Cereno Scientific

January - June 2022

Interim report Q2

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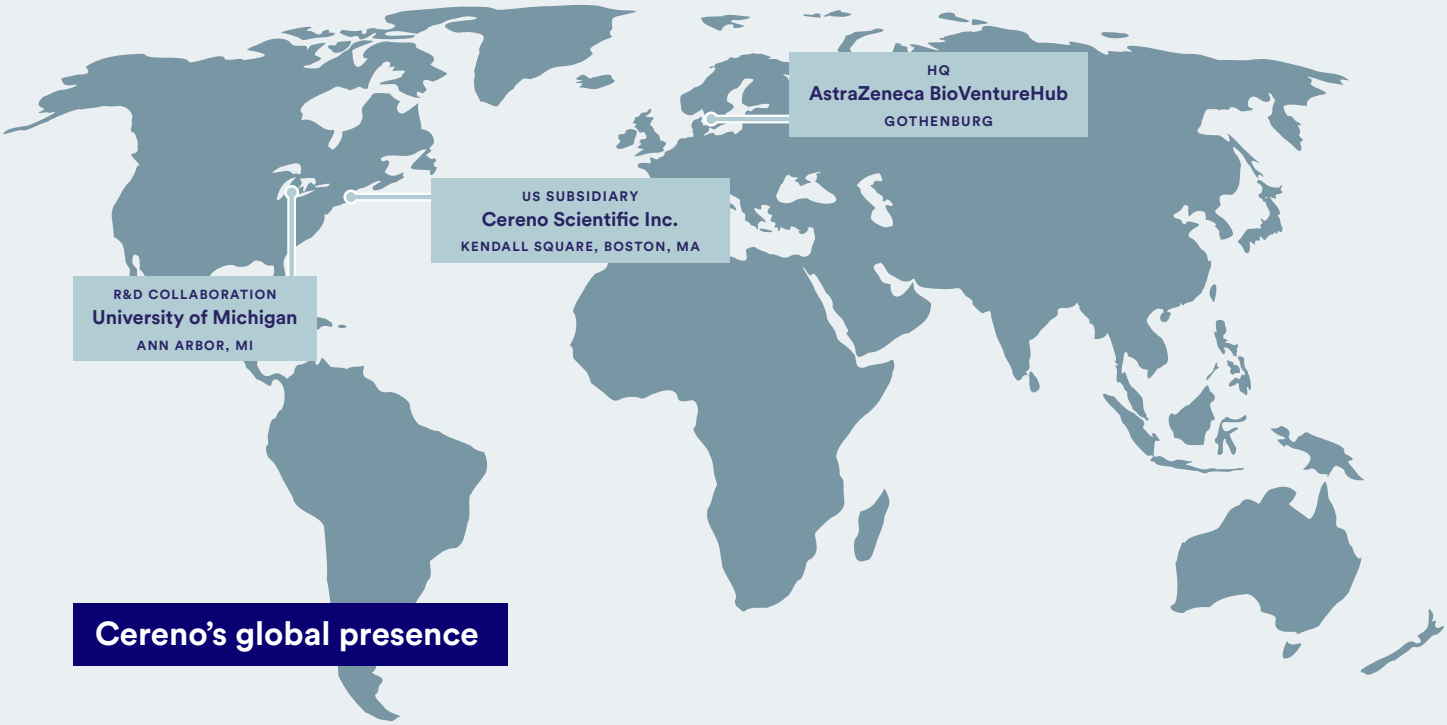
Contents

Financial calendar

Interim Report, Q3 2022..... 16 November 2022
Interim Report, Q4 2022..... 22 February 2023



Cereno's global presence

Cereno Scientific in brief

June 2016

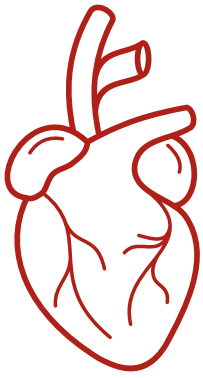
Listed on Spotlight Stock Market

(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.

Second quarter summary

Financial overview

	The group		Parent company	
(SEK)	April-June 2022	April-June 2021	April-June 2022	April-June 2021
Net sales	-	-	-	-
Result after financial items	-6 518 033	-4 756 911	-6 747 978	-4 913 851
Earnings per share before dilution	-0,06	-0,07	-0,06	-0,07
Earnings per share after dilution*	-0,04	-0,03	-0,04	-0,03
Equity/assets ratio	87,9 %	84,5 %	87,9 %	84,8 %
Cash and bank balances	63 257 948	41 425 474	63 214 536	41 026 206

	The group		Parent company	
(SEK)	Jan-June 2022	Jan-June 2021	Jan-June 2022	Jan-June 2021
Net sales	-	-	-	-
Result after financial items	-11 765 002	-8 660 858	-11 995 479	-8 818 539
Earnings per share before dilution	-0,11	-0,12	-0,11	-0,12
Earnings per share after dilution*	-0,08	-0,06	-0,08	-0,06
Equity/assets ratio	87,9 %	84,5 %	87,9 %	84,8 %
Cash and bank balances	63 257 948	41 425 474	63 214 536	41 026 206

Earnings per share: Profit/loss for the period divided by 105 261 782 shares as of 30 June, 2022 and 71 819 312 shares as of 30 June, 2021.
*Diluted earnings per share: Profit/loss for the period divided by shares outstanding and warrants as of the balance sheet date, 30 June 2022 and 30 June 2021, respectively.

Significant events during the second quarter

- 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) was 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 was 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.

- In May, it was announced that a Head of Preclinical Development was recruited to strengthen Cereno's Executive Management Team. Nick Oakes was appointed Head of Preclinical Development bringing significant experience within preclinical research and development in cardiovascular disease, a key factor for the success of Cereno's continued pipeline development.

Significant events after end of period

- Early July, Cereno shared that the first patient was enrolled in the Phase II study in PAH with drug candidate CS1. Based on the timing of enrollment and several factors mainly related to the activation of clinical sites, the study timeline was adjusted by about a quarter and topline results are now estimated for Q1 2023. The number of study sites has been increased to include about 10 clinics across the US with potential for further expansion to facilitate meeting the Q1 timeline.

- At the end of July, it was reported that a block trade of Serie TO2 warrants was executed. In connection with the transaction subscription commitments for the exercise of warrants of series TO2 were undertaken by the buyers. The sellers have also undertaken subscription commitments for warrants that they still own.

- On August 30, Cereno will hold its inaugural Capital Markets Day in central Stockholm. The program will provide an update on the pipeline, clinical and preclinical development, and growth strategy from both the company as well as external collaborators. Registration to participate in-person or digitally is available on the company's website.

Letter from the CEO

The first half-year of 2022 has been intense across our business operations. Growth and progress have been evident in our development programs, but, also significantly important has been our increasing footprint in the medical community. The single most exciting highlight just after the period ended was, however, the news of the first patient enrolled in the Phase II study with CS1 in PAH. We are keeping momentum and have an exciting fall and winter ahead of us in our quest to develop better and safer innovative treatments for cardiovascular disease.

First patient in CS1's Phase II study

We were thrilled to see the first patient enrolled in the Phase II study this past July. It really is a significant milestone in our progress towards demonstrating that our drug candidate CS1, with its unique efficacy profile, has the potential to offer a safe, efficacious, and disease-modifying treatment option for patients suffering from the severe rare disease PAH. The plan forward is to continue working closely with the active clinical sites to support patient recruitment and, as often happens, the enrollment pace starts to speed up following the first patient entering the study. As we have communicated previously, the lingering covid-19 pandemic in the US did affect the start-up timeline resulting in an adjusted timeline of about a quarter meaning that top-line results are now estimated for Q1 2023. There are several pertinent milestones related to the study that will be reported during the fall and winter as they happen to further ensure that we provide all interested stakeholders with updates on the study's progress.

Nominations of drug candidates in our preclinical programs

The nomination of drug candidates in each of our preclinical programs CS585 and CS014 during spring signifies great progress and proven science in our preclinical development, albeit in an early development stage. These preclinical programs are developed in collaboration with the University of Michigan and have already yielded promising preclinical data that was accepted and presented at premier medical congresses in the last few months. To that end, we are pleased to know that our aim to have three promising clinical development programs in the portfolio within the next two years is on track.

Presentations at reputable medical congresses

During summer, we have had no less than three abstracts presented at top medical congresses across Europe and the US. There was the promising preclinical data for both CS585 and CS014 as well as the innovative study design of our Phase II study with CS1.

We have shown with preclinical data that we have two strong drug candidates in CS585 and CS014 demonstrating effect in thrombosis prevention without increased risk of bleeding; These findings may be very significant with thrombosis being a key mechanism in many complications in cardiovascular disease. Furthermore, there is a strong unmet medical need for new drugs providing prevention of thrombosis without increased risk of bleeding as available anti-thrombotic drugs do pose an increased risk of bleeding for patients. Thus, no surprise that our abstracts earned their place in the spotlight at several congresses and garnered interest from the medical community.

The company and our portfolio are right now well-positioned for continued growth. We are in the beginning stages of carving out a place as a serious player in the global PAH pipeline.

- Sten R. Sörensen, CEO

Strengthening the executive team

I am very pleased that in the last months, we have announced appointments of both a Head of

Clinical Operations and Head of Preclinical Development. The addition of Fredrik Frick and Nick Oakes adds two more experienced research and development (R&D) executives to our management team, which will provide the leadership needed as we continue to grow Cereno. The development of our pipeline is a critical success factor in order to deliver on our vision to make available innovative drugs for patients with rare and common cardiovascular diseases. I look forward to seeing their combined efforts in moving our clinical and preclinical portfolio to the next level together with our existing team of experienced professionals, advisors, and long-term consultants.

Outlook

The company and our portfolio are right now well-positioned for continued growth. We are in the beginning stages of carving out a place as a serious player in the global PAH pipeline. I am particularly pleased to see us establishing our footprint among the top thought leaders in cardiovascular disease, which I believe will only continue to strengthen through our clear and consistent presence across key platforms such as medical congresses. Later this year, I look forward to us bringing our perspective as an innovator in CVD at the renowned CVCT forum to which we have, as last year, been invited again. But there are many events ahead before we get to that.

At the end of August, Cereno will be participating at the ESC congress in Barcelona – the top cardiovascular congress in Europe. In addition to a poster presentation on CS014, where new exciting data will be presented, we have planned to hold meetings with our Scientific Advisory Board to further refine our preclinical and clinical development programs for the three drug candidates in our pipeline. It is a great opportunity to strengthen our relationship with thought leaders in the industry and get to hear from some of the best in the medical community.

I am also very excited to host our inaugural "Cereno Capital Markets Day" on August 30th in Stockholm. We have put together a comprehensive program providing insights into our strategy and operations. In attendance and presenting will be external thought leaders as well as members of Cereno's Executive Management Team. Please see our website for details on how to register to attend or find the link for the webcast.

Lastly, as many might know, there is a warrant program of Series TO2 being executed during September. More information specifically around this will follow in due course.

To sum up, I believe Cereno is well on its way of bringing great change to the cardiovascular disease space. This year, we have already delivered on several milestones with many additional significant milestones coming up around the corner. I would like to express my appreciation to all our shareholders for your continued support and for sharing our vision of developing innovative treatments for rare and common cardiovascular disease. ■

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

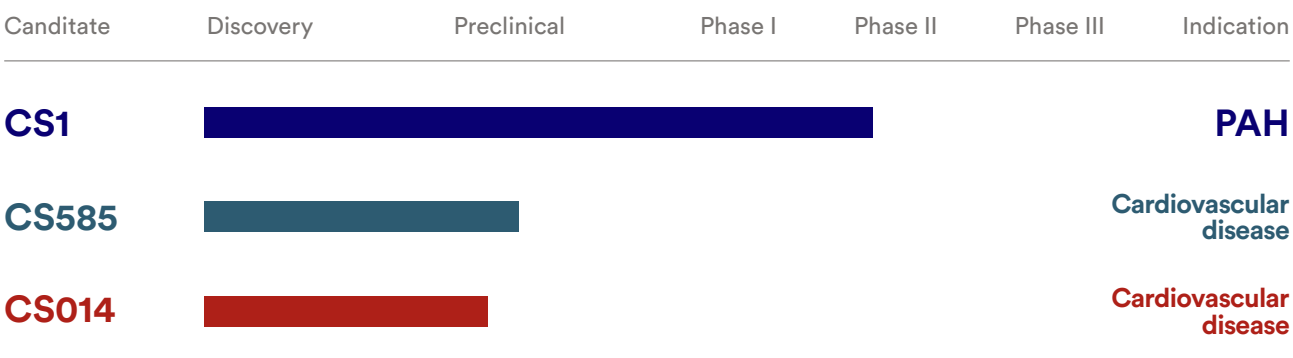
CS585
Drug candidate CS585 is a stable, selective, and potent prostacyclin receptor agonist that is being evaluated to treat cardiovascular disease.

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:

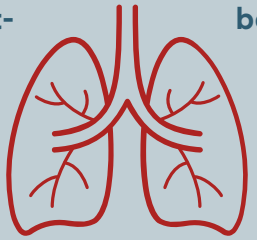
- Pressure-reducing
- Reverse-remodeling
- Anti-fibrotic
- Anti-inflammatory
- Anti-thrombotic

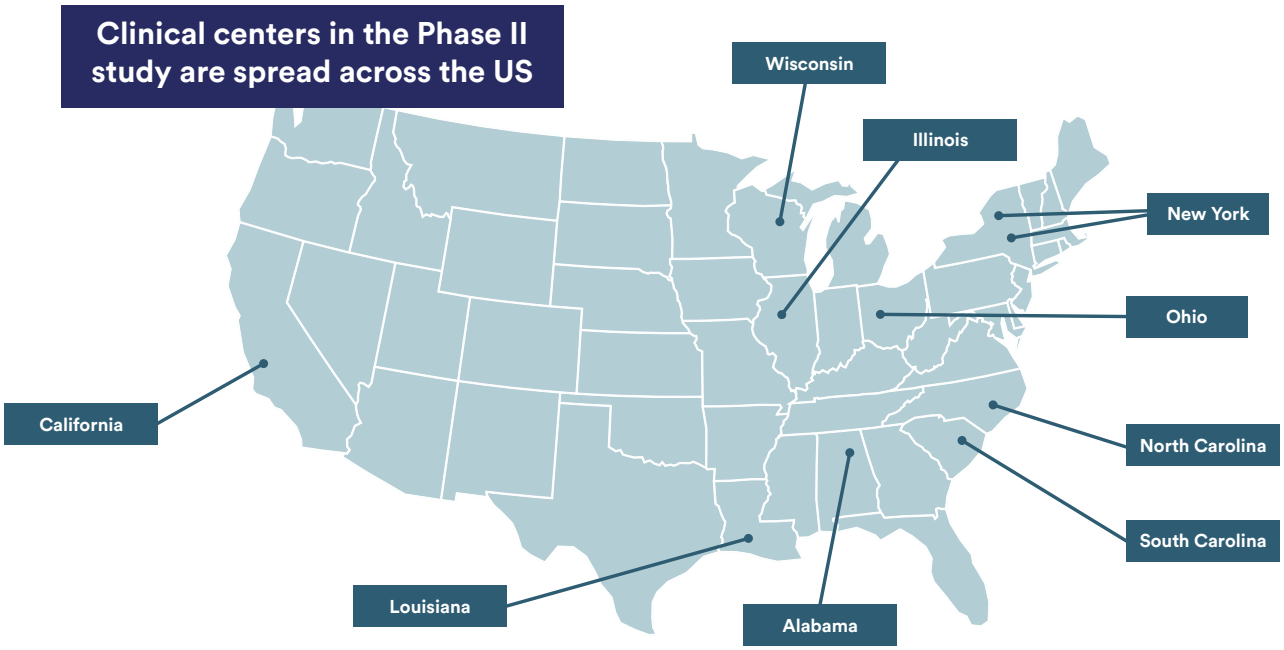
Phase II study in PAH

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 - June 2022

Financial performance
During the second 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 quarter, the group had a cash balance of approximately SEK 63.3 million and an equity/assets ratio of 87.9 %.

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

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

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

Share capital

On 30 June 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

Interim Report, Q3 2022.....16 November 2022
Interim Report, Q4 2022.....22 February 2023

Share capital development

Year	Event	Total share capital (SEK)	Change (SEK)	Total number shares	Difference shares	Ratio value (SEK)
2012	Rights issue	50 000	50 000	50 000	50 000	1
2012	Directed issue	60 605	10 605	60 605	10 605	1
2016	Stock dividend issue	61 805	1 200	61 805	1 200	1
2016	Share split 100:1	618 050	556 245	61 805	-	10
2016	Subdivision A-/B- shares	618 050	–	6 180 500	6 118 695	0.10
2016	Directed issue	–	–	6 180 500	–	0.10
2016	Directed issue	760 050	1 420 000	7 600 500	1 420 000	0.10
2016	IPO	805 050	45 000	8 050 500	450 000	0.10
2016	Conversion	1 099 050	294 000	10 990 500	2 940 000	0.10
2018	Conversion	1 117 917.90	18 867.90	11 179 179	188 679	0.10
2018	Conversion	1 162 362.30	44 444.40	11 623 623	444 444	0.10
2018	Conversion	1 216 416.30	54 054.00	12 164 163	540 540	0.10
2018	Conversion	1 264 803.30	483 8700	12 648 033	483 870	0.10
2018	Conversion	1 306 738.70	41 935.40	13 067 387	419 354	0.10
2018	Conversion	1 345 200.10	38 461.40	13 452 001	384 614	0.10
2018	Conversion	1 372 123.10	26 923	13 721 231	269 230	0.10
2018	Conversion	1 402 892.30	30 769.20	14 028 923	307 692	0.10
2018	Conversion	1 436 225.60	33 333.30	14 362 256	333 333	0.10
2018	Conversion	1 464 797.00	28 571.40	14 647 970	285 714	0.10
2019	Conversion	1 518 130.30	53 333.30	15 181 303	533 333	0.10
2019	Conversion	1 584 796.90	66 666.60	15 847 969	666 666	0.10
2019	Conversion	1 918 130.20	333 333.30	19 181 302	3 333 333	0.10
2019	Rights issue	3 836 260.40	1 918 130.20	38 362 604	19 181 302	0.10
2019	Overallotment issue	4 008 674.10	172 413.70	40 086 741	1 724 137	0.10
2019	Remuneration issue	4 021 931.20	13 257.10	40 219 312	132 571	0.10
2020	Directed issue	7 181 931.20	3 160 000	71 819 312	31 600 000	0.10
2021	Share issue	10 526 178.20	3 344 247.00	105 261 782	33 442 470	0.10
At end of period		**10 526 178.20**		**105 261 782**		**0.10**

Share and owners

The largest shareholders by the 30 June 2022.

Owners	Capital	Votes
Avanza Pension	13.16 %	12.39 %
Chian Punar	4.57 %	4.31 %
Milad Pournouri	3.91 %	3.68 %
Peyman Pournouri	2.55 %	2.40 %
Dory Gevryie	1.52 %	1.43 %
Total five largest owners	**25.71 %**	**24.21 %**
Other shareholders	74.29 %	75.79 %
Total (4 713 shareholders)	**100 %**	**100 %**

Group – Income statement

(SEK)	01 April 2022 30 June 2022 3 months	01 April 2021 30 June 2021 3 months	01 Jan 2022 30 June 2022 6 months	01 Jan 2021 30 June 2021 6 months	01 Jan 2021 31 Dec 2021 12 months
Net sales	-	-	-	-	-
Capitalised work for own account	17 463 513	15 511 128	25 616 782	19 717 750	44 805 361
Other operating income	-	21 097	-	4 317	-
	17 463 513	**15 532 225**	**25 616 782**	**19 722 067**	**44 805 361**
Operating expenses					
Other external costs	-21 899 278	-19 483 001	-33 838 743	-27 030 571	-57 796 949
Personnel costs	-1 770 416	-520 346	-2 851 748	-794 668	-1 774 371
Depreciation of tangible fixed assets	-3 577	-3 577	-7 154	-7 154	-14 308
Other operating costs	-169 119	-	-409 983	-	-225 814
Operating loss	**-6 378 877**	**-4 474 699**	**-11 490 846**	**-8 110 326**	**-15 006 081**
Loss from financial items					
Interest income and similar income	-	-	-	1 680	1 680
Interest expenses and similar expenses	-139 156	-282 212	-274 156	-552 212	-1 246 279
Loss after financial items	**-6 518 033**	**-4 756 911**	**-11 765 002**	**-8 660 858**	**-16 250 680**
Loss before tax	**-6 518 033**	**-4 756 911**	**-11 765 002**	**-8 660 858**	**-16 250 680**
Income taxes	-	-	-	-	-4 210
Loss for the period	**-6 518 033**	**-4 756 911**	**-11 765 002**	**-8 660 858**	**-16 254 890**

Group – Balance sheet

(SEK)	30 June 2022	30 June 2021	31 December 2021
ASSETS			
Fixed assets			
Intangible assets			
Capitalised expenditures for development activities	104 515 437	56 248 701	80 164 358
Patents, trademarks, licenses and similar rights	10 550 180	8 112 522	9 284 476
	115 065 617	**64 361 223**	**89 448 834**
Tangible assets			
Fixtures, tools and installations	35 777	50 085	42 931
	35 777	**50 085**	**42 931**
Financial assets			
Other long-term receivables	9 402	7 829	8 320
	9 402	**7 829**	**8 320**
Total fixed assets	**115 110 796**	**64 419 137**	**89 500 085**
Current assets			
Current receivables			
Other receivables	1 168 835	1 432 388	1 363 425
Prepaid expenses and accrued income	376 448	304 622	239 919
	1 545 283	**1 737 010**	**1 603 344**
Cash and bank balance	**63 257 948**	**41 425 474**	**89 634 757**
Total current assets	**64 803 231**	**43 162 484**	**91 238 101**
TOTAL ASSETS	**179 914 027**	**107 581 621**	**180 738 186**

Group – Balance sheet cont.

(SEK)	30 June 2022	30 June 2021	31 December 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	-42 210 380	-22 468 366	-30 222 102
Equity attributed to the Parent Company's shareholders	**158 076 647**	**90 920 851**	**170 064 925**
Holdings without controlling influence	-	-	-
Total equity	**158 076 647**	**90 920 851**	**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	11 764 359	3 609 375	2 884 374
Tax liabilities	74 536	23 238	32 442
Bridge loan	4 920 000	9 360 000	4 800 000
Other liabilities	292 668	110 063	201 853
Accrued expenses and deferred income	4 385 817	3 158 094	2 354 592
	21 437 380	**16 260 770**	**10 273 261**
TOTAL EQUITY AND LIABILITIES	**179 914 027**	**107 581 621**	**180 738 186**

Group – 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
Reclassification of warrants issued	-	-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 - 30 June 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	-	-	-223 275
Loss for the period	-	-	-11 765 002
At the end of the period	**10 526 178**	**189 760 849**	**-42 210 380**

Group – Cash flow statement

(SEK)	01 April 2022 30 June 2022 3 months	01 April 2021 30 June 2021 3 months	01 Jan 2022 30 June 2022 6 months	01 Jan 2021 30 June 2021 6 months	01 Jan 2021 31 Dec 2021 12 months
OPERATING ACTIVITIES					
Loss after financial items	-6 518 033	-4 756 911	-11 765 002	-8 660 858	-16 254 890
Adjustments for items not included in the cash flow					
Depreciations	3 577	3 577	7 154	7 154	14 308
Translation differences	-224 413	-159 181	-224 357	-161 214	-321 410
Accrued expenses for borrowings	60 000	120 000	120 000	240 000	680 000
Accrued interest cost	75 000	150 000	150 000	300 000	550 000
Taxes paid	-	-	-	-	-898
	-6 603 869	**-4 642 515**	**-11 712 205**	**-8 274 918**	**-15 332 890**
Cash flow from operating activities before changes in working capital	**-6 603 869**	**-4 642 515**	**-11 712 205**	**-8 274 918**	**-15 332 890**
Cash flow from changes in working capital					
Increase (-)/Decrease (+) in operating receivables	-52 272	-779 219	58 061	-217 964	-84 298
Increase (+)/Decrease (-) in operating liabilities	10 108 935	2 286 651	10 894 118	3 631 754	2 280 144
Cash flow from operating activities	**3 452 794**	**-3 135 083**	**-760 026**	**-4 861 128**	**-13 137 044**
Investing activities					
Acquisition of financial assets	-17 463 514	-15 511 128	-25 616 783	-19 717 750	-44 805 361
Cash flow from investing activities	**-17 463 514**	**-15 511 128**	**-25 616 783**	**-19 717 750**	**-44 805 361**
Financing activities					
New share issue	-	-	-	-	95 311 040
Issue expenses	-	-	-	-	-3 913 230
Resolve of warrant subscription right	-	-	-	-	-4 500 000
Amortisation of loans	-	-	-	-	-5 000 000
Paid interest costs	-	-	-	-	-325 000
Cash flow from financing activities	**0**	**0**	**0**	**0**	**81 572 810**
Cash flow for the period	**-14 010 720**	**-18 646 211**	**-26 376 809**	**-24 578 878**	**23 630 405**
Cash flow equivalents at start of period	**77 268 668**	**60 071 685**	**89 634 757**	**66 004 352**	**66 004 352**
Cash and cash equivalents at the end of period	**63 257 948**	**41 425 474**	**63 257 948**	**41 425 474**	**89 634 757**

Parent company – Income statement

(SEK)	01 April 2022 30 June 2022 3 months	01 April 2021 30 June 2021 3 months	01 Jan 2022 30 June 2022 6 months	01 Jan 2021 30 June 2021 6 months	01 Jan 2021 31 Dec 2021 12 months
Net sales	-	-	-	-	-
Capitalised work for own account	17 463 513	15 511 128	25 616 782	19 717 750	44 805 361
Other operating income	-	21 097	-	4 318	-
	17 463 513	**15 532 225**	**25 616 782**	**19 722 068**	**44 805 361**
Operating expenses					
Other external costs	-22 129 223	-19 639 941	-34 069 221	-27 186 573	-58 121 192
Personnel costs	-1 770 416	-520 346	-2 851 748	-794 668	-1 774 371
Depreciation of tangible fixed assets	-3 577	-3 577	-7 154	-7 154	-14 308
Other operating costs	-169 119	-	-409 982	-	-225 815
Operating loss	**-6 608 822**	**-4 631 639**	**-11 721 323**	**-8 266 327**	**-15 330 325**
Loss from financial items					
Interest expense and similar expenses	-139 156	-282 212	-274 156	-552 212	-1 246 279
Loss after financial items	**-6 747 978**	**-4 913 851**	**-11 995 479**	**-8 818 539**	**-16 576 604**
Loss before tax	**-6 747 978**	**-4 913 851**	**-11 995 479**	**-8 818 539**	**-16 576 604**
Loss for the period	**-6 747 978**	**-4 913 851**	**-11 995 479**	**-8 818 539**	**-16 576 604**

Parent company – Balance sheet

(SEK)	30 June 2022	30 June 2021	31 December 2021
ASSETS			
Fixed assets			
Intangible assets			
Capitalized expenditures for development activities	104 515 437	56 248 701	80 164 358
Patents, trademarks, licenses and similar rights	10 550 180	8 112 522	9 284 476
	115 065 617	**64 361 223**	**89 448 834**
Tangible assets			
Fixtures, tools and installations	35 777	50 085	42 931
	35 777	**50 085**	**42 931**
Financial assets			
Shares in group company	941	941	941
	941	**941**	**941**
Total fixed assets	**115 102 335**	**64 412 249**	**89 492 706**
Current assets			
Current receivables			
Receivables from group companies	-	-	39 158
Other receivables	1 168 835	1 432 388	1 363 425
Prepaid expenses and accrued income	376 448	304 622	239 919
	1 545 283	**1 737 010**	**1 642 502**
Cash and bank balance	**63 214 536**	**41 026 206**	**89 594 519**
Total current assets	**64 759 819**	**42 763 216**	**91 237 021**
TOTAL ASSETS	**179 862 154**	**107 175 465**	**180 729 727**

Parent company – Balance sheet cont.

(SEK)	30 June 2022	30 June 2021	31 December 2021
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	10 526 178	7 181 931	10 526 178
Fund for development expenses	109 743 816	59 039 423	84 127 034
	120 269 994	**66 221 354**	**94 653 212**
Unrestricted equity			
Share premium reserve	-	-	88 053 563
Retained earnings	49 790 773	33 518 208	3 930 597
Profit/loss for the period	-11 995 479	-8 818 539	-16 576 604
	37 795 294	**24 699 669**	**75 407 556**
Total equity	**158 065 288**	**90 921 023**	**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	4 095 118	3 036 640	2 884 374
Liabilities to Group companies	7 628 925	166 407	-
Tax liabilities	74 337	23 238	28 142
Bridge loan	4 920 000	9 360 000	4 800 000
Other liabilities	292 668	110 063	201 853
Accrued expenses and deferred income	4 385 818	3 158 094	2 354 590
	21 396 866	**15 854 442**	**10 268 959**
TOTAL EQUITY AND LIABILITIES	**179 862 154**	**107 175 465**	**180 729 727**

Parent company – 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 – 30 June 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	-	-	-88 053 563	71 476 959	16 576 604
Redistribution in equity	-	25 616 782	-	-25 616 782	-
Loss for the period	-	-	-	-	-11 995 479
At the end of the period	**10 526 178**	**109 743 816**	**0**	**49 790 773**	**-11 995 479**

Parent company – Cash flow statement

(SEK)	01 April 2022 30 June 2022 3 months	01 April 2021 30 June 2021 3 months	01 Jan 2022 30 June 2022 6 months	01 Jan 2021 30 June 2021 6 months	01 Jan 2021 31 Dec 2021 12 months
Operating activities					
Loss after financial items	-6 747 978	-4 913 851	-11 995 479	-8 818 539	-16 576 604
Adjustments for items not included in the cash flow					
Depreciations	3 577	3 577	7 154	7 154	14 308
Accrued expenses for borrowings	60 000	120 000	120 000	240 000	680 000
Accrued interest cost	75 000	150 000	150 000	300 000	550 000
	-6 609 401	**-4 640 274**	**-11 718 325**	**-8 271 385**	**-15 332 296**
Cash flow from operating activities before changes in working capital	**-6 609 401**	**-4 640 274**	**-11 718 325**	**-8 271 385**	**-15 332 296**
Cash flow from changes in working capital					
Increase (-)/Decrease (+) in operating receivables	-11 274	-725 467	97 219	-234 772	-140 264
Increase (+)/Decrease (-) in operating liabilities	10 077 088	1 881 230	10 857 906	3 294 286	2 343 803
Cash flow from operating activities	**3 456 413**	**-3 484 511**	**-763 200**	**-5 211 871**	**-13 128 757**
Investing activities					
Acquisition of intangible assets	-17 463 513	-15 511 128	-25 616 783	-19 717 750	-44 805 361
Cash flow from investing activities	**-17 463 513**	**-15 511 128**	**-25 616 783**	**-19 717 750**	**-44 805 361**
Financing activities					
New share issue	-	-	-	-	95 311 040
Issue expenses	-	-	-	-	-3 913 230
Resolve of warrant subscription right	-	-	-	-	-4 500 000
Amortisation of loans	-	-	-	-	-5 000 000
Paid interest costs	-	-	-	-	-325 000
Cash flow from financing activities	**0**	**0**	**0**	**0**	**81 572 810**
Cash flow for the period	**-14 007 100**	**-18 995 639**	**-26 379 983**	**-24 929 621**	**23 638 692**
Cash flow equivalents at start of period	**77 221 636**	**60 021 845**	**89 594 519**	**65 955 827**	**65 955 827**
Cash and cash equivalents at the end of period	**63 214 536**	**41 026 206**	**63 214 536**	**41 026 206**	**89 594 519**

The Board of Directors and CEO certify that this Interim Report provides a true and fair view of the parent company and the group's operations.

Gothenburg, 25 August 2022.

Catharina Bäärnhielm
Chair of the Board

Anders Svensson
Board member

Björn Dahlöf
Board member

Klementina Österberg
Board member

Lena Mårtensson
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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