Cereno Scientific

January - December 2022

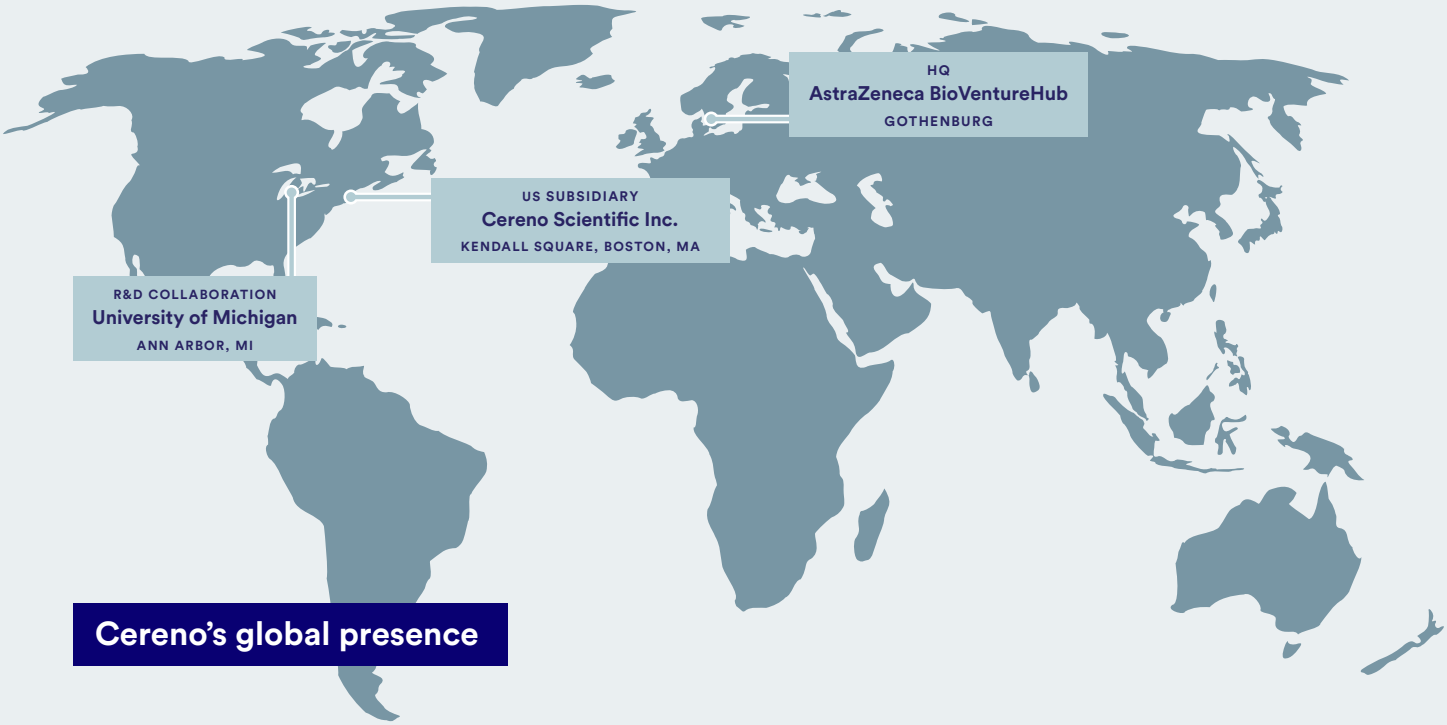
Year-end report

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

Contents

Financial calendar

Annual Report 2022..... 6 April 2023
Interim Report, Q1 2023 ..... 17 May 2023
Interim Report, Q2 2023..... 25 August 2023
Interim Report, Q3 2023..... 17 November 2023



Cereno's global presence

Cereno Scientific in brief

June 2016

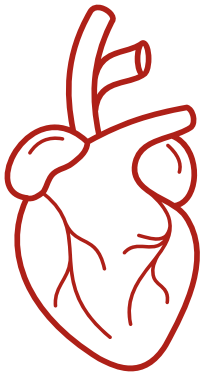
Listed on Spotlight Stock Market

(CRNO B)

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

Cardiovascular disease is the number 1 cause of death globally, a majority of complications caused by an occluding thrombus, killing 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 comprises:

- **CS1 in Phase II** study being developed for the treatment of rare disease pulmonary arterial hypertension (PAH).
- **CS014 in preclinical** development as a treatment for thrombosis prevention.
- **CS585 in preclinical** development being evaluated for the treatment of cardiovascular disease.

Fourth quarter summary

Financial overview

	The group		Parent company	
(SEK)	Oct–Dec 2022	Oct–Dec 2021	Oct–Dec 2022	Oct–Dec 2021
Net sales	-	-	-	-
Result after financial items	-8 635 283	-4 237 723	-8 536 630	-4 401 536
Earnings per share before dilution	-0.06	-0.04	-0.06	-0.04
Earnings per share after dilution*	-0.06	-0.03	-0.06	-0.03
Equity/assets ratio	93.4 %	94.1 %	93.5 %	94.1 %
Cash and bank balances	67 045 679	89 634 757	67 012 503	89 594 519

	The group		Parent company	
(SEK)	Jan–Dec 2022	Jan–Dec 2021	Jan–Dec 2022	Jan–Dec 2021
Net sales	-	-	-	-
Result after financial items	-27 648 649	-16 254 890	-27 747 301	-16 576 604
Earnings per share before dilution	-0.20	-0.15	-0.20	-0.16
Earnings per share after dilution*	-0.19	-0.11	-0.19	-0.12
Equity/assets ratio	93.4 %	94.1 %	93.5 %	94.1 %
Cash and bank balances	67 045 679	89 634 757	67 012 503	89 594 519

Earnings per share: Profit/loss for the period divided by 137 514 844 shares as of 31 December, 2022 and 105 261 782 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 December 2022 and 31 December 2021, respectively.

Significant events during the fourth quarter

- In mid-October, Cereno expanded patent protection for drug candidate CS1 through its second patent family by obtaining patents in Israel and in Malaysia.
- In October, a loan of 5 MSEK was amortized according to the terms. This is the second and last installment on the loan from 2020.
- In November, the Nomination Committee was presented consisting of the following members: Cihan Punar, representing the Company's largest group of shareholders (per May 31, 2022); Sverker Jern, representing the Company's founders and Catharina Bäärnhielm, convening member and Chair of the Board of Cereno.
- Early December, Cereno participated at the 19th Global Cardiovascular Clinical Trialists (CVCT) Forum 2022, in Washington D.C., US, discussing clinical trials in cardiovascular disease with top thought leaders. The Forum brings together the top thought leaders in cardiovascular clinical trials and is co-chaired by Dr Bertram Pitt and Dr Faiez Zannad, both part of Cereno' Scientific

Advisory Board. Cereno's Chief Medical Officer (CMO), Dr. Björn Dahlöf, was invited to speak and participate in several program sessions providing an industry perspective on significant topics such as patient benefit, clinical outcomes and trial design in both thrombosis and PAH, including the innovative design of the CS1-PAH Phase II trial.

- In December, changes to the company's Executive Management Team were announced with the expansion of Dr. Björn Dahlöf's role and the appointment of a Head of IR & Communications. Dr. Björn Dahlöf who has been the company's Chief Medical Officer (CMO) since 2018 also took on the roles of Chief Scientific Officer (CSO) and Head of Clinical Development. Josefine Göranson was appointed Head of IR & Communications.

Significant events after end of period

- In January, it was announced that an abstract on preclinical drug candidate CS585 had been accepted as a moderated poster presentation at ACC.23/WCC. The scientific congress is hosted by the American College of Cardiology Together With WCC (World Congress of Cardiology), in New Orleans, US, on March 4-6, 2023. The abstract titled "CS585 is a novel orally available prostacyclin receptor agonist with long-term in vivo inhibition of platelets and thrombosis formation in mouse without increased risk of bleeding" will be presented by Dr. Michael Holinstat, lead of Cereno's development programs at the University of Michigan and Director of Translational Research at Cereno.

- At the end of January, the company announced the appointment of Etienne Adriansen to the newly created position as Chief Business Officer, as of March 1, 2023. This appointment adds commercial expertise and capacity to Cereno's Executive Management Team as business development is an active and important component of the company's growth strategy.

- In early February, Cereno launched an Insights Series providing a unique view into different aspects of cardiovascular disease treatment landscape through interviews and conversations with Cereno's leadership, collaborative partners, and global thought leaders. The videos were mainly recorded in conjunction with the European Society of Cardiology (ESC) Congress in Barcelona late August 2022, and are centered around PAH and thrombosis.

- In February, Cereno announced the progress with its CS1 Phase II trial in PAH. All 9 clinical sites have been activated and the protocol changed to broader patient inclusion criteria and three patients were reported to be randomized and have entered the treatment period. Topline results are expected end of 2023.

- In February it was announced that Cereno's preclinical drug candidate CS014 will continue toward clinical development for thrombosis prevention. CS014 has, in preclinical studies, demonstrated anti-thrombotic properties without bleeding, supporting the selection of target indication with the aim of preventing thrombosis. The drug candidate is currently in the final stages of its preclinical development program, and a Phase I study is expected to start in 2024.

Letter from the CEO

During the fourth quarter of 2022, the Cereno team was working with high intensity on the many activities driving the delivery of our business strategy to achieve milestones related to our growth plan. We started 2023 with an expanded team, having appointed key competence to the Executive Management Team, well prepared and equipped to continue our quest to develop innovative treatments for patients with significant unmet medical needs.

Progressing Phase II study of CS1 in PAH

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 ongoing Phase II study in PAH is progressing well. The last few months have been filled with intensive activities trying to activate centers and implement different measures to simplify and increase patient recruitment. I am happy that we are now beginning to see the real impact of these initiatives. All nine clinical sites are now activated and actively recruiting patients; three patients have been randomized and entered the treatment period. The amended study protocol was well received by the investigators, and we are now seeing a significant increase in the number of patients identified for screening for potential inclusion in the study. According to the now updated plan, we expect to complete the study end of 2023 and share top-line results thereafter.

I am also pleased to comment on the obtained patents in Israel and in Malaysia, respectively, in CS1's second patent family, as was announced in the last quarter. This strengthens and broadens the intellectual property rights of CS1 and is an important aspect of preparing the future commercial positioning, together with a strong clinical data set.

Preclinical drug candidate CS014 to prevent thrombosis

We recently announced that we have decided to initially focus our clinical development of CS014 as a treatment for the prevention of thrombosis. This is a significant step forward as we prepare for the upcoming clinical stage. There is a great medical need for effective antithrombotic therapy with less bleeding problems in the prevention of thrombosis. This very large and growing market is estimated to reach about USD 70 billion by 2030 and signifies a very large business potential for new therapies that can meet this need. It is thus very exciting for Cereno to have a candidate drug, CS014, which has shown efficacy in preventing thrombosis without increased risk of bleeding in preclinical models. If we are able to obtain similar data in clinical studies, we have a fantastic potential to deliver a disruptive new therapy to the market that will meet a great unmet medical need for millions of patients. The CS014 program is currently in its later stages of mandatory toxicological studies with preparations for first-in-man clinical studies ongoing in parallel. If all goes according to plan, we will be looking forward to starting a Phase I study with CS014 in the first half of 2024.

We will initially focus our clinical development of CS014 as a treatment for the prevention of thrombosis. There is a great medical need for effective antithrombotic therapy with less bleeding problems and this growing market is estimated to reach about USD 70 billion by 2030. It is very exciting for Cereno to have CS014, which has shown efficacy in preventing thrombosis without increased risk of bleeding in preclinical models. If we can obtain similar data in clinical studies, we have a fantastic potential to deliver a disruptive new therapy to the market that will meet a great unmet medical need for millions of patients.

- Sten R. Sörensen, CEO

Preclinical development of CS585

Our candidate drug CS585 is currently in a 24-month preclinical development program in collaboration with the University of Michigan. We are actively sharing new preclinical data obtained on CS585 at scientific congresses, and Dr. Michael Holinstat, lead of the program at the University of Michigan and Director Translational Research at Cereno, will in early March present at the ACC.23/WCC hosted by the American College of Cardiology together with WCC (World Congress of Cardiology), in New Orleans, US. The abstract titled "CS585 is a novel orally available prostacyclin receptor agonist with long-term in vivo inhibition of platelets and thrombosis formation in mouse without increased risk of bleeding," will be presented as a moderated poster.

Making waves in the scientific community

We have increased our scientific communication activities significantly during 2022 as our three drug development programs are progressing and we have seen positive effects from these efforts. In the last quarter, Cereno's CMO Björn Dahlöf was in Washington D.C. attending the by invitation-only annual educational meeting Global Cardiovascular Clinical Trialists (CVCT) Forum. The CVCT is an important arena to continue to build relationships with academia, regulatory representatives, investigators, and patients as well as sharing the stage with industry pharma majors.

In 2023, we will continue to increase awareness of the company by being present at several of the key scientific congresses throughout the year to present data from our preclinical development programs and continue to showcase our innovative clinical study with CS1 in PAH, which has gained attention already at scientific events last year.

In February we launched our "Insights Series", a video series providing insights into cardiovascular disease and our study program addressing thrombosis and PAH, through interviews and conversations with Cereno's leadership, collaborating partners and global thought leaders. I am very pleased by how well the videos showcase the deep expertise linked to Cereno and would like to encourage you watch them to get a better understanding of our vision and how we pursue it with some of the best scientists in the field of cardiovascular disease. Videos from the Insights Series will be released during 2023 and can be found on our website.

Growing the organization

At the end of the quarter, our Chief Medical Officer also stepped into the roles Chief Scientific Officer (CSO) and Head of Clinical Development allowing Cereno's R&D to be progressed with a strong drive forward. I am, also, very pleased to have added other key competencies on the business development and communication side.

Outlook

2023 is set to be a significant year for Cereno with the completion of the Phase II study with CS1 and the preclinical development activities to prepare for Phase I studies with CS014. The team is diligently working according to our strategy and development plan objectives while keeping appraised of any potential impact of the geopolitical uncertainties that are still very much present in society.

I look forward to the many milestones ahead delivering on our commitment to developing innovative treatments for common and rare cardiovascular disease where great unmet medical needs exist. ■

Sten R. Sörensen, CEO Cereno Scientific

Project portfolio

Cereno has a promising project portfolio with innovative drug candidates targeting common and rare cardiovascular disease. The aim is to develop treatments that can improve the life of 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 ongoing for the treatment of the rare disease pulmonary arterial hypertension (PAH).

Preclinical phase
Laboratory studies to achieve requirements for clinical phase

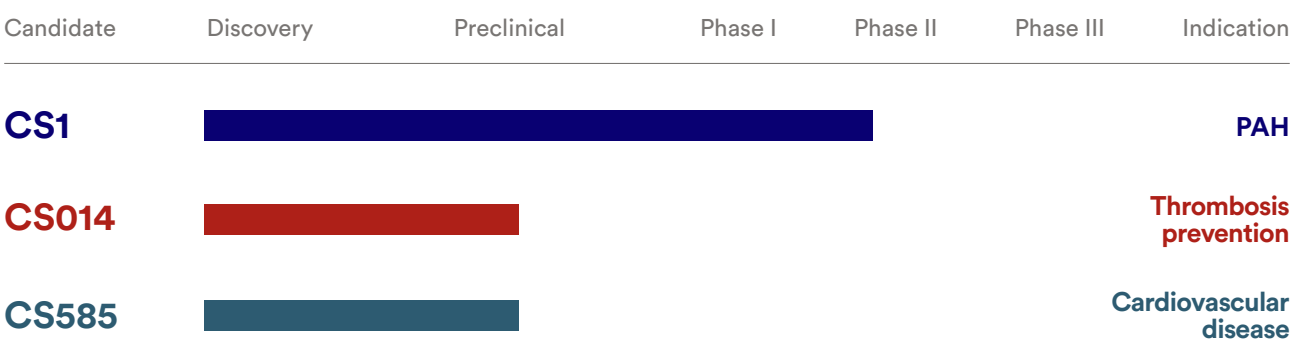
CS014
Drug candidate CS014 is an HDAC inhibitor with epigenetic effects, and is being developed as a treatment for the prevention of thrombosis.

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

CS014 has demonstrated promising anti-thrombotic properties in its ongoing preclinical program. Further clinical development has therefore been decided to proceed in thrombosis prevention; both venous and arterial thrombosis are relevant. The safety profile for CS014 has shown to be favorable as it does not increase the risk of bleeding in preclinical studies. This is a much sought-after property for anti-thrombotic treatments as there is currently no therapy with such profile available for patients.

– Björn Dahlöf, Chief Medical Officer (CMO)

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 currently being developed as a treatment for the rare disease pulmonary arterial hypertension (PAH). The aim with CS1 is to offer a disease-modifying drug that potentially can reverse the disease progression, and, hopefully, prolong the patient's 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, an improvement was shown 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:

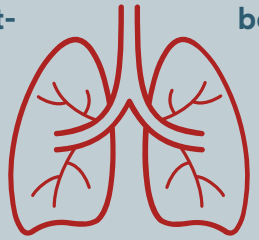
- Pressure-reducing
- Reverse-remodeling
- Anti-fibrotic
- Anti-inflammatory
- Anti-thrombotic

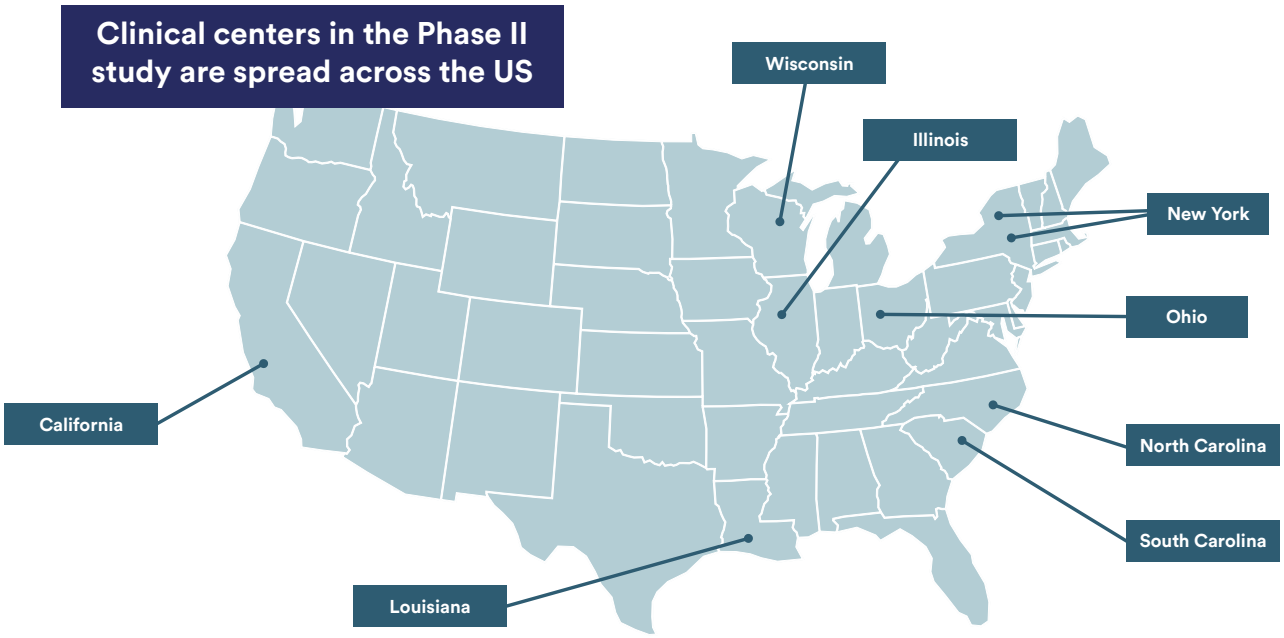
Phase II study in PAH

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 the most pressing 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 patients a better and safer disease-modifying drug. CS1's unique efficacy profile has been shown to be a good match with the pathogenetic mechanisms of the rare disease PAH and is believed to be able to meet the most pressing 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 derived from the study.

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

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 Australia, Canada, Europe, Israel, Japan, Malaysia, Mexico, the US, Russia and South Korea. Additional patent applications currently undergo national registration processes at other strategically selected markets, which, if approved, could provide additional market exclusivity.

CS1 has to definitely be tested in PAH, it could be game-changing for patients.

- Dr. Raymond Benza, study PI and Chair of its Clinical Steering Committee; Professor and Director of the Division of Cardiovascular Diseases at the Ohio State University Wexner Medical Center.

Preclinical programs

Cereno has two preclinical drug candidates within cardiovascular disease. The purpose is to conduct full preclinical development programs to meet the requirements to start clinical studies.

CS014

Drug candidate CS014 is part of the preclinical HDACi Program consisting of HDAC inhibitors with epigenetic effects.

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. The initial focus of the clinical development will be to develop CS014 as a treatment for prevention of thrombosis.

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

CS585

Drug candidate CS585 belongs to the preclinical Prostacyclin Receptor Agonist (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 2021 that gave exclusive rights to evaluate the market potential of CS585 and the possibility of in-licensing the candidate.

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

Research collaboration with University of Michigan

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

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

The group's performance, January – December 2022

Financial performance
During the fourth quarter the company mainly invested in the conduct of the clinical Phase II study with CS1 in PAH, the production of clinical supplies and to conduct preclinical GLP toxicology studies. At the end of the quarter, the group had a cash balance of approximately SEK 67 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 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

Cereno Scientific's share capital was, as of the balance sheet date 31 December 2022, divided into 137,514,844 shares. The company has two classes of shares, of which 722,248 are A shares. The A share gives ten (10) votes per share. Each B share gives one (1) vote per share. Each share carries an equal right to a share in the company's assets and results. The share's quota value (share capital divided by the 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 2022, the restated number of Class B shares that the options give entitlement to is 1 622 075. 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 2022, the restated number of shares that the warrants give entitlement to is 44 359. Of the warrants outstanding, half of them now have a restated subscription price of SEK 10.15 and the other half have a restated subscription price of SEK 20.29. The warrants could have been 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 2022, the restated number of Class B shares that the warrants give entitlement to is 907 071 with a subscription price of SEK 10.94. 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 2022, the restated number of Class B shares that the warrants give entitlement to is 418 648 with a subscription price of SEK 10.94. 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.

The warrants of series TO2 B were used for subscription to new shares in September 2022. In total, 32 253 062 warrants were exercised for subscription of 32 253 062 shares of series B, meaning that approximately 93.4 percent of all outstanding warrants of series TO2 were exercised for subscription of shares. No warrants of series TO2 B are now outstanding.

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. After the completed share issue in September 2022, the restated number of Class B shares that the warrants give entitlement to is 3 252 519. Of these, 2,859,769 had been allocated as of 31 December 2022.

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. After the completed share issue in September 2022, the restated number of Class B shares that the warrants give entitlement to is 1 204 637. All of which have been allocated as of 31 December 2022.

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. After the completed share issue in September 2022, the restated number of Class B shares that the warrants give entitlement to is 3 613 910, of which 831,199 were allocated as per 31 December 2022. 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.

Proposal for disposition of Cereno Scientific's results

The board and the managing director propose that no dividend be paid for the financial year 2022.

Audit

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

Principles of preparation for the Interim Report

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

Upcoming financial reports

Annual Report 2022 ..... 5 April 2023
Interim Report, Q1 2023 ..... 17 May 2023
Interim Report, Q2 2023..... 25 August 2023
Interim Report, Q3 2023..... 17 November 2023

Annual general meeting

The annual general meeting is planned to be held on 1 June 2023 in Gothenburg. The location of the AGM will be published at the latest in connection with the notice to the AGM.

Share capital development

Year	Event	Ratio value (SEK)	Difference shares	Change (SEK)	Total number shares	Total share capital (SEK)
2012	Rights issue	1	50 000	50 000	50 000	50 000
2012	Directed issue	1	10 605	10 605	60 605	60 605
2016	Stock dividend issue	1	1 200	1 200	61 805	61 805
2016	Share split 100:1	10		556 245	61 805	618 050
2016	Subdivision A-/B- shares	0.10	6 118 695		6 180 500	618 050
2016	Directed issue	0.10			6 180 500	
2016	Directed issue	0.10	1 420 000	1 420 000	7 600 500	760 050
2016	IPO	0.10	450 000	45 000	8 050 500	805 050
2016	Conversion	0.10	2 940 000	294 000	10 990 500	1 099 050
2018	Conversion	0.10	188 679	18 868	11 179 179	1 117 918
2018	Conversion	0.10	444 444	44 444	11 623 623	1 162 362
2018	Conversion	0.10	540 540	54 054	12 164 163	1 216 416
2018	Conversion	0.10	483 870	4 838 700	12 648 033	1 264 803
2018	Conversion	0.10	419 354	41 935	13 067 387	1 306 739
2018	Conversion	0.10	384 614	38 461	13 452 001	1 345 200
2018	Conversion	0.10	269 230	26 923	13 721 231	1 372 123
2018	Conversion	0.10	307 692	30 769	14 028 923	1 402 892
2018	Conversion	0.10	333 333	33 333	14 362 256	1 436 226
2018	Conversion	0.10	285 714	28 571	14 647 970	1 464 797
2019	Conversion	0.10	533 333	53 333	15 181 303	1 518 130
2019	Conversion	0.10	666 666	66 667	15 847 969	1 584 797
2019	Conversion	0.10	3 333 333	333 333	19 181 302	1 918 130
2019	Rights issue	0.10	19 181 302	1 918 130	38 362 604	3 836 260
2019	Overallotment issue	0.10	1 724 137	172 414	40 086 741	4 008 674
2019	Remuneration issue	0.10	132 571	13 257	40 219 312	4 021 931
2020	Directed issue	0.10	31 600 000	3 160 000	71 819 312	7 181 931
2021	Share issue TO1	0.10	33 442 470	3 344 247	105 261 782	10 526 178
2022	Share issue TO2	0.10	32 253 062	3 225 306	137 514 844	13 751 484
At end of period		**0.10**	**32 253 062**		**137 514 844**	

Share and owners

The largest shareholders by the 31 December 2022.

Owners	Capital	Votes
Avanza Pension	13.4 %	12.8 %
Cihan Punar	3.6 %	3.4 %
Myrlid AS	2.9 %	2.8 %
Milad Pournouri	2.2 %	2.1 %
Peyman Pournouri	1.9 %	1.8 %
Total five largest owners	**24.0 %**	**22.9 %**
Other shareholders	76.0 %	77.1 %
Total (4 809 shareholders)	**100 %**	**100 %**

Group – Income statement

(SEK)	1 Oct 2022 31 Dec 2022 3 months	1 Oct 2021 31 Dec 2021 3 months	1 Jan 2022 31 Dec 2022 12 months	1 Jan 2021 31 Dec 2021 12 months
Net sales	-	-	-	-
Capitalised work for own account	20 975 523	15 808 070	57 538 069	44 805 361
	20 975 523	**15 808 070**	**57 538 069**	**44 805 361**
Operating expenses				
Other external costs	-26 798 626	-18 672 923	-76 619 906	-57 796 949
Personnel costs	-2 923 779	-761 524	-7 499 784	-1 774 371
Depreciation of tangible fixed assets	-3 577	-3 577	-14 308	-14 308
Other operating costs	-144 691	-179 492	-927 241	-225 814
Operating loss	**-8 895 150**	**-3 809 446**	**-27 523 170**	**-15 006 081**
Loss from financial items				
Interest income and similar income	309 778	-	309 778	1 680
Interest expenses and similar expenses	-49 911	-424 067	-435 257	-1 246 279
Loss after financial items	**-8 635 283**	**-4 233 513**	**-27 648 649**	**-16 250 680**
Loss before tax	**-8 635 283**	**-4 233 513**	**-27 648 649**	**-16 250 680**
Income taxes	-5 845	-4 210	-5 845	-4 210
Loss for the period	**-8 641 128**	**-4 237 723**	**-27 654 494**	**-16 254 890**

Group – Balance sheet

(SEK)	31 Dec 2022	31 Dec 2021
ASSETS		
Fixed assets		
Intangible assets		
Capitalised expenditures for development activities	135 709 679	80 164 358
Patents, trademarks, licenses and similar rights	11 277 224	9 284 476
	146 986 903	**89 448 834**
Tangible assets		
Fixtures, tools and installations	28 623	42 931
	28 623	**42 931**
Financial assets		
Other long-term receivables	9 602	8 320
	9 602	**8 320**
Total fixed assets	**147 025 128**	**89 500 085**
Current assets		
Current receivables		
Other receivables	1 248 316	1 363 425
Prepaid expenses and accrued income	334 524	239 919
	1 582 840	**1 603 344**
Cash and bank balance	**67 045 679**	**89 634 757**
Total current assets	**68 628 519**	**91 238 101**
TOTAL ASSETS	**215 653 647**	**180 738 186**

Group – Balance sheet cont.

(SEK)	31 Dec 2022	31 Dec 2021
EQUITY AND LIABILITIES		
Equity		
Share capital	13 751 484	10 526 178
Other contributed capital	245 725 032	189 760 849
Other capital including loss for the year	-57 965 096	-30 222 102
Equity attributed to the Parent Company's shareholders	**201 511 420**	**170 064 925**
Holdings without controlling influence	-	-
Total equity	**201 511 420**	**170 064 925**
Long-term liabilities		
Other liabilities to credit institutions	400 000	400 000
	400 000	**400 000**
Current liabilities		
Accounts payable	9 410 863	2 884 374
Tax liabilities	212 761	32 442
Bridge loan	0	4 800 000
Other liabilities	406 636	201 853
Accrued expenses and deferred income	3 711 967	2 354 592
	13 742 227	**10 273 261**
TOTAL EQUITY AND LIABILITIES	**215 653 647**	**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 – 31 December 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
Warrant issue	-	398 666	-
Exchange rate differences when translating foreign subsidiaries	-	-	-88 499
New share issue	3 225 306	58 055 512	-
Issue expenses	-	-2 489 995	-
Loss for the period	-	-	-27 654 494
At the end of the period	**13 751 484**	**245 725 032**	**-57 965 096**

Group – Cash flow statement

(SEK)	1 Oct 2022 31 Dec 2022 3 months	1 Oct 2021 31 Dec 2021 3 months	1 Jan 2022 31 Dec 2022 12 months	1 Jan 2021 31 Dec 2021 12 months
OPERATING ACTIVITIES				
Loss after financial items	-8 641 128	-4 237 723	-27 654 494	-16 254 890
Adjustments for items not included in the cash flow				
Depreciations	3 577	3 577	14 308	14 308
Translation differences	136 117	-160 116	-89 781	-321 410
Accrued expenses for borrowings	20 000	320 000	200 000	680 000
Accrued interest cost	25 000	100 000	250 000	550 000
Income taxes	-4 210	-898	-4 210	-898
	-8 460 644	**-3 975 160**	**-27 284 177**	**-15 332 890**
Cash flow from operating activities before changes in working capital	**-8 460 644**	**-3 975 160**	**-27 284 177**	**-15 332 890**
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in operating receivables	-167 055	37 763	20 504	-84 298
Increase (+)/Decrease (-) in operating liabilities	6 913 806	-775 988	8 648 175	2 280 144
Cash flow from operating activities	**-1 713 893**	**-4 713 385**	**-18 615 498**	**-13 137 044**
Investing activities				
Acquisition of intangible assets	-20 975 523	-15 808 070	-57 538 069	-44 805 361
Cash flow from investing activities	**-20 975 523**	**-15 808 070**	**-57 538 069**	**-44 805 361**
Financing activities				
New share issue	61 280 818	95 311 040	61 280 818	95 311 040
Issue expenses	-2 489 995	-3 913 230	-2 489 995	-3 913 230
Warrants issue	-	-	398 666	-
Borrowings	-	-4 500 000	-	-4 500 000
Costs associated with borrowings	-5 000 000	-5 000 000	-5 000 000	-325 000
Repayment of loan	-625 000	-325 000	-625 000	-5 000 000
Cash flow from financing activities	**53 165 823**	**81 572 810**	**53 564 489**	**81 572 810**
Cash flow for the period	**30 476 407**	**61 051 355**	**-22 589 078**	**23 630 405**
Cash and cash equivalents at start of period	**36 569 272**	**28 583 402**	**89 634 757**	**66 004 352**
Cash and cash equivalents at end of period	**67 045 679**	**89 634 757**	**67 045 679**	**89 634 757**

Parent company – Income statement

(SEK)	1 Oct 2022 31 Dec 2022 3 months	1 Oct 2021 31 Dec 2021 3 months	1 Jan 2022 31 Dec 2022 12 months	1 Jan 2021 31 Dec 2021 12 months
Net sales	-	-	-	-
Capitalised work for own account	20 975 523	15 808 070	57 538 069	44 805 361
	20 975 523	**15 808 070**	**57 538 069**	**44 805 361**
Operating expenses				
Other external costs	-26 699 973	-18 840 946	-76 718 563	-58 121 192
Personnel costs	-2 923 779	-761 523	-7 499 785	-1 774 370
Depreciation of tangible fixed assets	-3 577	-3 577	-14 308	-14 308
Other operating cost	-144 691	-179 492	-903 424	-225 815
Operating loss	**-8 796 497**	**-3 977 469**	**-27 598 011**	**-15 330 325**
Loss from financial items				
Interest income and similar income	309 778	-	309 778	-
Interest expenses and similar expenses	-49 911	-424 067	-459 068	-1 246 279
Loss after financial items	**-8 536 630**	**-4 401 536**	**-27 747 301**	**-16 576 604**
Loss before tax	**-8 536 630**	**-4 401 536**	**-27 747 301**	**-16 576 604**
Loss for the period	**-8 536 630**	**-4 401 536**	**-27 747 301**	**-16 576 604**

Parent company – Balance sheet

(SEK)	31 Dec 2022	31 Dec 2021
ASSETS		
Fixed assets		
Intangible assets		
Capitalised expenditures for development activities	135 709 679	80 164 358
Patents, trademarks, licenses and similar rights	11 277 224	9 284 476
	146 986 903	**89 448 834**
Tangible assets		
Fixtures, tools and installations	28 623	42 931
	28 623	**42 931**
Financial assets		
Shares in group company	941	941
	941	**941**
Total fixed assets	**147 016 467**	**89 492 706**
Current assets		
Current receivables		
Receivables from group companies	-	39 158
Other receivables	1 243 411	1 363 425
Prepaid expenses and accrued income	334 524	239 918
	1 577 935	**1 642 501**
Cash and bank balance	**67 012 503**	**89 594 519**
Total current assets	**68 590 439**	**91 237 021**
TOTAL ASSETS	**215 606 906**	**180 729 727**

Parent company – Balance sheet cont.

(SEK)	31 Dec 2022	31 Dec 2021
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital	13 751 484	10 526 178
Fund for development expenses	141 665 103	84 127 034
	155 416 587	**94 653 212**
Unrestricted equity		
Share premium reserve	55 565 517	88 053 563
Retained earnings	18 268 153	3 930 597
Profit/loss for the period	-27 747 301	-16 576 604
	46 086 369	**75 407 557**
Total equity	**201 502 956**	**170 060 769**
Long-term liabilities		
Other liabilities to credit institutions	400 000	400 000
	400 000	**400 000**
Current liabilities		
Accounts payable	6 112 278	2 884 374
Tax liabilities	207 073	28 142
Bridge loan	-	4 800 000
Payables to group companies	3 265 996	-
Other liabilities	406 636	201 853
Accrued expenses and deferred income	3 711 967	2 354 590
	13 703 950	**10 268 959**
TOTAL EQUITY AND LIABILITIES	**215 606 906**	**180 729 727**

Parent company – Change in equity

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

2022-01-01 – 2022-12-31	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	3 930 597	-16 576 604
Disposal according to AGM resolution	-	-	-88 053 563	71 476 959	16 576 604
Warrant issued	-	-	-	398 666	-
New share issue	3 225 306	-	58 055 512	-	-
Issue expenses	-	-	-2 489 995	-	-
Redistribution in equity	-	57 538 069	-	-57 538 069	-
Loss for the period	-	-	-	-	-27 747 301
At the end of the period	**13 751 484**	**141 665 103**	**55 565 518**	**18 268 153**	**-27 747 301**

Parent company – Cash flow statement

(SEK)	1 Oct 2022 31 Dec 2022 3 months	1 Oct 2021 31 Dec 2021 3 months	1 Jan 2022 31 Dec 2022 12 months	1 Jan 2021 31 Dec 2021 12 months
OPERATING ACTIVITIES				
Loss after financial items	-8 536 630	-4 401 536	-27 747 301	-16 576 604
Adjustments for items not included in the cash flow				
Depreciations	3 577	3 577	14 308	14 308
Accrued expenses for borrowings	20 000	320 000	200 000	680 000
Accrued interest cost	25 000	100 000	250 000	550 000
	-8 488 053	**-3 977 959**	**-27 282 993**	**-15 332 296**
Cash flow from operating activities before changes in working capital	**-8 488 053**	**-3 977 959**	**-27 282 993**	**-15 332 296**
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in operating receivables	-110 199	48 727	64 566	-140 264
Increase (+)/Decrease (-) in operating liabilities	6 893 002	-777 145	8 609 991	2 343 803
Cash flow from operating activities	**-1 705 251**	**-4 706 377**	**-18 608 436**	**-13 128 757**
Investing activities				
Acquisition of intangible assets	-20 975 523	-15 808 070	-57 538 069	-44 805 361
Cash flow from investing activities	**-20 975 523**	**-15 808 070**	**-57 538 069**	**-44 805 361**
Financing activities				
New share issue	61 280 818	95 311 040	61 280 818	95 311 040
Issue expenses	-2 489 995	-3 913 230	-2 489 995	-3 913 230
Warrant issued	-	-	398 666	-
Resolve of warrant subscription right	-	-4 500 000	0	-4 500 000
Amortisation of loans	-5 000 000	-5 000 000	-5 000 000	-5 000 000
Paid intrest costs	-625 000	-325 000	-625 000	-325 000
Cash flow from financing activities	**53 165 823**	**81 572 810**	**53 564 489**	**81 572 810**
Cash flow for the period	**30 485 049**	**61 058 363**	**-22 582 016**	**23 638 692**
Cash and cash equivalents at start of period	**36 527 454**	**28 536 156**	**89 594 519**	**65 955 827**
Cash and cash equivalents at end of period	**67 012 503**	**89 594 519**	**67 012 503**	**89 594 519**

The board and the managing director hereby certify that the interim report provides a fair overview of the parent company and the group's operations.

Gothenburg on 22 February 2023,

Catharina Bäärnhielm
Chair of the Board

Björn Dahlöf
Board member

Sverker Jern
Board member

Lena Mårtensson Wernrud
Board member

Rein Piir
Board member

Anders Svensson
Board member

Klementina Österberg
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 CS014 is a novel HDAC inhibitor with epigenetic effects, selected for prevention of thrombosis as target indication. In preclinical studies it has been documented to regulate platelet activity, fibrinolysis and clot stability for prevention of thrombosis without increased risk of bleeding. 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.

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.

Cereno Scientific AB
Visiting and Postal address: BioVentureHub Pepparedsleden 1
SE-431 83 Mölndal, Sweden
Tel: +46 768 66 77 87
www.cerenoscientific.com