Cereno Scientific

January - March 2022

Interim report Q1

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

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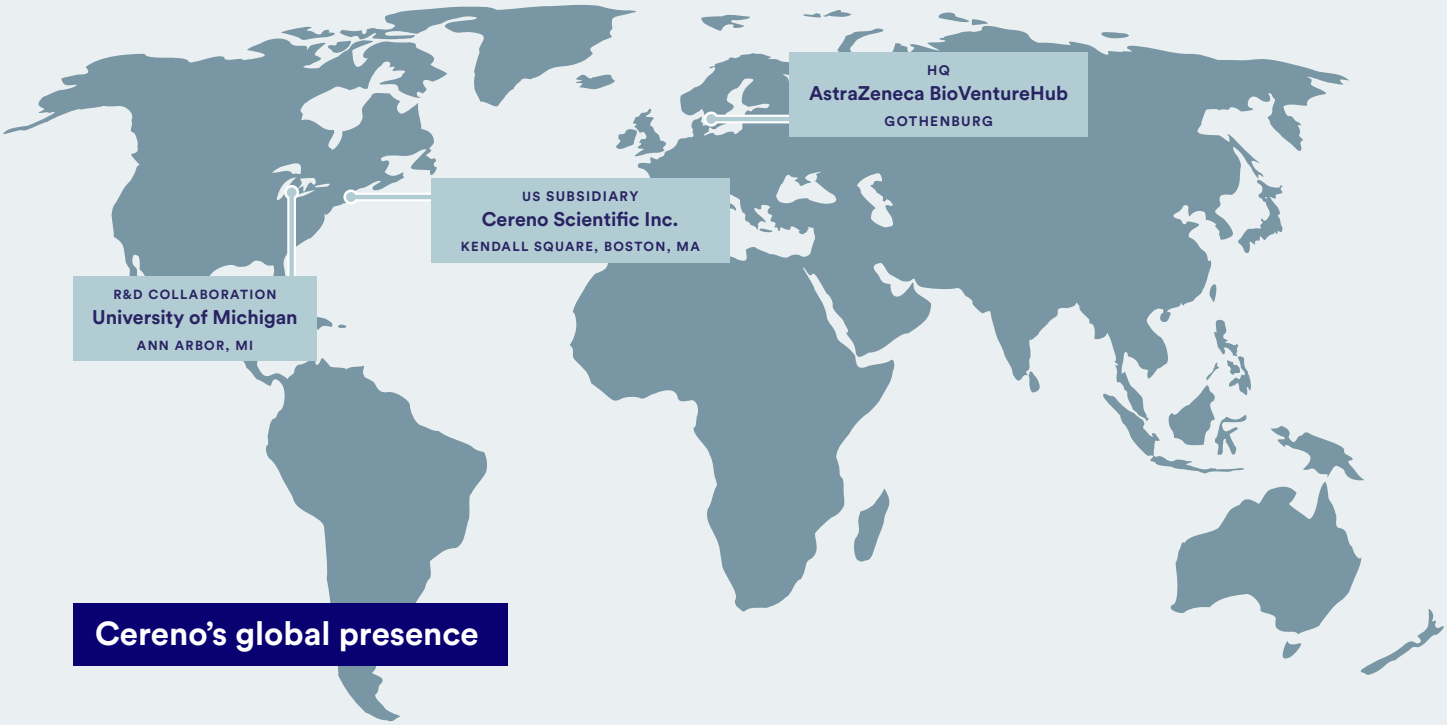


Cereno's global presence

Cereno Scientific in brief

June 2016

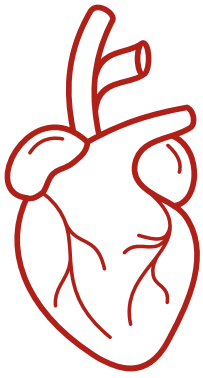
Listed on Spotlight Stock Market

(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 drug candidates, CS585 and CS014,** evaluated for the treatment of cardiovascular disease.

First quarter summary

Financial overview

	The group		Parent company	
(SEK)	Jan-Mar 2022	Jan-Mar 2021	Jan-Mar 2022	Jan-Mar 2021
Net sales	-	-	-	-
Result after financial items	-5 246 969	-3 903 947	-5 247 501	-3 904 688
Earnings per share before dilution	-0.05	-0.05	-0.05	-0.05
Earnings per share after dilution*	-0.04	-0.03	-0.04	-0.03
Equity/assets ratio	93.4 %	87.2 %	93.4 %	87.2 %
Cash and bank balances	77 268 668	60 071 685	77 221 636	60 021 845

Earnings per share: Profit/loss for the period divided by 105 261 782 shares as of 31 Mars, 2022 and 71 819 312 shares as of 31 December, 2021.
*Diluted earnings per share: Profit/loss for the period divided by shares outstanding and warrants as of the balance sheet date, 31 Mars 2022 and 31 December 2021, respectively.

Significant events during the first quarter

- In January, Cereno obtains additional patent protection for Phase II drug candidate CS1 in 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.

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

- In mid-February, the company held a webcast focused on the Phase II study with drug candidate CS1 in PAH. Presentations were held on the background, design, and plan for the Phase II study by CEO Sten R. Sörensen, CMO Dr. Björn Dahlöf, Dr. Raymond Benza, Principal Investigator for the study and Dr. Philip Adamson, Vice President and Chief Medical Officer at study collaborator Abbott. A link to the recording is available on Cereno's website.

- In February, it was made public that Cereno strengthens its Executive Management Team with a Head of Clinical Operations. Fredrik Frick will be responsible for all Cereno's clinical activities globally, providing leadership, project management and program oversight for the preparation and execution of international clinical development programs. Frick starts the role in May.

- In March, it was announced that the European Patent Office (EPO) has 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.

Significant events after end of period

- In late April, the company nominates a drug candidate in the preclinical CS585 program for continued development in cardiovascular disease after completing initial preclinical studies. The drug candidate was nominated after demonstrating highest potential in cardiovascular disease among a set of similar molecules. CS585 will continue its preclinical development program, which is executed as a research collaboration with the University of Michigan.

- In early May, the nomination of drug candidate CS014 was announced for continued development in cardiovascular disease. After completing the first half of the preclinical development program, CS014 was nominated after demonstrating highest potential in cardiovascular disease among a set of similar molecules. The preclinical development program for CS014 is currently ongoing in a research collaboration with the University of Michigan, Ann Arbor, USA.

- In May, Cereno announced that an abstract on preclinical drug candidate CS585 has been accepted as an oral presentation by the Scientific Program Committee at the European Hematology Association (EHA) 2022 Hybrid Congress in Vienna, Austria, on June 9-12, 2022. The abstract: “CS585 is a first-in-class compound targeting the IP receptor for prevention of thrombosis without increased risk of bleeding” will be presented by Dr. Michael Holinstat, lead of Cereno’s preclinical development programs at University of Michigan and Director of Translational Research at Cereno.

- In mid-May, it was announced that an abstract regarding the design of the Phase II study with drug candidate CS1 in pulmonary arterial hypertension (PAH) has been accepted as a poster presentation at the 15th Annual World Congress on Pulmonary Vascular Disease in Athens, Greece, on June 22-26, 2022. The abstract was a collaboration between Dr. Raymond Benza, principal investigator (PI) for the Phase II study, global partner Abbott and Cereno.

- Also in May, an abstract on preclinical drug candidate CS014 was accepted at the ESC Congress 2022 hosted by the European Cardiology Society in Barcelona, Spain, on August 26-29. The abstract has been selected for an oral moderated poster presentation and is titled “CS014 is a novel HDAC inhibitor regulating platelet activity, fibrinolysis and clot stability for prevention of thrombosis without increased risk of bleeding.” It will be presented by Dr. Michael Holinstat, lead of Cereno’s preclinical development programs at University of Michigan and Director of Translational Research at Cereno.

Letter from the CEO

The first months of 2022 have shown significant progress for each of our three development programs. The clinical phase II study with CS1 has advanced well with site selection, ethical approvals, and contracting an expanded number of centers. A highlight for me was, together with our CMO Björn Dahlöf, hosting our first webcast on the Phase II study with Principal Investigator (PI) and world-renowned PAH expert Dr. Raymond Benza, together with our collaboration partner Abbott represented by CMO Philip Adamson. The webcast yielded positive feedback from investors as well as industry colleagues. For each of our two high-potential preclinical candidates, CS585 and CS014, new exciting data has seen the light. I am thus very pleased to share our advances in building the awareness of and position for Cereno in the medical community with several scientific abstracts accepted to top congresses in the coming months. We have kickstarted 2022 with an impressive news flow and I am thrilled for what lies ahead for Cereno.

Two nominated preclinical drug candidates with significant potential in CVD

It is exciting to follow the positive progress of our two preclinical development programs. These programs are being conducted in a research collaboration between Cereno and University of Michigan lead by Dr. Michael Holinstat, Associate Professor of Internal Medicine, Division of CV Medicine at University of Michigan who is also Director of Translational Research at Cereno. Each preclinical program has, since the initiation in May 2021, advanced well and shown very promising results thus far halfway through the 24-month period. We recently announced that we have nominated a candidate drug from each program. The nomination of a candidate is based on it having a high potential in cardiovascular disease to move forward in development towards an IND submission – a great milestone for a program. Both these drug candidates, CS585 and CS014, now continue their preclinical development programs in preparation for Phase I studies. I am pleased to report that our aim to have three programs in clinical development within the next two years is thus on track.

There is a lot of work going into first the research and development and then the preparation and submission of abstracts. It is, however, a pinnacle in our continued efforts to build our position within the cardiovascular disease area.

- Sten R. Sörensen, CEO

Building awareness and a position in the scientific community

We have received no less than three invitations to present our preclinical data and Phase II study design at top medical congresses in the last few weeks. There is a lot of work going into first the research and development and then the preparation and submission of abstracts. It is, however, a pinnacle in our continued efforts to build our position within the cardiovascular disease area. I am excited that Dr. Raymond Benza and Dr. Michael Holinstat will present results from our collaborative efforts at these congresses. It makes an impressive statement and further enables Cereno to gain recognition among the major leading pharmaceutical companies and potential future partners in cardiovascular disease.

Update on CS1 clinical Phase II study in PAH

A Cereno Phase II study investigator meeting was held in May. This is an important milestone from a study management perspective. Cereno was joined by PI Dr. Raymond Benza, Philip Adamson, CMO at study collaborator Abbott and representatives from our CRO

Worldwide Clinical Trials for a great agenda and presentations for the staff at all the clinical sites identified for the study. An important aspect, which I believe came across well, was for those that work to identify, recruit, and meet the patients in the study to understand the potential CS1 has to truly transform treatment and, ultimately, improve the quality of life for patients with PAH.

Strengthened IPR for CS1

There are several key work streams related to our drug candidate CS1 in parallel to the Phase II study. One is the continuous work to build our IP portfolio, which I was happy to see materialize in several markets during the first quarter. Our patent protection for CS1 in Europe and Japan, two of the largest markets for pharmaceutical products globally, has now been further strengthened for the second and third patent families respectively.

External factors affecting operations

We are humble toward the uncertainties caused by both the lingering persistence of the covid-19-pandemic and more recently the geopolitical turbulence around the world due to the war in Ukraine. Our ongoing clinical study is executed in the US where the effects of the pandemic are still being felt and we have experienced certain cautiousness or longer processing time for regulatory authorities in relation to ethical approvals as well as contracting procedures at major academic institutions, both of which have taken longer time than initially estimated. Both have expanded the time to initial patient enrolment which we still have to report. However, these factors have been mitigated by an expanded number of centers from six to ten, enabling us to keep our targeted top line data milestone to the end of 2022. At time of writing, we do not see an immediate concern. We are, however, continuously taking measures to reduce the risk of impact in our preclinical and clinical development studies.

What lies ahead

Cereno is growing and maturing together with the progress of our development portfolio. We now have one drug candidate in clinical Phase II and two preclinical candidates, which form a strong portfolio with a significant potential to transform treatments within cardiovascular disease. In two years' time, we expect to have three drug candidates advancing forward in clinical stage. I am therefore pleased to welcome Fredrik Frick who joined as Head of Clinical Operations this month to help Cereno prepare for this next stage. I believe that Fredrik will complement and strengthen our management team with his proven track record of working within all facets of drug development.

Lastly, I am glad to share that following the positive response from our first webcast to our investment community in March focused on the Phase II study with CS1 we have decided to hold a Cereno Capital Market Day at the beginning of the fall. I hope that you will be able to join us, in person or virtually, and I look forward to sharing more information in due course. ■

Sten R. Sörensen, CEO Cereno Scientific

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 is an HDAC (histone deacetylase) inhibitor that acts as an epigenetic modulator with pressure-reducing, reverse-remodeling, anti-fibrotic, anti-inflammatory and anti-thrombotic 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

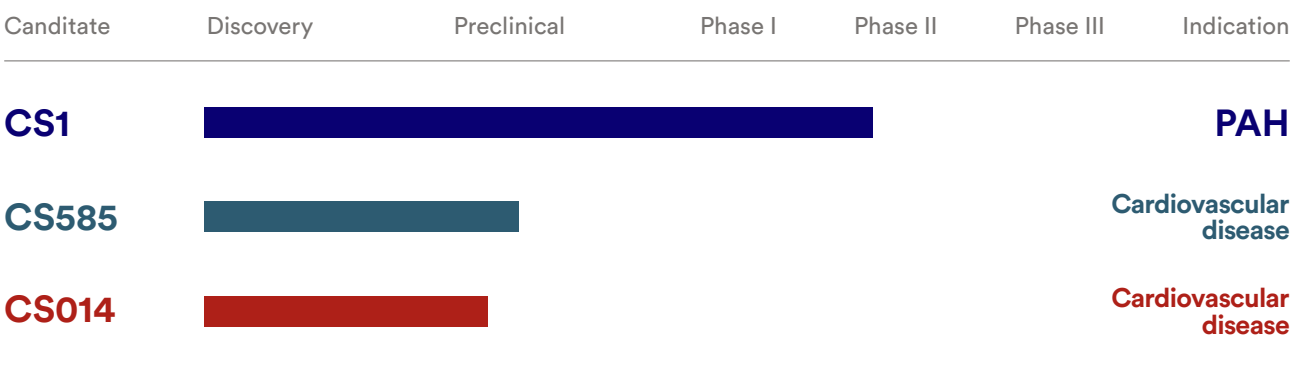
CS585
Drug candidate CS585 is a stable, selective, and potent prostacyclin receptor agonist that is being evaluated to treat cardiovascular disease.

CS014
Drug candidate CS014 is an HDAC inhibitor with epigenetic effects. It is being evaluated as treatment for cardiovascular disease.

It is exciting that we can start sharing preclinical data for our two recently nominated preclinical drug candidates, CS585 and CS014, at leading scientific congresses. With a portfolio now comprising three promising drug candidates, I am looking forward to progressing each of these within their respective development programs.

- Niklas Bergh, Chief Scientific Officer (CSO)

Drug candidates in the portfolio



Clinical drug candidate CS1

The drug candidate CS1 acts as an epigenetic modulator with pressure-reducing, reverse-remodeling, anti-fibrotic, anti-inflammatory 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 in collaboration with global healthcare company Abbott.

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 multi-fold efficacy:

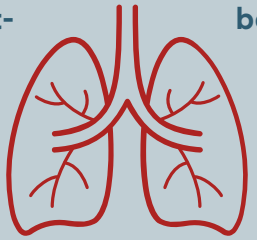
- Pressure-reducing
- Reverse-remodeling
- Anti-fibrotic
- Anti-inflammatory
- Anti-thrombotic

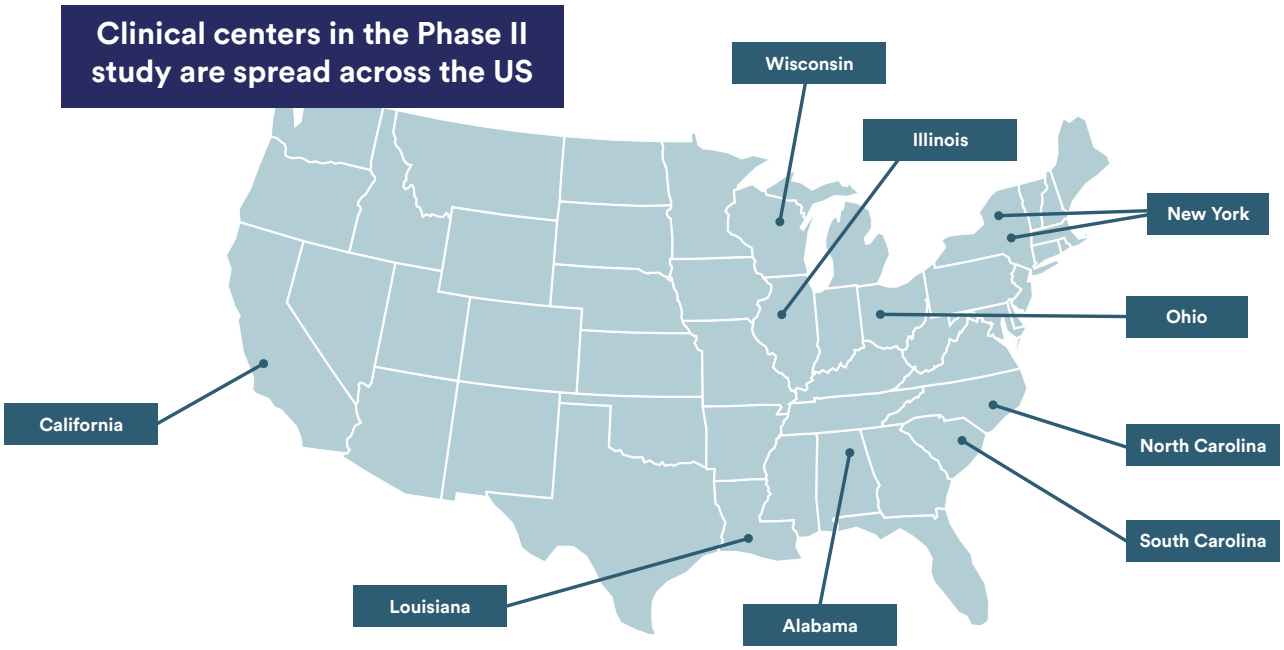
Phase II study in PAH

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 ten 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 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 drug candidates that are being evaluated for the treatment of cardiovascular disease. The purpose is to conduct full preclinical development programs to meet the requirements to start clinical studies.

CS585

Drug candidate CS585 belongs to the preclinical PCA Program which can be described as small molecules, analogs to the endogenous metabolite 12-HETrE. CS585 is a stable, selective, and potent prostacyclin receptor agonist that has demonstrated potential to significantly improve on mechanisms relevant to selected cardiovascular diseases through initial in vivo animal models. In preclinical studies CS585 has been documented to target the IP receptor for prevention of thrombosis without increased risk of bleeding.

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

Drug candidate CS014 is part of the preclinical HDACi Program consisting of HDAC inhibitors with epigenetic effects. CS014 is being developed for the treatment of cardiovascular disease. A preclinical development program is being conducted with CS014 in collaboration with the University of Michigan. In these preclinical studies CS014 has been documented to regulate platelet activity, fibrinolysis and clot stability for prevention of thrombosis without increased risk of bleeding.

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

Research collaboration with University of Michigan

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

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

The group's performance, January - March 2022

Financial performance

During the first 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 first quarter, the group had a cash balance of approximately SEK 77.3 million and an equity/assets ratio of 93.4 %

Risk factors

A number of risk factors can have a negative impact on Cereno Scientific's operations. It is therefore of great importance to take into account relevant risks in addition to the company's growth opportunities. These risks are described without mutual arrangement and without claims to be comprehensive in the company's prospectus issued in connection with the rights issue in May 2019 and which can be read on the Company's website.

Company structure and shareholding

Cereno Scientific Group comprises parent company Cereno Scientific AB and its US subsidiary Cereno Scientific Inc. The US subsidiary was formed on 20 December 2019, and is wholly owned by Cereno Scientific AB.

Company share

Cereno Scientific's B shares were listed on Spotlight Stock Market on 22 June 2016. Spotlight Stock Market is an affiliate of ATS Finance AB, which is a securities company under the supervision of Finansinspektionen, the Swedish financial supervisory authority. Spotlight Stock Market operates a multilateral trading facility (MTF), which is not a regulated market.

Share capital

On 31 March 2022, 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.

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 shall be made during a one-year period starting three years from allocation. It was further resolved that board members and deputies shall be entitled to participate in the program.

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 General Meeting ..... 1 June 2022
Interim Report, Q2 2022..... 25 August 2022
Interim Report, Q3 2022..... November 2022

Annual General Meeting

The Annual General Meeting will be held on 1 June, 2022 at 11:00 in Konferenscentrum Wallenberg at Medicinaregatan 20A in Gothenburg.

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 March 2022.

Owners	Capital	Votes
Avanza Pension	13.21%	12.44%
Chian Punar	4.51%	4.24%
Milad Pournouri	4.03%	3.80%
Peyman Pournouri	2.57%	2.42%
Dory Gevryie	1.52%	1.43%
Total five largest owners	**25.84%**	**24.34%**
Other shareholders	74.16%	75.66%
Total (4 891 shareholders)	**100.00 %**	**100.00 %**

Group – Consolidated income statement

(SEK)	01 Jan 2022 31 Mar 2022 3 months	01 Jan 2021 31 Mar 2021 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	8 153 269	4 206 622	44 805 361	8 223 388
	8 153 269	**4 206 622**	**44 805 361**	**8 223 388**
Operating expenses				
Other external costs	-11 939 465	-7 547 570	-57 796 949	-22 509 095
Personnel costs	-1 081 332	-274 322	-1 774 371	-1 445 422
Depreciation of tangible fixed assets	-3 577	-3 577	-14 308	-14 308
Other operating items	-240 864	-16 780	-225 814	-
Operating loss	**-5 111 969**	**-3 635 627**	**-15 006 081**	**-15 745 437**
Loss from financial items				
Interest income and similar incomes	-	1 680	1 680	-
Interest expense and similar expenses	-135 000	-270 000	-1 246 279	-271 623
Loss after financial items	**-5 246 969**	**-3 903 947**	**-16 250 680**	**-16 017 060**
Loss before tax	**-5 246 969**	**-3 903 947**	**-16 250 680**	**-16 017 060**
Income taxes	-	-	-4 210	-898
Loss for the period	**-5 246 969**	**-3 903 947**	**-16 254 890**	**-16 017 958**

Group – Consolidated balance sheet

(SEK)	31 Mar 2022	31 Mar 2021	31 Dec 2021
ASSETS			
Fixed assets			
Intangible assets			
Capitalized expenditures for development activities	87 766 498	41 213 426	80 164 358
Patents, trademarks, licenses and similar rights	9 835 605	7 636 670	9 284 476
	97 602 103	**48 850 096**	**89 448 834**
Tangible assets			
Fixtures, tools and installations	39 354	53 662	42 931
	39 354	**53 662**	**42 931**
Financial assets			
Other long-term receivables	8 523	8 026	8 320
	8 523	**8 026**	**8 320**
Total fixed assets	**97 649 980**	**48 911 784**	**89 500 085**
Current assets			
Current receivables			
Other receivables	1 232 280	502 046	1 363 425
Prepaid expenses and accrued income	260 731	455 745	239 919
	1 493 011	**957 791**	**1 603 344**
Cash and bank balance	**77 268 668**	**60 071 685**	**89 634 757**
Total current assets	**78 761 679**	**61 029 476**	**91 238 101**
TOTAL ASSETS	**176 411 659**	**109 941 260**	**180 738 186**

Group – Consolidated balance sheet cont.

(SEK)	31 Mar 2022	31 Mar 2021	31 Dec 2021
EQUITY AND LIABILITIES			
Equity			
Share capital	10 526 178	7 181 931	10 526 178
Other contributed capital	189 760 849	106 207 286	189 760 849
Other capital including loss for the year	-35 468 812	-17 552 077	-30 222 102
Equity attributed to the Parent Company's shareholders	**164 818 215**	**95 837 140**	**170 064 925**
Holdings without controlling influence	-	-	-
Total equity	**164 818 215**	**95 837 140**	**170 064 925**
Long-term liabilities			
Other liabilities to credit institutions	400 000	400 000	400 000
	400 000	**400 000**	**400 000**
Current liabilities			
Accounts payable	3 835 065	2 549 635	2 884 374
Tax liabilities	47 592	21 916	32 442
Bridge loan	4 860 000	9 240 000	4 800 000
Other liabilities	80 914	18 301	201 853
Accrued expenses and deferred income	2 369 873	1 874 268	2 354 592
	11 193 444	**13 704 120**	**10 273 261**
TOTAL EQUITY AND LIABILITIES	**176 411 659**	**109 941 260**	**180 738 186**

Group – Condensed change in equity

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**

01 January - 31 March 2022	Share capital	Other contributed capital	Other capital including profit/ loss for the year
At start of period	10 526 178	189 760 849	-30 222 103
Exchange rate differences when translating foreign subsidiaries	-	-	259
Loss for the period	-	-	-5 246 969
At the end of the period	**10 526 178**	**189 760 849**	**-35 468 813**

Group – Consolidated cash flow statement

(SEK)	01 Jan 2022 31 Mar 2022 3 months	01 Jan 2021 31 Mar 2021 3 months	01 Jan 2021 31 Dec 2021 12 months	01 Jan 2020 31 Dec 2020 12 months
OPERATING ACTIVITIES				
Loss after financial items	-5 246 969	-3 903 947	-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	56	-2 034	-321 410	5 917
Accrued expenses for borrowings	60 000	120 000	680 000	120 000
Accrued interest cost	75 000	150 000	550 000	150 000
New share issue through offset of liability	-	-	-	818 288
Taxes paid	-	-	-898	-
	-5 108 336	**-3 632 404**	**-15 332 890**	**-14 908 547**
Cash flow from operating activities before changes in working capital	**-5 108 336**	**-3 632 404**	**-15 332 890**	**-14 908 547**
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in operating receivables	110 333	561 255	-84 298	-194 888
Increase (+)/Decrease (-) in operating liabilities	785 183	1 345 105	2 280 144	-1 041 454
Cash flow from operating activities	**-4 212 820**	**-1 726 044**	**-13 137 044**	**-16 144 889**
Investing activities				
Acquisition of intangible assets	-8 153 269	-4 206 623	-44 805 361	-8 223 388
Acquisition of tangible assets	-	-	-	-6 157
Acquisition of financial assets	-	-	-	-7 534
Cash flow from investing activities	**-8 153 269**	**-4 206 623**	**-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	**0**	**0**	**81 572 810**	**64 286 771**
Cash flow for the period	**-12 366 089**	**-5 932 667**	**23 630 405**	**39 904 803**
Cash flow equivalents at start of period	**89 634 757**	**66 004 352**	**66 004 352**	**26 099 549**
Cash and cash equivalents at the end of period	**77 268 668**	**60 071 685**	**89 634 757**	**66 004 352**

Parent company – Consolidated income statement

(SEK)	01 Jan 2022 31 Mar 2022 3 months	01 Jan 2021 31 Mar 2021 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	8 153 269	4 206 622	44 805 361	8 223 388
	8 153 269	**4 206 622**	**44 805 361**	**8 223 388**
Operating expenses				
Other external costs	-11 939 997	-7 546 631	-58 121 192	-22 507 096
Personnel costs	-1 081 332	-274 322	-1 774 371	-1 445 422
Depreciation of tangible fixed assets	-3 577	-3 577	-14 308	-14 308
Other operating costs	-240 864	-16 780	-225 815	-
Operating loss	**-5 112 501**	**-3 634 688**	**-15 330 325**	**-15 743 438**
Loss from financial items				
Interest expense and similar expenses	-135 000	-270 000	-1 246 279	-271 623
Loss after financial items	**-5 247 501**	**-3 904 688**	**-16 576 604**	**-16 015 061**
Loss before tax	**-5 247 501**	**-3 904 688**	**-16 576 604**	**-16 015 061**
Loss for the period	**-5 247 501**	**-3 904 688**	**-16 576 604**	**-16 015 061**

Parent company – Consolidated balance sheet

(SEK)	31 Mar 2022	31 Mar 2021	31 Dec 2021
ASSETS			
Fixed assets			
Intangible assets			
Capitalized expenditures for development activities	87 766 498	41 213 426	80 164 358
Patents, trademarks, licenses and similar rights	9 835 605	7 636 670	9 284 476
	97 602 103	**48 850 096**	**89 448 834**
Tangible assets			
Fixtures, tools and installations	39 354	53 662	42 931
	39 354	**53 662**	**42 931**
Financial assets			
Shares in group company	941	941	941
	941	**941**	**941**
Total fixed assets	**97 642 398**	**48 904 699**	**89 492 706**
Current assets			
Current receivables			
Receivables from group companies	40 998	53 752	39 158
Other receivables	1 232 280	502 046	1 363 425
Prepaid expenses and accrued income	260 731	455 745	239 919
	1 534 009	**1 011 543**	**1 642 502**
Cash and bank balance	**77 221 636**	**60 021 845**	**89 594 519**
Total current assets	**78 755 645**	**61 033 388**	**91 237 021**
TOTAL ASSETS	**176 398 043**	**109 938 087**	**180 729 727**

Parent company – Consolidated balance sheet cont.

(SEK)	31 Mar 2022	31 Mar 2021	31 Dec 2021
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	10 526 178	7 181 931	10 526 178
Fund for development expenses	92 280 303	43 528 295	84 127 034
	102 806 481	**50 710 226**	**94 653 212**
Unrestricted equity			
Share premium reserve	88 053 563	52 945 059	88 053 563
Retained earnings	-20 799 276	-3 915 724	3 930 597
Profit/loss for the period	-5 247 501	-3 904 688	-16 576 604
	62 006 786	**45 124 647**	**75 407 556**
Total equity	**164 813 267**	**95 834 873**	**170 060 768**
Long-term liabilities			
Other liabilities to credit institutions	400 000	400 000	400 000
	400 000	**400 000**	**400 000**
Current liabilities			
Accounts payable	3 830 804	2 549 635	2 884 374
Tax liabilities	43 187	21 010	28 142
Bridge loan	4 860 000	9 240 000	4 800 000
Other liabilities	80 914	18 301	201 853
Accrued expenses and deferred income	2 369 871	1 874 268	2 354 590
	11 184 776	**13 703 214**	**10 268 959**
TOTAL EQUITY AND LIABILITIES	**176 398 043**	**109 938 087**	**180 729 727**

Parent company – Condensed change in equity

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**

01 January 2022 – 31 March 2022	Share capital	Fund for development expenses	Share premium reserve	Retained earnings	Net loss for the period
At start of period	10 526 178	84 127 034	88 053 563	3 930 596	-16 576 604
Redistribution previous year's result	-	-	-	-16 576 604	16 576 604
Redistribution in equity	-	8 153 269	-	-8 153 269	-
Loss for the period	-	-	-	-	-5 247 501
At the end of the period	**10 526 178**	**92 280 303**	**88 053 563**	**-20 799 277**	**-5 247 501**

Parent company – Consolidated cash flow statement

(SEK)	01 Jan 2022 31 Mar 2022 3 months	01 Jan 2021 31 Mar 2021 3 months	01 Jan 2021 31 Dec 2021 12 months	01 Jan 2020 31 Dec 2020 12 months
Operating activities				
Loss after financial items	-5 247 501	-3 904 688	-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	60 000	120 000	680 000	120 000
Accrued interest cost	75 000	150 000	550 000	150 000
New share issue through offset of liability	-	-	-	818 288
	-5 108 924	**-3 631 111**	**-15 332 296**	**-14 912 465**
Cash flow from operating activities before changes in working capital	**-5 108 924**	**-3 631 111**	**-15 332 296**	**-14 912 465**
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in operating receivables	108 494	490 695	-140 264	-178 080
Increase (+)/Decrease (-) in operating liabilities	780 816	1 413 057	2 343 803	-1 110 403
Cash flow from operating activities	**-4 219 614**	**-1 727 359**	**-13 128 757**	**-16 200 948**
Investing activities				
Acquisition of intangible assets	-8 153 269	-4 206 623	-44 805 361	-8 223 388
Acquisition of tangible assets	-	-	-	-6 157
Acquisition of financial assets	-	-	-	-
Cash flow from investing activities	**-8 153 269**	**-4 206 623**	**-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	**0**	**0**	**81 572 810**	**64 286 771**
Cash flow for the period	**-12 372 883**	**-5 933 982**	**23 638 692**	**39 856 278**
Cash flow equivalents at start of period	**89 594 519**	**65 955 827**	**65 955 827**	**26 099 549**
Cash and cash equivalents at the end of period	**77 221 636**	**60 021 845**	**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, 19 May 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). CS1 is an HDAC (Histone DeACetylase) inhibitor that acts as an epigenetic modulator with pressure-reducing, reverse-remodeling, anti-fibrotic, anti-inflammatory and anti-thrombotic properties, all relevant for PAH. A clinical Phase II study is ongoing to evaluate 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. Cereno also has two promising preclinical drug candidates in development for cardiovascular disease through research collaborations with the University of Michigan. Drug candidate CS585 is a stable, selective, and potent prostacyclin receptor agonist. It has been documented in preclinical studies to target the IP receptor for prevention of thrombosis without increased risk of bleeding. Drug candidate CS014 is a novel HDAC inhibitor with epigenetic effects.In preclinical studies it has been documented to regulate platelet activity, fibrinolysis and clot stability for prevention of thrombosis without increased risk of bleeding.

The company is headquartered in Gothenburg, 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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