and organization reflect this. The company has attracted competent employees and consultants as well as world-leading advisors that combine decades of experience within areas critical for drug development. The company's strategy aims to utilize the project portfolio's full potential on profitable markets within cardiovascular disease, meanwhile providing value to both patients and shareholders.

The company focuses on discovery and development of drug candidates for cardiovascular diseases with great unmet medical needs where existing treatments are insufficient. This means a focus on global markets where there are opportunities to create value for patients as well as shareholders. The project portfolio has a broad therapeutic potential with two possible paths to market. With CS1 the aim is to first establish the drug candidate in a rare disease which includes, among other things, smaller studies, and certain monetary reliefs. An alternative path to development within larger cardiovascular diseases are provided through partnerships with major pharmaceutical companies.

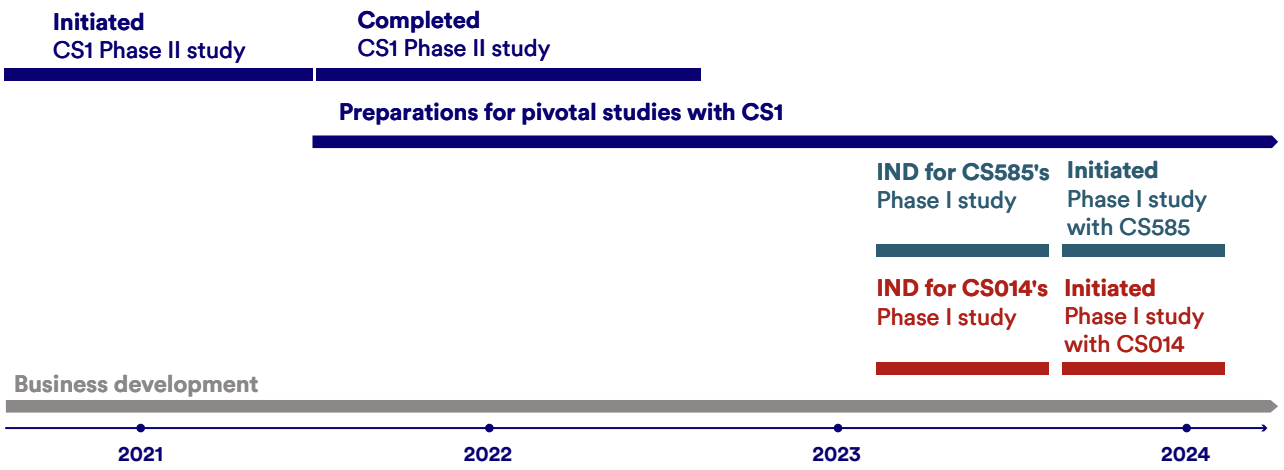
In a future out-licensing or deal with a major pharmaceutical company, the key aspects forming the basis of a deal will be the clinical data, the patent portfolio and potential regulatory market exclusivity. This is the reason why the opportunities to increase the commercial value of the company and the drug candidates are continuously evaluated through further secured market exclusivity with expanded patent protection and other regulatory pathways such as orphan drug designation.

Cereno is a research and development company with no current income. The company is financed mainly via the capital market or through future out-licensing or sale of projects. Activities to achieve financing via the capital market are ongoing in parallel and in interaction with processes to be able to enter into agreements on out-licensing or sales.

Due to the capital requirements related to drug development we actively work with securing financing on an ongoing basis. Before a potential partnership with large pharmaceutical players, the company is mainly funded via the capital market, and we continuously evaluate and optimize our spending allocation according to where most value can be created for our shareholders.

- Daniel Brodén, Chief Financial Officer (CFO)

Key objectives



Cardiovascular disease

Cardiovascular disease is the most common cause of death in the world, killing nearly twice as many people as cancer every year. Cereno develops innovative treatments in cardiovascular disease that can offer better efficacy and fewer side effects compared with today's available drugs.

The area of cardiovascular diseases includes all conditions that affect the heart or blood vessels and include both common and rare diseases. Many of these affect older people and have a great negative impact on their quality of life. These diseases often, directly or indirectly, lead to an early death. Every year, nearly 18 million people die from a cardiovascular disease – a number only expected to grow. Heart attack and stroke are two of the most common cardiovascular diseases and account for 85 percent of these deaths.

The treatment options offered to patients today are insufficient. The associated economic societal burden for cardiovascular diseases is high and estimated to an annual cost of EUR 210 billion in Europe and USD 555 billion in the US.

Pulmonary arterial hypertension (PAH)

The rare disease pulmonary arterial hypertension (PAH) is a specific form of pulmonary hypertension. The disease causes the blood pressure in the lungs to become abnormally high and it affects around 5-15 per 100,000 people globally. PAH is a progressive disease with various etiologies that eventually leads to heart failure and poor lung function. Patients diagnosed with PAH have a serious prognosis where about 30 percent of patients die within 5 years, however, their quality of life deteriorates substantially long before that.

In most cases, there is no known cause to why PAH occur. The disease is characterized by an increase in the pulmonary pressure secondary to a thickening of the walls of the pulmonary arteries, ie the blood vessels that lead from the right side of the heart to the lungs. This impedes blood flow and causes high blood pressure in the lungs, at later stages local blood clots (so-called thromboses) are also formed.

Global leaders driving the future of PAH trials

The annual Cardiovascular Clinical Trialists Forum (CVCT) brings together global experts from academia, industry, regulatory agencies, patient groups and many others, for discussions about the latest within clinical trials in the cardiovascular disease space. CVCT is co-chaired by Dr. Faiez Zannad and Dr. Bertram Pitt, two members of Cereno's scientific advisory board.

At the 2021 virtual edition, Cereno was invited to participate in the session "The Evolving Landscape Of Pulmonary Arterial Hypertension Phase 3 Trials Part 2- Redefining Clinically Meaningful Endpoints." CMO Björn Dahlöf presented Cereno's innovative and cost-effective Phase II trial with CS1 in context of the evolving field of PAH therapy and trials. Other industry participants were the global life sciences companies Merck and Abbott that also are active in the space.

PAH has a major impact on individuals' level of function and causes shortness of breath, fatigue, chest pain, reduced ability to work, unnatural swelling, fainting and heart palpitations. This is also of significant importance for their physical, mental and social well-being.

There is currently no cure apart from lung transplantation, which patients are often too seriously ill to undergo when it is time. The treatments offered today are only focused on improving the patient's level of function and involve, at best, a moderate slowdown in the development of the disease. Cereno therefore sees that there is a great need for new disease-modifying treatments that can give patients an opportunity for an improved and longer life.

As a practicing physician, I meet patients every day who are affected by a debilitating cardiovascular disease. Unfortunately, this is an area where we are experiencing steady patient growth on a global scale and current therapies are not sufficient. There is a significant need for more efficacious, tolerable and convenient treatments.

- Niklas Bergh, Chief Scientific Officer (CSO)

Thrombotic indications

A dangerous thrombosis occurs when a blood clot clogs inside a blood vessel, and it can occur in many different places in the body. There are two different forms of thrombosis, venous thrombosis is when the blood clot blocks a vein that carries blood from the body to the heart and arterial thrombosis is when the blood clot blocks an artery that carries oxygen-rich blood from the heart to the body. Thrombosis is a serious complication that contributes to nearly 85 percent of all deaths in cardiovascular disease with heart attack and stroke as two of the more common conditions.

There are many anti-thrombotic drugs, also called blood thinners, on the market that are used to reduce the formation of blood clots. These constitute only a small part of the total market for cardiovascular disease; nevertheless, this market is expected to grow by nearly 10 percent per year. By 2025, this global market has grown to approximately USD 45 billion. Meanwhile, the existing drugs cause the serious and unwanted side effect of an increased risk of bleeding from all organs that can cause hospital stays and death. The need for new treatments with less risk of bleeding is therefore great and a priority in the area.

Rare diseases

There are approximately 6,000–8,000 rare diseases, affecting more than 300 million people worldwide. Despite this, about 95 percent of these diseases have no approved treatment. There is not even a common global definition of what a rare disease is, but different regions have created their own. In the US, it counts as a rare disease if it affects fewer than 200,000 people while in Europe, the definition states that it should be fewer than 1 in 2,000 people affected.

More than 300 million people worldwide have a rare disease.

Rare diseases came to be called 'orphan diseases', ie abandoned diseases, because pharmaceutical companies were not interested in developing treatments for a smaller market. In the US, therefore, the 'Orphan Drug Act' was launched to create financial incentives to encourage companies to develop novel treatments for rare diseases.

Project portfolio

Cereno has a promising, innovative project portfolio targeting common and rare cardiovascular disease. 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 initiated 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 stable, selective, and potent IP (prostacyclin) receptor agonists that are being evaluated to treat cardiovascular disease.

CS014

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

Drug candidates in the portfolio

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

Epigenetic modulation

Cereno has two projects that use an epigenetic modulation platform based on HDAC inhibitors – the clinical drug candidate CS1 and the preclinical program CS014. The company is one of the first to develop treatments for cardiovascular disease by applying epigenetic modulation. This provides an opportunity to develop safer and better treatments for cardiovascular diseases in a completely new way.

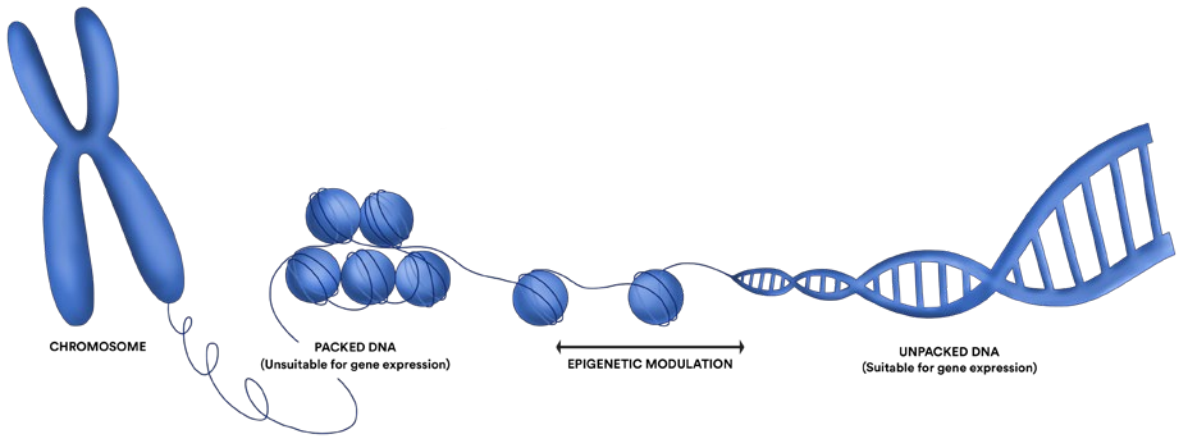
Epigenetic modulation can be described as a change in gene expression without an actual alteration of genetic material. In recent years, epigenetic modulation has played an important role in new treatments for cancer, but the use of epigenetic modulation in cardiovascular diseases has just begun. Gene expression can occur when the cells control the coiling and uncoiling of the DNA strand around the terminal tails of the core histones. This is where the importance of histone deacetylase (HDAC) come into play.

One of the most common epigenetic modulators is a class of enzymes called HDACs. HDACs are found in most cells throughout the body, and stimulation of these can lead to changes in how an individual's DNA is interpreted within the cells. This can affect key cellular mechanisms and thus increase the risk of disease.

Researchers have discovered ways to regulate certain disease-causing epigenetic changes as a form of treatment using inhibitors. HDAC inhibitors are epigenetic modulators with a full range of disease-modifying effects, which has caught the interest of many pharmaceutical and biotech companies in various disease areas.

> Cereno is one of the first to develop treatments for cardiovascular disease by applying epigenetic modulation. This provides an opportunity to develop safer and better treatments for cardiovascular diseases in a completely new way.

Simplified illustration of epigenetic modulation



Clinical drug candidate CS1

The drug candidate CS1 acts as an epigenetic modulator with pulmonary pressure-relieving, anti-inflammatory, anti-fibrotic and anti-thrombotic properties. CS1 is being developed as a treatment for the rare disease pulmonary arterial hypertension (PAH) with the aim to offer a better and safer drug improving patients' quality of life. A Phase II study is currently ongoing.

CS1's epigenetic mechanism is expressed through histone deacetylase (HDAC) inhibition and brings a novel treatment approach to cardiovascular disease. CS1 is a new advanced reformulation of valproic acid (VPA). 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:

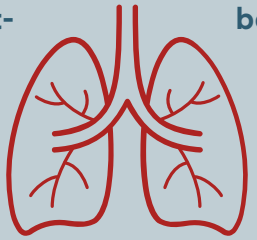
- Pulmonary pressure-relieving
- Anti-inflammatory
- Anti-fibrotic
- Anti-thrombotic

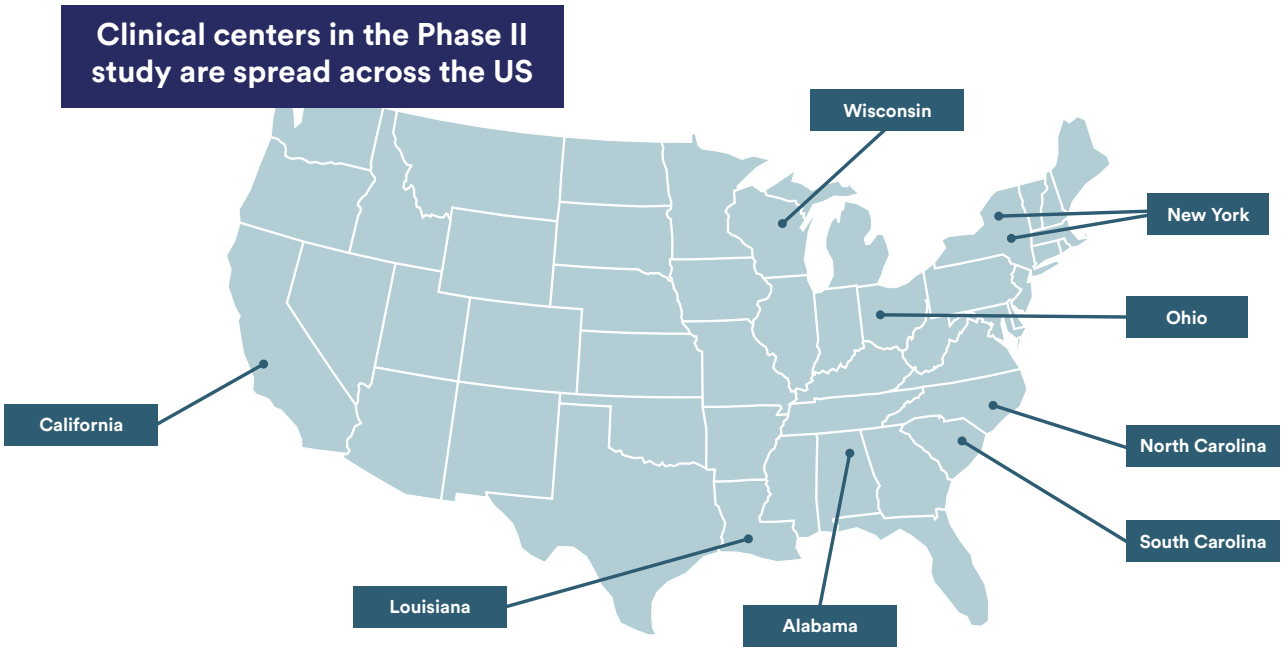
Phase II study in PAH

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 PAH with the aim to offer a better and safer drug improving patients' quality of life. 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 ongoing to confirm CS1's safety, tolerability and efficacy in patients with PAH. A collaboration agreement with global healthcare company Abbott allows Cereno to use their cutting-edge technology CardioMEMS HF System in the study. This implantable device provides a continuous collection of selected data parameters from the study participants. The primary endpoint is safety and tolerability. All standard efficacy endpoints for this patient group will be explored as well as a validated risk score. Cereno anticipates that dosing for later clinical studies will be informed by the continuous pulmonary pressure readings derived from Abbott's CardioMEMS HF System.

The study will be conducted at nine clinical centers in the US with 30 participating patients.

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

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.

> CS1's unique four-fold efficacy profile is a good match with the characteristics of PAH. We are excited to be testing CS1 in PAH patients for the first time in our ongoing Phase II study where, in addition to safety and tolerability as the primary endpoint, we are exploring a number of efficacy variables.
>
> **- Björn Dahlöf, Chief Medical Officer (CMO)**

Preclinical program

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

CS585

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

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

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

CS014

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

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

Research collaboration with University of Michigan

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

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

Market

About 30 percent of all deaths worldwide can be attributed to a cardiovascular disease. The World Health Organization already considers this a global epidemic with the expectation of increased numbers of affected people over time. This means that there is a significant market mainly due to the high death rates and the negative impact on the quality of life that common and rare cardiovascular disease cause.

Most complications from a cardiovascular disease occur because blood clots form in the body's cardiovascular system and impede blood flow – also called thrombosis. Heart attack and stroke are the two most common conditions caused by a blood clot forming and blocking a blood vessel. About 85 percent of all deaths from a cardiovascular disease are due to heart attack or stroke. Other common types of cardiovascular disease include heart failure, arrhythmia, and heart valve complications. There are, however, many more types of common and rare conditions included within the cardiovascular disease area. With the rapidly growing number of people being affected by cardiovascular disease across the globe, the need for novel innovative treatments that are better and safer than current alternatives are only increasing.

In drug development, protecting your inventions is key to optimizing the commercial potential of your drug candidate. We work diligently at Cereno with our patent portfolio as a means to secure a strong competitive positioning in preparation for a potential market launch or partnership deal.

- Jonas Faijerson Säljö, Chief Intellectual Property Officer (CIPO)

Market for Cereno's clinical drug candidate CS1

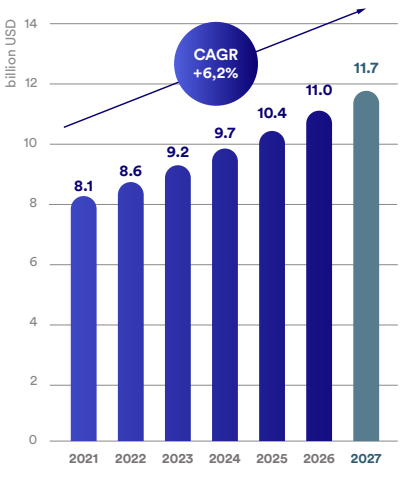
CS1 is being developed to treat patients with the rare disease PAH. There is currently no cure for this disease except for lung transplantation, which most of these patients are not eligible for. Today, the life expectancy of a person with PAH is about 2.5 years without any treatment but with modern medicine this is extended up to 7.5 years. For the affected, mainly middle-aged women, this is however a modest extension of life and a rather weak consolation. There is, therefore, a significant and growing need for novel PAH treatments.

PAH can affect even those previously not showing any symptoms or heightened risk of cardiovascular disease. Over a six-year period alone, between 2021 and 2027, the number of people affected by PAH is expected to increase by nearly seven percent. The global market for PAH is estimated to amount to nearly USD 12 billion by 2027. Among the three key markets US, EU4+UK, Japan, the US accounts for close to 50 percent of patients but 60 percent of sales.

The aim of CS1 is to offer patients a treatment that has better efficacy, safety and tolerability, and a more convenient administration. There is no other known development project or established drug for PAH that has the same unique efficacy profile as CS1.

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. The company's IP assets are continuously evaluated based on new data from preclinical and clinical studies that may constitute an opportunity for further expanded patent protection.

Market size for PAH



Organization

Cereno has built up a strong team of employees, long-term consultants and advisors working towards a common goal of improving treatments for patients with cardiovascular diseases. Key competencies in the areas of commercial, medical, drug development and intellectual property rights (IP) are secured in the company.

The company has an international presence with locations in both Sweden and the US. The headquarter is located at AstraZeneca's BioVentureHub in Gothenburg. A US subsidiary, Cereno Scientific Inc., is based at the biotech center in Kendall Square, Boston, Massachusetts.

Cereno has created an extensive network of high-profile experts in the field of cardiovascular diseases who contribute to a high level of experience and are involved in both clinical strategy and drug development in the company. These collaborations with advisors enable close contact with the clinical reality, ongoing research and open doors to a large network of researchers and opinion leaders that is valuable for the company's development.

Cereno's scientific advisory board

- **Dr. Bertram Pitt,** Professor emeritus in Medicine, University of Michigan School of Medicine
- **Dr. Raymond Benza,** Professor & Director of Cardiovascular Diseases, Ohio State University Wexner Medical Center
- **Dr. Deepak Bhatt,** Professor in Medicine, Harvard Medical School
- **Dr. Gunnar Olsson,** MD & Ph.D. in Medical Sciences, Karolinska Institute
- **Dr. Gordon Williams,** Professor in Medicine, Harvard Medical School
- **Dr. Faiez Zannad,** Professor emeritus of therapeutics and cardiology, Université de Lorraine

Partners for drug development

Cereno works with a number of carefully selected partners to be able to carry out research and development and operationally drive the company forward.

Preclinical development	ApconiX
	Cyprotex
	Emeriti Bio
	University of Michigan
Formulation development and manufacturing	Galenica
Pharmaceutical synthesis	GVK
	Red Glead Discovery
Clinical studies	Abbott
	TFS
	Worldwide Clinical Trials
IPR strategy	Cozen O'Connor
	Synergon
Regulatory strategy	NDA Regulatory Service
US regulatory agent	Cardinal Health
Business development and strategy	Hibiscus BioVentures
	MSC Nordics
Business administration	Business Sweden
	Frejs Revisorer
	MAQS Advokatbyrå
	Nestil
	RSM
	Söderberg & Partner

Board of Directors

Catharina Bäärnhielm
Chair of Board

Born 1952. Chair of Board since 2015. Bäärnhielms has a long experience from a variety of senior roles in the pharmaceutical industry, most recently as VP and Global Project Manager at AstraZeneca. Bäärnhielm's experience covers all phases of the drug development process, from idea to finished drug. Bäärnhielm has extensive experience in global research and development strategies for both small molecules and biologics in various disease areas. Bäärhielm has headed up a large research organization and has extensive experience of running collaborations between industry and academia. Bäärnhielm is a pharmacist and holds a Ph.D. in pharmacokinetics and drug metabolism.

Sverker Jern
Board member

Born 1954. Board member since 2012. Jern is a Professor of Cardiovascular Physiology at the University of Gothenburg and Chief of Clinical Physiology at the Sahlgrenska University Hospital. It is Jern's research at the Wallenberg Laboratory for Cardiovascular and Metabolic Research at the Sahlgrenska Academy, Gothenburg, which discovered the molecular mechanisms that control the body's inherent protection against blood clots. These basic research findings are utilized in Cereno's development programs. Jern has published about 150 scientific papers in respected scientific journals and has also developed and published medical textbooks and interactive training programs. Jern has been in charge of ECG analysis in several of the largest international cardiovascular intervention studies. Jern is one of the founders of Cereno Scientific AB.

Björn Dahlöf
Board member

Born 1953. Board member since 2012. Dahlöf is the Cereno's Chief Medical Officer since 2018. Dahlöf has practiced General Internal Medicine at Sahlgrenska University Hospital for over 35 years and is an Associate Professor of Cardiovascular Prevention at the Sahlgrenska Academy, University of Gothenburg. Dahlöf has extensive experience in cardiovascular research, pharmacology, drug development, and clinical trials (all phases) and has lectured in these areas internationally. Dahlöf has for many years been an adviser to small and large pharmaceutical companies regarding drug development in all phases from preclinical development to larger lifecycle management studies after registration. Dahlöf has initiated and led several major national and multinational mortality and morbidity studies that have had significance for guidelines in cardiovascular prevention. Dahlöf has published more than 400 original scientific papers.

Anders Svensson
Board member

Born 1951. Board member since 2018. Licensed physician, medical doctor, and lecturer with over 20 years of experience in academic medicine; his scientific focus is cardiovascular diseases. After a period in academia, Svensson moved to AstraZeneca, whereas a Vice President he was responsible for the clinical development of cardiovascular — and later gastrointestinal — drugs. In 2007, Svensson moved to Switzerland to lead global clinical development of diabetes and cardiovascular drugs at one of the world's leading drug companies, F. Hoffmann-LaRoche. After nearly 20 years in leading positions in the global drug industry, with management responsibilities for groups in Europe, the US, and China, Svensson has a vast experience in international drug development and an extensive contact network. Svensson has nearly 100 publications to his name.

Jonas Faijerson Säljö
Board member

Born 1977. Board member since 2012. Faijerson Säljö is Cereno's Chief Intellectual Property Officer since 2019. Faijerson Säljö has a Ph.D. in Neurobiology and is a licensed pharmacist. Faijerson Säljö has a research background in the stroke area with wide-ranging experience in the commercialization of medical innovations. Faijerson Säljö has significant expertise in intellectual property and business development experience from a large number of companies in the life science area. He is currently employed as Senior IP Business Consultant and CEO of Synergon AB.

Klementina Österberg
Board member

Born 1975. Board member since 2014. Österberg is the CEO of GU Ventures, University of Gothenburg's holding company. GU Ventures operates as an incubator and invests in the commercialization of innovations. Österberg is a graduate in business administration and works actively with financing, start-ups and managing companies within the GU Ventures AB sphere. Previous assignments include the business plan competition, Venture Cup, various Volvo companies, Daimler Chrysler and Geveko Industries.

Rein Piir
Board member

Born in 1958. Board member since 2021. Piir has many years of experience in business and acquisition analysis, capital market matters, investor relations and alliance management towards global companies. He also provides advice to listed life science companies in business planning, strategy development, financing, and transactions. Previously, he has been Head of Analysis at Carnegie Investment Bank, CFO/Head of Investor Relations at listed Medivir and auditor at PriceWaterhouseCoopers. Ongoing Board assignments include IRLAB.

Management

Sten R. Sörensen
Chief Executive Officer

Born 1959. CEO for Cereno Scientific since September 2015. Sörensen has extensive experience from the pharmaceutical, biotech and finance industries, as well as board experience. Sörensen was previously Head of International Marketing Operations, Monsanto (GD Searle) and Global Marketing Director for Secondary Prevention Products, Cardiovasculars, AstraZeneca. Sörensen has previously initiated two groundbreaking preventive survival studies in heart failure: MERIT-HF and RALES, and led them to global commercial success.

Niklas Bergh
Chief Scientific Officer (CSO)

Born 1979. Bergh is responsible for Cereno's R&D program and is the company's Chief Scientific Officer (CSO). A Deputy board member since 2015. Bergh is an Associate Professor in Experimental Cardiology at Sahlgrenska Academy, University of Gothenburg. Bergh is a specialist in internal medicine and a resident physician in cardiology. Bergh works as a cardiology specialist at Sahlgrenska University Hospital and is an expert on the body's defense system against blood clots. Bergh has extensive experience from experimental and clinical research with a primary focus on understanding and stimulating the body's own defense system against blood clots. Bergh is one of Cereno's founders.

Daniel Brodén
Chief Financial Officer

Born 1986. Chief Financial Officer at Cereno Scientific since May 2019, previously acting CFO since May 2018. Brodén has a Bachelor's degree in Business and Economics from Uppsala university and a Master's degree in Accounting from University of Gothenburg. Brodén has previously been the financial manager for GU Ventures portfolio companies and has previously worked as an auditor at Frejs Revisorer and at PwC's Financial services department.

Jonas Faijerson Säljö
Chief Intellectual Property Officer (CIPO)

Born 1977. Faijerson Säljö is Cereno's Chief Intellectual Property Officer since 2019 and Board member since 2012. Faijerson Säljö has a Ph.D. in Neurobiology and is a licensed pharmacist. Faijerson Säljö has a research background in the stroke area with wide-ranging experience in the commercialization of medical innovations. Faijerson Säljö has significant expertise in intellectual property and business development experience from a large number of companies in the life science area. He is currently employed as Senior IP Business Consultant and CEO of Synergon AB.

Björn Dahlöf
Chief Medical Officer (CMO)

Born 1953. Dahlöf is the Cereno's Chief Medical Officer since 2018 and Board member since 2012. Dahlöf has practiced General Internal Medicine at Sahlgrenska University Hospital for over 35 years and is an Associate Professor of Cardiovascular Prevention at the Sahlgrenska Academy, University of Gothenburg. Dahlöf has extensive experience in cardiovascular research, pharmacology, drug development, and clinical trials (all phases) and has lectured in these areas internationally. Dahlöf has for many years been an adviser to small and large pharmaceutical companies regarding drug development in all phases from preclinical development to larger lifecycle management studies after registration. Dahlöf has initiated and led several major national and multinational mortality and morbidity studies that have had significance for guidelines in cardiovascular prevention.

Fredrik Lehmann
Head of Preclinical Development and CMC (consultant)

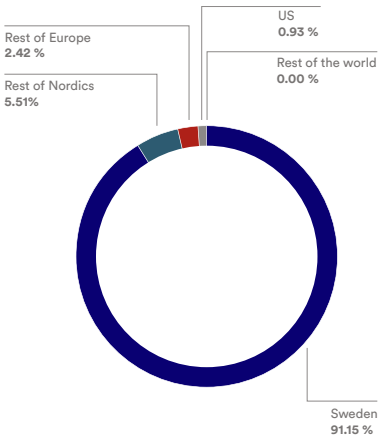
Born 1976. Lehmann is an independent consultant within preclinical research and CMC. Lehmann is the Head of Preclinical Development and CMC at Cereno. Lehmann holds an Msc in Organic Chemistry, Ph.D. in Medicinal Chemistry and an eMBA from SSE. Lehmann has 20 years experience in drug development. Lehmann has previously held (and holds) positions at several life sciences businesses including Pharmacia, Personal Chemistry, Biovitrum, Recipharm, EpiEndo and Oncopeptides. Lehmann has also co-founded six life science companies.

The share

Cereno's share has been listed on the Spotlight Stock Market since June 22, 2016. At the turn of the year, the share capital in Cereno amounted to SEK 10,526,178.2 divided into 105,261,782 shares, of which 722,248 Class A shares. The shares have a ratio value of SEK 0.10. All shares carry one vote where the Class A share gives ten (10) votes per share and one (1) vote per Class B share. The number of shareholders on December 31, 2021 was approximately 4,971. The five largest owners held approximately 27 percent of the share capital.

Share development

Shares per regions on December 31, 2021



Source: Euroclear Sweden AB

Size per class on December 31, 2021

Holding	Number of shareholders	Quantity A shares	Quantity B shares	Holding (%)	Votes (%)	Market value (KSEK)
1 - 500	1 434	0	263 011	0.25 %	0.24 %	1 078
501 - 1 000	587	0	474 955	0.45 %	0.42 %	1 947
1 001 - 2 000	673	0	1 052 785	1.00 %	0.94 %	4 316
2 001 - 5 000	785	0	2 664 632	2.53 %	2.38 %	10 925
5 001 - 10 000	515	0	3 885 165	3.69 %	3.48 %	15 929
10 001-20 000	398	0	5 883 859	5.59 %	5.26 %	24 124
20 001 - 50 000	314	0	9 949 454	9.45 %	8.90 %	40 793
50 001 - 100 000	126	0	9 073 187	8.62 %	8.12 %	37 200
100 001 - 500 000	111	0	23 694 455	22.51 %	21.20 %	97 147
500 001 - 1 000 000	14	259 360	8 860 640	8.66 %	10.25 %	36 329
1 000 001 - 5 000 000	13	462 888	24 439 702	23.66 %	26.01 %	100 203
5 000 001 - 10 000 000	0	0	0	0.00 %	0.00 %	o
10 000 001 -	1*	0	14 297 689	13.58 %	12.79 %	58 621
Total	**4 971**	**722 248**	**104 539 534**	**100.00 %**	**100.00 %**	**428 612**

* Owner is Avanza Pension.

Source: Euroclear Sweden AB

Administration Report

The Board of Directors and the CEO of Cereno Scientific AB (556890-4071) hereby submit the Annual Report for the fiscal year 2021-01-01 - 2021-12-31. The Annual Report is prepared in Swedish kronor, SEK.

Operations

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 pressure-relieving properties, anti-inflammatory, anti-fibrotic and anti-thrombotic, and, all relevant for PAH. In addition, Cereno has two promising preclinical development programs targeted at treating cardiovascular diseases. The CS585 program consists of stable, selective, and potent IP (prostacyclin) receptor agonists and the CS014 program comprises HDAC inhibitors with epigenetic effects. 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.

Financial performance

During the year 2021, 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 with CS585 and CS014. A share issue was done in September with subscription to new shares through the exercise of warrants of series TO1, which provided the company with approximately SEK 95.3 million before deduction of transaction costs. At the end of the year, 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 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 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.

Long-term employee stock option program (qualified employee stock options) for employees

The Extraordinary General Meeting on 28 February 2022 resolved to implement a long-term incentive program for employees of the company, through the issue of not more than 3,000,000 qualified employee stock options, which will be granted to the participants without consideration. Each stock options entitles the participant to acquire one new share of series B in the company at an exercise price amounting to SEK 0.10, equivalent of the share's quota value. Allocation of stock options to the participants shall be made no later than 31 December 2022. The allocated stock options vest during 36 months and may only be utilized to acquire new shares if the participant still is an employee of the company and all other requirements for qualified employee stock options under the Swedish Income Tax Act are fulfilled. The participant may utilize allocated and vested stock options from the end of the vesting period up to and during the entire tenth year calculated from the date of allocation. The Meeting also resolved to issue not more than 3,000,000 warrants to enable delivery of new shares to the participants of the program.

Long-term employee stock option program (qualified employee stock options) for board members

The Extraordinary General Meeting on 28 February 2022 resolved to implement a long-term incentive program for board members of the company, through the issue of not more than 1,111,111 qualified employee stock options, which will be granted to the participants without consideration.

Each stock options entitles the participant to acquire one new share of series B in the company at an exercise price amounting to SEK 0.10, equivalent of the share's quota value. Allocation of stock options to the participants shall be made no later than 31 December 2022. The allocated stock options vest during 36 months and may only be utilized to acquire new shares if the participant still is a board member or otherwise remain engaged in the company and all other requirements for qualified employee stock options under the Swedish Income Tax Act are fulfilled. The participant may utilize allocated and vested stock options from the end of the vesting period up to and during the entire tenth year calculated from the date of allocation. The Meeting also resolved to issue not more than 1,111,111 warrants to enable delivery of new shares to the participants of the program.

Implementation of a long-term incentive program (warrants)

The Extraordinary General Meeting on 28 February 2022 resolved to implement a long-term incentive program for certain key individuals in the company that cannot be allocated qualified employee stock options, through the issue of not more than 3,333,333 warrants. The warrants shall be issued the company and then be transferred to participants in the program at a price corresponding to the warrants' market price at the time of the transfer, calculated pursuant to the Black & Scholes model. Each warrant entitles to subscription for one new share of series B in the company at a subscription price corresponding to 150 percent of the volume-weighted average share price during the fifteen-day period which immediately precedes allocation. Subscription for new shares by virtue of the warrants

The five largest shareholders per 31 Dec 2021

Name	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 %

Development of the group's operations, profit/loss and position*

(SEK)	2021-12-31	2020-12-31	2019-12-31	2018-12-31	2017-12-31
Net sales	-	-	-	-	-
Loss after financial items	-16 250 680	-16 017 060	-1 043 828	-	-
Total assets	180 738 186	112 231 644	64 059 182	-	-
Equity/assets ratio %	94.1	88.9	93.1	-	-
Cash and bank balance	89 634 757	66 004 352	26 099 549	-	-

*The group commenced on 20 December 2019.

Development of the parent company's operations, profit/loss and position

(SEK)	2021-12-31	2020-12-31	2019-12-31	2018-12-31	2017-12-31
Net sales	-	-	-	-	-
Loss after financial items	-16 576 604	-16 015 061	-15 279 801	-11 838 887	-4 600 804
Total assets	180 729 727	112 159 718	64 060 123	36 836 765	25 759 479
Equity/assets ratio %	94.1	88.9	93.1	63.5	91.3
Cash and bank balance	89 594 519	65 955 827	26 099 549	11 237 141	8 638 858

Group – Condensed change in equity

2021-01-01 - 2021-12-31	Share capital	Other contributed capital	Other capital including profit/loss for the year
At the start of the 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**

Parent company – Condensed change in equity

2021-01-01 - 2021-12-31	Share capital	Fund for development expenses	Share premium reserve	Retained earnings	Net loss for the period
At the start of the 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**

Proposed disposition of the company's profit or loss

The Board of Directors and the CEO propose that available profits, SEK 75,407,556, be disposed of as follows:

Share premium reserve 88 053 563
Retained earnings.....3 930 597
Profit/loss for the year .....-16 576 604
Amount.....75 407 556

Retained in new account.....75 407 556
Amount.....75 407 556

Regarding the company's profit/loss and position in general, reference is made to subsequent income statements and balance sheets with accompanying notes.

Group - Condensed income statement

(SEK)	Note	1 Jan 2021 31 Dec 2021 12 months	1 Jan 2020 31 Dec 2020 12 months
Net sales		-	-
Capitalised work for own account		44 805 361	8 223 388
		44 805 361	**8 223 388**
Operating expenses			
Other external costs	2	-57 796 949	-22 509 095
Personnel costs	3	-1 774 371	-1 445 422
Depreciation of tangible fixed assets		-14 308	-14 308
Other operating costs	4	-225 814	-
Operating loss		**-15 006 081**	**-15 745 437**
Loss from financial items			
Interest income and similar income		1 680	-
Interest expenses and similar expenses		-1 246 279	-271 623
Loss after financial items		**-16 250 680**	**-16 017 060**
Loss before tax		**-16 250 680**	**-16 017 060**
Income taxes	5	-4 210	-898
Loss for the period		**-16 254 890**	**-16 017 958**

Group - Condensed balance sheet

(SEK)	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Fixed assets			
Intangible assets			
Capitalised expenditures for development activities	8	80 164 358	37 451 534
Patents, trademarks, licenses and similar rights	9	9 284 476	7 191 939
		89 448 834	**44 643 473**
Tangible assets			
Fixtures, tools and installations	10	42 931	57 239
		42 931	**57 239**
Financial assets			
Other long-term receivables	12	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 - Condensed balance sheet cont.

(SEK)	Note	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	13	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 cash flow statement

(SEK)	Note	1 Jan 2021 31 Dec 2021 12 months	1 Jan 2020 31 Dec 2020 12 months
OPERATING ACTIVITIES			
Loss after financial items		-16 254 890	-16 017 060
Adjustments for items not included in the cash flow			
Depreciations		14 308	14 308
Translation differences		-321 410	5 917
Accrued expenses for borrowings		680 000	120 000
Accrued interest cost		550 000	150 000
New share issue through offset of liability		-	818 288
Taxes paid		-898	-
Cash flow from operating activities before changes in working capital		**-15 332 890**	**-14 908 547**
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in operating receivables		-84 298	-194 888
Increase (+)/Decrease (-) in operating liabilities		2 280 144	-1 041 454
Cash flow from operating activities		**-13 137 044**	**-16 144 889**
Investing activities			
Acquisition of intangible assets		-44 805 361	-8 223 388
Acquisition of tangible assets		-	-6 157
Acquisition of financial assets		-	-7 534
Cash flow from investing activities		**-44 805 361**	**-8 237 079**
Financing activities			
New share issue		95 311 040	59 221 712
Issue expenses		-3 913 230	-3 934 941
Resolve of warrant subscription right		-4 500 000	-
Borrowings		-	10 000 000
Costs associated with borrowings		-	-1 000 000
Amortisation of loans		-5 000 000	-
Paid interest costs		-325 000	-
Cash flow from financing activities		**81 572 810**	**64 286 771**
Cash flow for the period		**23 630 405**	**39 904 803**
Cash and cash equivalents at start of period		**66 004 352**	**26 099 549**
Cash and cash equivalents at end of period		**89 634 757**	**66 004 352**

Parent company - Condensed income statement

(SEK)	Note	1 Jan 2021 31 Dec 2021 12 months	1 Jan 2020 31 Dec 2020 12 months
Net sales		-	-
Capitalised work for own account		44 805 361	8 223 388
		44 805 361	**8 223 388**
Operating expenses			
Other external costs	2	-58 121 192	-22 507 096
Personnel costs	3	-1 774 371	-1 445 422
Depreciation of tangible fixed assets		-14 308	-14 308
Other operating costs	4	-225 815	-
Operating loss		**-15 330 325**	**-15 743 438**
Loss from financial items			
Interest expenses and similar expenses		-1 246 279	-271 623
Loss after financial items		**-16 576 604**	**-16 015 061**
Loss before tax		**-16 576 604**	**-16 015 061**
Income taxes	5	-	-
Loss for the period		**-16 576 604**	**-16 015 061**

Parent company - Condensed balance sheet

(SEK)	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Fixed assets			
Intangible assets			
Capitalised expenditures for development activities	8	80 164 358	37 451 534
Patents, trademarks, licenses and similar rights	9	9 284 476	7 191 939
		89 448 834	**44 643 473**
Tangible assets			
Fixtures, tools and installations	10	42 931	57 239
		42 931	**57 239**
Financial assets			
Shares in group company	11	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 - Condensed balance sheet cont.

(SEK)	Note	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	13	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 cash flow statement

(SEK)	Note	1 Jan 2021 31 Dec 2021 12 months	1 Jan 2020 31 Dec 2020 12 months
OPERATING ACTIVITIES			
Loss after financial items		-16 576 604	-16 015 061
Adjustments for items not included in the cash flow			
Depreciations		14 308	14 308
Accrued expenses for borrowings		680 000	120 000
Accrued interest cost		550 000	150 000
New share issue through offset of liability		-	818 288
Cash flow from operating activities before changes in working capital		**-15 332 296**	**-14 912 465**
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in operating receivables		-140 264	-178 080
Increase (+)/Decrease (-) in operating liabilities		2 343 803	-1 110 403
Cash flow from operating activities		**-13 128 757**	**-16 200 948**
Investing activities			
Acquisition of intangible assets		-44 805 361	-8 223 388
Acquisition of tangible assets		-	-6 157
Acquisition of financial assets		-	-
Cash flow from investing activities		**-44 805 361**	**-8 229 545**
Financing activities			
New share issue		95 311 040	59 221 712
Issue expenses		-3 913 230	-3 934 941
Resolve of warrant subscription right		-4 500 000	-
Borrowings		-	10 000 000
Costs associated with borrowings		-	-1 000 000
Amortisation of loans		-5 000 000	-
Paid interest costs		-325 000	-
Cash flow from financing activities		**81 572 810**	**64 286 771**
Cash flow for the period		**23 638 692**	**39 856 278**
Cash and cash equivalents at start of period		**65 955 827**	**26 099 549**
Cash and cash equivalents at end of period		**89 594 519**	**65 955 827**

Accounting policies and notes

Note 1. Accounting policies

Amounts in SEK unless otherwise indicated.

This Annual Report has been prepared in accordance with the Annual Accounts Act and the Swedish Accounting Standards Board BFNAR 2012:1 Annual Report and Consolidated Accounts (K3).

The accounting policies are unchanged from the previous year.

Assets, provisions and liabilities have been measured at cost unless otherwise indicated below.

Consolidated financial statement

Subsidiaries

Subsidiaries are companies in which the Parent Company directly or indirectly holds more than 50 per cent of the voting rights or otherwise exercises a controlling interest. A controlling interest entails the right to design a company's financial and operational strategies for the purpose of obtaining financial benefit. The recognition of business acquisitions is based on the economic entity approach, which means that an acquisition analysis is prepared as of the point in time when the acquirer obtains a controlling interest. As of that point in time, the acquirer and the entity acquired are regarded as a single economic entity. Furthermore, the application of the economic entity approach means that all assets (including goodwill) and liabilities, as well as revenue and costs, are taken into account in their entirety, even for partially owned subsidiaries.

The cost of subsidiaries is calculated as the sum of fair value on the acquisition date for assets paid for plus liabilities that have arisen or were taken over, as well as equity instruments issued, expenditures directly attributable to the business acquisition and any purchase considerations. The acquisition analysis establishes the fair value on the acquisition date, with a few exceptions, of identifiable assets acquired and liabilities taken over as well as minority interests. Minority interests are measured at fair value on the acquisition date. As of the acquisition date, the consolidated financial statement includes the company's revenue and costs, identifiable assets and liabilities, and any goodwill or negative goodwill that has arisen.

Elimination of intra-Group transactions

Intra-Group receivables and liabilities, revenue and costs, and unrealised gains or losses that arise in conjunction with intra-Group transactions are eliminated in their entirety. Unrealised losses are eliminated in the same manner as unrealised gains, but only to the extent that there is no indication of a need for impairment.

Intangible fixed assets

Intangible fixed assets are recognised at cost less accumulated amortizations and impairments. In addition to the purchase price, the costs includes expenditures directly attributable to the acquisition

Research and development expenditures

When recognising expenditures for development, the capitalisation model is applied. This means that expenses that arose during the development phase are recognised as assets when all the conditions below have been met:

- Completion of the intangible fixed asset is possible so that it can be used or sold.
- The intent is to complete the intangible fixed asset, either to use it or to sell it.
- The conditions exists to use or sell the intangible fixed asset.
- It is probably that the intangible fixed asset will generate future financial benefit.
- The necessary technological, financial and other resources are adequate for completing development and for using or selling the intangible fixed asset.
- The expenditures attributable to the intangible fixed asset can reliably be calculated.

Amortisations

The asset is amortised on a straight-line basis over its estimated useful life. The amortisation is recognised as a cost in profit or loss. No intangible assets were amortised during the year. Amortisations will take place when the products are commercialised.

Impairments

At every balance sheet date, the asset is assessed to determine whether there is any indication that its value is less than its carrying amount. If there is such an indication, the recoverable amount of the asset is calculated.

The recoverable amount is the higher of fair value less selling costs and value in use. Calculation of value in use estimates the present value of future cash flows that the asset is expected to give rise to in operating activities, and when it is sold or disposed of. The discount rate used is before tax, and reflects the market assessments of the time value of the money and the risks pertaining to the asset. A prior impairment is cancelled only if the reasons that formed the basis for calculating the recoverable amount at the most recent impairment have changed.

Tangible fixed assets
Tangible fixed assets are recognised at cost less accumulated depreciation and impairments. In addition to the purchase price, the costs includes expenditures directly attributable to the acquisition.

Depreciation
The asset is depreciated on a straight-line basis over its estimated useful life, since this reflects the expected use of the asset's future financial benefit. The depreciation is recognised as a cost in profit or loss.

The estimated residual value, established at the time of purchase at the price level then prevailing, is taken into account.

Equipment, tools, fixtures and fittings
Useful life.....5 years

Leases (lessees)
All leases have been classified as finance or operating leases. A finance lease is a lease under which the risks and benefits associated with owning an asset are essentially transferred from the lessor to the lessee. An operating lease is a lease that is not a finance lease.

Finance leases
Rights and obligations under finance leases are recognised as assets and liabilities in the balance sheet. At initial recognition, the asset and liability are measured at the lesser of the asset's fair value and the present value of the minimum lease payments. Expenditures directly attributable to signing and arranging the lease are added to the amount recognised as an asset.

Operating leases
Lease payments under operating leases, including increased initial rent but excluding expenditures for services such as insurance and maintenance, are recognised as a cost on a straight-line bases over the term of the lease.

Foreign currency
Monetary items in foreign currency are restated at the exchange rate on the balance sheet date. Non-monetary items are not restated, but are recognised at the exchange rate on the date of purchase.

Exchange rate differences arising from the settlement or restatement of monetary items are recognised in profit or loss for the financial year in which they occur.

Financial assets and liabilities
Financial assets and liabilities are recognised in accordance with Chapter 11 (Financial instruments measured on the basis of cost) of BFNAR 2012:1.

On initial recognition, financial assets are measured at cost including any transaction expenditures directly attributable to the acquisition of the asset.

Non-current financial liabilities are recognised at amortised cost. Expenditures directly attributable to raising loans have adjusted the cost of the loan.

Bridge loan
Outstanding bridge lon are recognised at amortised cost. The costs for loans raised are recognised as an adjustment of the cost of the loan and are allocated over the term of the bridge loan.

Government grants
A government grant that is not linked with requirements for future performance is recognised as revenue when the conditions for winning the assignment have been met.

A government grant that is linked with requirements for future performance is recognised as revenue when performance is complete. If the grant has been received before the conditions for reporting it as revenue are met, the grant is recognised as a liability.

A government grant attributable to the acquisition of a fixed asset is recognised as a reduction in the cost of the asset.

Income tax
Total tax consists of current tax and deferred tax. Current tax refers to income tax for the current financial year and the proportion of income tax for previous financial years which is yet to be reported. Deferred tax is income tax which refers to future financial years as a result of previous events.

Note 2. Operating leases (lessees)

	Group		Parent Company	
	2021	2020	2021	2020
Rent for premises	177 038	168 577	126 500	126 500
Total	**177 038**	**168 577**	**126 500**	**126 500**

Future rent for premises totals SEK 177 038 per year.

Note 3. Employees

	Group		Parent Company	
	2021	2020	2021	2020
Average no. employees	1	1	1	1
Total	**1**	**1**	**1**	**1**

Note 4. Other operating costs

	Group		Parent Company	
	2021	2020	2021	2020
Foreign exchange losses	-225 814	-	-225 815	-
Total	**-225 814**	**0**	**-225 815**	**0**

Note 5. Income tax

	Group		Parent Company	
	2021	2020	2021	2020
Current taxes	-4 210	-898	-	-
Deferred taxes	-	-	-	-
Total	**-4 210**	**-898**	**0**	**0**

Note 6. Reconciliation of effective tax

	Group		Parent Company	
	2021	2020	2021	2020
Result before taxes	-16 250 680	-16 017 060	-16 576 604	-16 015 061
Tax calculated at applicable tax rate for the parent company	3 347 640	3 427 650	3 414 780	3 427 223
Nondeductible expenses	-11 849	-6 096	-11 849	-6 096
Other adjustments for tax purposes	806 125	842 077	806 125	842 077
Loss carryforward for which no corresponding tax asset was recognized	-4 141 916	-4 263 631	4 209 056	-4 263 204
Effect of other tax rates on foreign subsidiaries	-4 210	-898	-	-
Reported effective tax	**-4 210**	**-898**	**-**	**-**

Note 7. Loss carryforward

	Group		Parent Company	
	2021	2020	2021	2020
Total unutilised taxable loss carryforwards	-89 744 008	-69 266 020	-89 744 008	-69 266 020
Total	**-89 744 008**	**-69 266 020**	**-89 744 008**	**-69 266 020**

Deferred tax assets on the taxable loss carryforward are not recognised, based on the precautionary principle.

Note 8. Capitalised expenditures for development activities

	Group		Parent Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Opening cost	37 451 534	31 438 808	37 451 534	31 438 808
Capitalisation for the year	42 712 824	6 012 726	42 712 824	6 012 726
Closing carrying amount	**80 164 358**	**37 451 534**	**80 164 358**	**37 451 534**

Note 9. Patents

	Group		Parent Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Opening cost	7 191 939	4 981 277	7 191 939	4 981 277
New purchases	2 092 537	2 210 662	2 092 537	2 210 662
Closing carrying amount	**9 284 476**	**7 191 939**	**9 284 476**	**7 191 939**

Note 10. Equipment, tools and installations

	Group		Parent Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Opening cost	71 547	65 390	71 547	65 390
New purchases	-	6 157	-	6 157
Closing accumulated costs	**71 547**	**71 547**	**71 547**	**71 547**
Opening depreciation	-14 308	-	-14 308	-
Depreciation for the year	-14 308	-14 308	-14 308	-14 308
Closing accumulated depreciation	**-28 616**	**-14 308**	**-28 616**	**-14 308**
Closing carrying amount	**42 931**	**57 239**	**42 931**	**57 239**

Note 11. Shares and participations in Group companies

	Parent Company	
	31 Dec 2021	31 Dec 2020
Opening cost	941	941
Purchases	-	-
Closing accumulated costs	**941**	**941**
Closing carrying amount	**941**	**941**

Information on the corporate identity numbers and domiciles of subsidiaries is indicated below.

Company, domicile	Number of shares	Share (%)	Reported value
Cereno Scientific Inc., Cambridge, MA, USA	**100**	**100**	**941**

Pertains to owner share of capital, which also corresponds with the share of votes for the total number of shares.

Note 12. Other long-term receivables

	Group		Parent Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Opening value	7 534	-	-	-
Additional receivables	-	7 534	-	-
Exchange rate differences	786	-	-	-
Closing carrying amount	**8 320**	**7 534**	**0**	**0**

Note 13. Non-current liabilities

	Group		Parent Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Swedish Agency for Economic and Regional Growth	400 000	400 000	400 000	400 000
Total	**400 000**	**400 000**	**400 000**	**400 000**

The loan is a conditional loan, and no amortisation plan exists. The obligation to repay the loan arises only in conjunction with the project reaching the commercial phase and generating revenue.

Note 14. Securities pledged and contingent liabilities

	Group		Parent Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Securities pledged	None	None	None	None
Contingent liabilities	None	None	None	None

Note 15. Significant events after the end of the fiscal 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 undis-closed 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.
- In February, Cereno invited investors, financial analysts, and media to a webcast presentation. The presentation focused on the Phase II study of drug candidate CS1 in PAH and was hosted by Cereno's CEO Sten R. Sörensen and CMO Dr. Björn Dahlöf who was joined by Dr. Raymond Benza, Principal Investigator for the study and Dr. Philip Adamson, Vice President and Chief Medical Officer at study collaborator Abbott.
- In late-February, announced the recruitment of Fredrik Frick as Head of Clinical Operations. The appointment adds another experienced executive to Cereno's management team, thereby further strengthens the R&D organization as the company's pipeline builds and progresses through preclinical and clinical studies.
- In March, the European Patent Office (EPO) granted a patent for CS1's second patent family. The new patent adds to the existing intellectual property rights (IPR) for this strategically important market which now covers two of Cereno's three patent families.

Signatures

Gothenburg in April 2022

Catharina Bäärnhielm
Chair of the board

Björn Dahlöf
Board member

Jonas Faijerson Säljö
Board member

Sverker Jern
Board member

Rein Piir
Board member

Anders Svensson
Board member

Klementina Österberg
Board member

Sten R. Sörensen
Chief Executive Officer

Our Audit Report has been submitted in April 2022

Frejs Revisorer AB

Mikael Glimstedt
Chartered Accountant

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 targeted at treating cardiovascular diseases. The CS585 program consists of stable, selective, and potent IP (prostacyclin) receptor agonists and the CS014 program comprises HDAC inhibitors with epigenetic effects.

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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