Cereno Scientific

Our vision is to develop innovative treatments to prolong life and improve quality of life for people with common and rare cardiovascular disease.

January - March 2023

Interim report 2023

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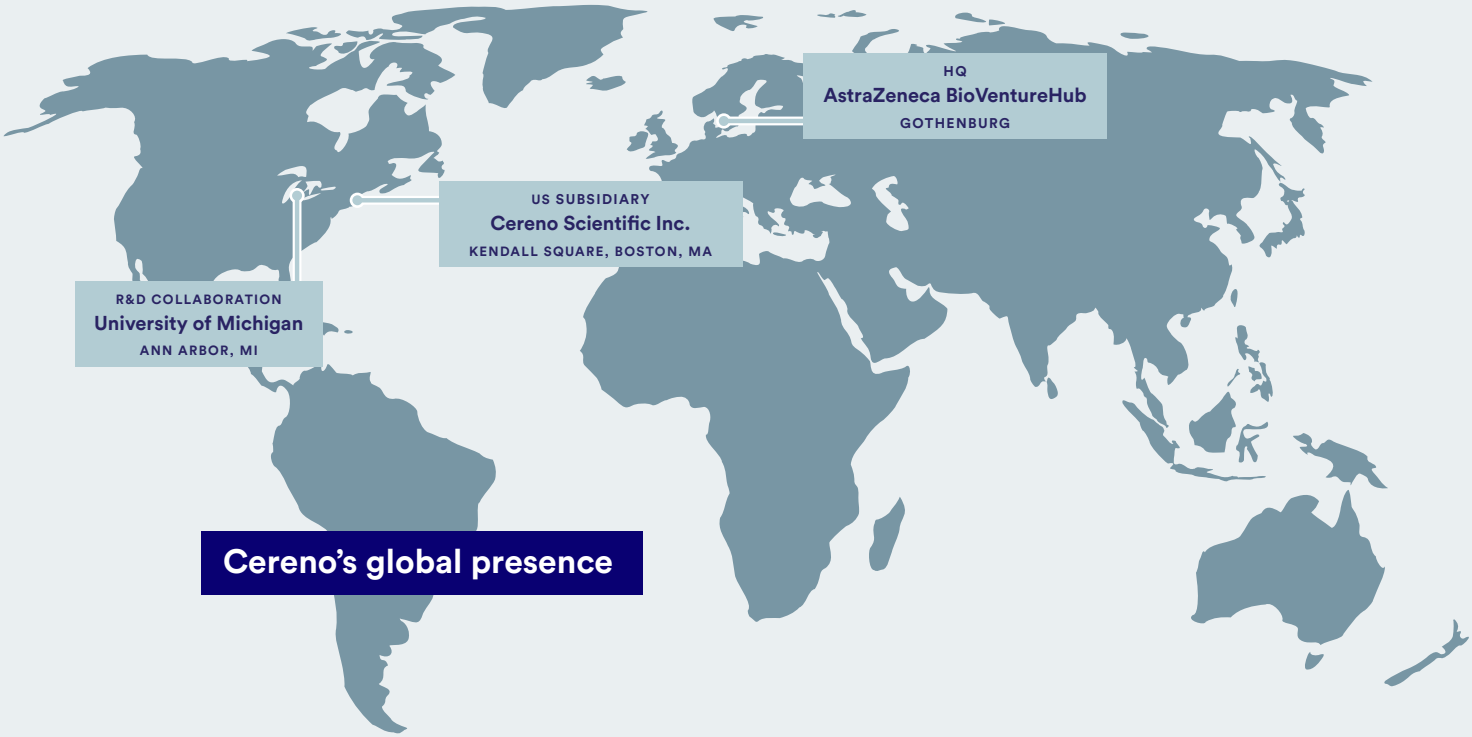


Cereno Scientific in brief

June 2016

Listed on Spotlight Stock Market

(CRNO B)

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

Cardiovascular disease is the number one cause of death globally, killing nearly twice as many people as cancer. The term cardiovascular disease includes all diseases which involve the heart and/or the blood vessels. A majority of the complications associated with cardiovascular disease are caused by a blocking blood clot in a vein or artery in the body. Many people affected by a blood clot have as a consequence, for example, a heart attack, secondary heart failure, cardiac arrhythmias, stroke or other direct manifestations of blood clots in lungs or peripheral vessels.

Cereno's pipeline comprises:

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

First quarter summary

Financial overview

	The group		Parent company	
(SEK)	Jan-Mar 2023	Jan-Mar 2022	Jan-Mar 2023	Jan-Mar 2022
Net sales	-	-	-	-
Result after financial items	-4 409 588	-5 246 969	-4 469 970	-5 247 501
Earnings per share before dilution	-0.03	-0.05	-0.03	-0.05
Earnings per share after dilution*	-0.03	-0.04	-0.03	-0.04
Equity/assets ratio	94.3 %	93.4 %	95.8 %	93.4 %
Cash and bank balances	44 622 145	77 268 668	41 281 024	77 221 636

Earnings per share: Profit/loss for the period divided by 137 514 844 shares as of 31 December, 2023 and 105 261 782 shares as of 31 December, 2022.
*Diluted earnings per share: Profit/loss for the period divided by shares outstanding and warrants as of the balance sheet date, 31 December 2023 and 31 December 2022, respectively

Significant events during the first quarter

- 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 at the 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.

- In early March, it was announced that Cereno’s drug candidate CS585’s second patent family has obtained a formally issued patent in Europe, one of the largest markets in cardiovascular disease. This strengthens and broadens the intellectual property rights (IPR) for CS585 which currently is in a preclinical development program in collaboration with the University of Michigan.

Significant events after end of period

- In early April, it was announced that Cereno has signed a license agreement for the drug candidate CS585 with the University of Michigan. The signed agreement provides Cereno the exclusive rights to CS585 for further development and commercialization. Cereno also extends the preclinical collaboration agreements it has with UoM for the two programs CS585 and CS014.

- In early April, Cereno announced progress in the recruitment of patients into the study in the rare disease PAH with its lead candidate drug CS1. Now, a total of 10 patients have been enrolled into the study which plans to study 30 patients.

- At the end of April, Cereno's Board of Directors decided to carry out a rights issue of units of approximately SEK 110 million to enable the continued development of the company's three drug candidates to the next value-increasing milestones. The subscriptions period takes place during May 8 – 24. In conjunction with this, Cereno also announced the intention to change marketplace to Nasdaq First North Growth Market.

- An abstract on the preclinical drug candidate CS585 was accepted as an oral presentation at the scientific conference Vascular Discovery 2023: From Genes to Medicine hosted by the American Heart Association, in Boston, Massachusetts, US, May 10-13, 2023. The abstract titled "The eicosanoid analogue CS585 represents a first-in-class in prevention of platelet activation and thrombosis through direct activation of the prostacyclin receptor" will be presented by Adriana Yamaguchi, Postdoctoral Research Fellow at the University of Michigan.

- In early May, Cereno reported that two patients successfully completed the treatment period with drug candidate CS1 in the ongoing Phase II study in the rare disease PAH.

- In May, the nomination committee's proposed resolutions for the 2023 annual general meeting were published and included the new election of Joakim Söderström as chairman of the board. The nomination committee also proposes that the board be consolidated to include five members and no deputies. More information can be found on the company's website in the Corporate governance-section.

- In May, the company shared an updated progress report of the Phase II study in pulmonary arterial hypertension (PAH) with drug candidate CS1. The study is proceeding well with currently 16 patients enrolled in the study, 9 patients having received CardioMEMS HF System implantation, 5 patients randomized and in active treatment, and 2 patients having completed the study. Recruitment of the 30 PAH patients to be included in the study is on track and top-line results are anticipated at year-end 2023.

- In May, it was announced that an abstract on preclinical drug candidate CS585 was accepted as an oral presentation by the Scientific Program Committee at the European Hematology Association (EHA) 2023 Hybrid Congress in Frankfurt, Germany, on June 8-11. The abstract "Sustained inhibition of platelet activity and thrombosis via IV and oral administration of CS585" will be presented by Dr. Michael Holinstat, lead of Cereno's preclinical development programs at University of Michigan and Director of Translational Research at Cereno.

Letter from the CEO

The first quarter of 2023 for us at Cereno meant a primary focus on our ongoing Phase II study with CS1, aimed at treating the rare disease PAH. I am delighted to report that we have made significant headway in the study; in mid-May, 16 patients had been enrolled in the study, 9 patients had received CardioMEMS HF System implantation, 5 patients had been randomized and in active treatment, and 2 patients had completed the study. We anticipate a further stable recruitment rate in the coming weeks, and our timeline to report top-line results from the study by the end of 2023 remains unchanged. We are also pleased to announce that our two preclinical drug candidates have continued to make excellent progress in their respective development programs. Additionally, we are excited that we have exercised our option to license CS585, which further strengthens our portfolio and supports our growth strategy. Our portfolio now consists of three drug candidates in development, all of which have the potential to prolong life and improve the quality of life for people with common and rare cardiovascular disease.

The year 2023 is a momentous one for Cereno as we approach the completion of our first Phase II study. This marks a significant milestone not just for our team, but for everyone involved in the development of CS1, individuals with PAH, and our valued shareholders. The completion of our Phase II study is expected to further strengthen our position as a leading biotech with a promising drug development portfolio and is set to leverage our credibility among external stakeholders.

- Sten R. Sörensen, CEO

Increased recruitment rate in the Phase II study with PAH

Earlier, we announced that we have worked intensively together with our collaboration partner Abbott and the CRO that operates the study and the participating clinics to increase the recruitment rate for the study. We see positive results of our efforts. All nine participating clinics are now activated, and patient recruitment is underway. In mid-May, 16 patients had been enrolled in the study, 9 patients had received CardioMEMS HF System implantation, 5 patients had been randomized and in active treatment, and 2 patients had completed the study. We are optimistic that we will meet our objective of recruiting 30 eligible patients for the study in the forthcoming months, and thus, we expect to report top-line results by the end of 2023 as previously communicated.

We acknowledge the immense medical need for individuals with PAH, which today presents a treatment challenge. We remain confident that our drug candidate CS1 holds the potential to rise to this challenge and make a difference in the future treatment options available to those affected by PAH.

CS014 is being developed for thrombosis prevention

We made a significant decision during the quarter to prepare CS014 for continued clinical development as a treatment to prevent thrombosis. CS014 has shown promising antithrombotic properties in the ongoing preclinical program, while the side effect profile has been shown to be favorable as it does not increase the risk of bleeding. This is a highly sought-after property for an anti-thrombotic drug as there is currently no treatment alternative with such a profile. The preclinical program is currently in the final stages of mandatory safety studies, and preparations for a Phase I study are underway in parallel. If all goes according to plan, we will initiate a First Time In Man (FTIM) Phase I clinical study with CS014 in the first half of 2024.

Further preclinical and clinical studies will be crucial to select the first anti-thrombotic indication – venous thromboembolism or arterial thrombosis – where CS014 has high potential to fill the great clinical need for a more effective antithrombotic treatment without bleeding.

In April, we extended the collaboration agreement for preclinical development with the University of Michigan under the leadership of Dr. Holinstat.

License agreement signed for preclinical CS585

Since the spring of 2021 when we entered into an agreement for CS585 with the University of Michigan, we have seen promising results from the ongoing preclinical development program. We are therefore pleased that we have now signed a license agreement, which gives Cereno exclusive rights to CS585 for further drug development and commercialization. CS585 has the potential to add value to our portfolio in PAH and thrombosis. Results from preclinical studies show that CS585 has a promising efficacy profile with sustained preventive effect against blood clot formation (thrombosis) without an increased risk of bleeding. CS585's potential is currently being evaluated in several cardiovascular diseases, and the indication for clinical development is not yet decided.

The collaboration agreement on preclinical development with the University of Michigan led by Dr. Holinstat was furthermore extended at the beginning of April. In addition, CS585 reached a major milestone during the quarter as the first patent in Europe was formally issued. Securing IPR for a development asset together with clinical documentation is an important aspect in preparation for future commercialization of your drug candidate.

Visibility at several scientific congresses

We are continuing to actively establish the company, our research, and innovative drug candidates in the medical community. During the first quarter, we presented preclinical data at American College of Cardiology Together With WCC (World Congress of Cardiology), in New Orleans, US, on March 2023. In addition, we have several new abstracts on preclinical data accepted to be presented at premier scientific congresses over the coming months.

Outlook for 2023

The year 2023 is a momentous one for Cereno as we approach the completion of our first Phase II study. This marks a significant milestone not just for our team, but for everyone involved in the development of CS1, individuals with PAH, and our valued shareholders. The completion of our Phase II study is expected to further strengthen our position as a leading biotech company with a promising drug development portfolio and is set to leverage our credibility among external stakeholders.

Currently, we have one drug candidate in clinical Phase II and two in preclinical development, which, when taken together, form a broad portfolio with considerable potential to transform the treatment landscape of cardiovascular disease. In just over a year, we anticipate having two drug candidates in clinical development and one close to being Phase I ready.

Just like other biotech companies, we require regular capital injections to continue developing our portfolio. All three of our drug candidates are currently in significant development stages and thus, a capital injection enables continued development to the next value-increasing milestones. Cereno is currently carrying out a rights issue with a subscription period from May 8 – May 24 2023. In connection with this, we also intend to change the marketplace to Nasdaq First North Growth Market in order to be better positioned for both national and international investors. More information about this can be found on our website.

We are continuously making new strides toward our vision of developing new treatments to prolong life and improve quality of life for people with common and rare cardiovascular diseases. We see that our commitment to innovation and dedication to advancing treatments for the benefit of patients with common and rare cardiovascular diseases will continue to drive our success.

Thank you for your continued support.

Sten R. Sörensen, CEO Cereno Scientific

Project portfolio

Cereno has a promising project portfolio of innovative drug candidates focused on developing effective and safe treatments for rare and common cardiovascular disease with major unmet medical needs. The company's portfolio includes a Phase II program and two preclinical programs.

Clinical phase
Tolerability, safety and efficacy studies

CS1
The drug candidate CS1 is an HDAC (histone deacetylase) inhibitor that acts as an epigenetic modulator through pressure-reducing, "reverse-remodeling", anti-fibrotic, anti-inflammatory and anti-thrombotic properties. CS1 is undergoing a Phase II clinical trial for the treatment of the rare disease PAH.

Preclinical phase
Studies in the laboratory to fulfill requirements to start clinical studies

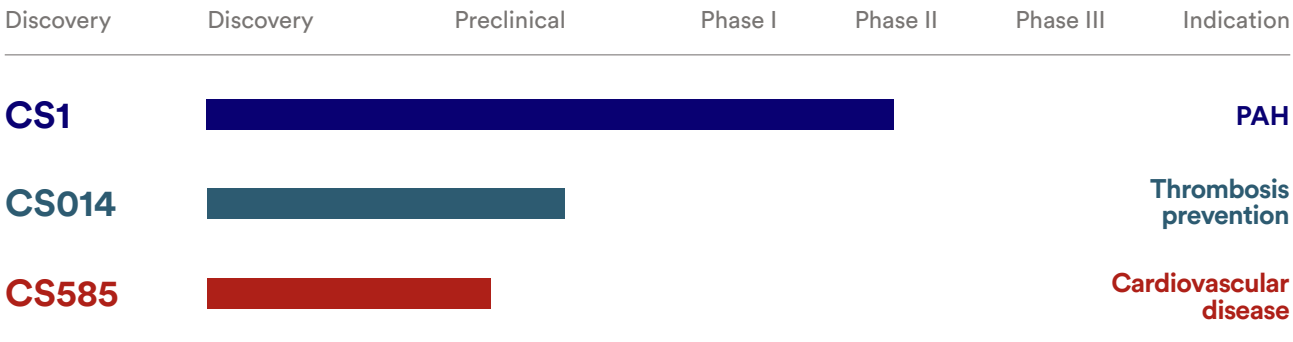
CS014
Drug candidate CS014 is an HDAC inhibitor with epigenetic effects that is being developed as a treatment to effectively prevent thrombosis without increased risk of bleeding.

CS585
The drug candidate CS585 is being evaluated as a treatment for cardiovascular disease and further studies are ongoing to confirm an indication for clinical studies in cardiovascular disease.

CS014 has shown promising anti-thrombotic properties in the ongoing preclinical program. Further clinical development will therefore continue in thrombosis prevention, where both venous thrombosis and arterial thrombosis may become relevant. In preclinical studies, the side effect profile of CS014 has been shown to be favorable as it does not increase the risk of bleeding. This is a highly sought-after feature for antithrombotic treatments as there is currently no such drug available on the market.

– Björn Dahlöf, Chief Medical Officer (CMO)

Drug candidates in the portfolio



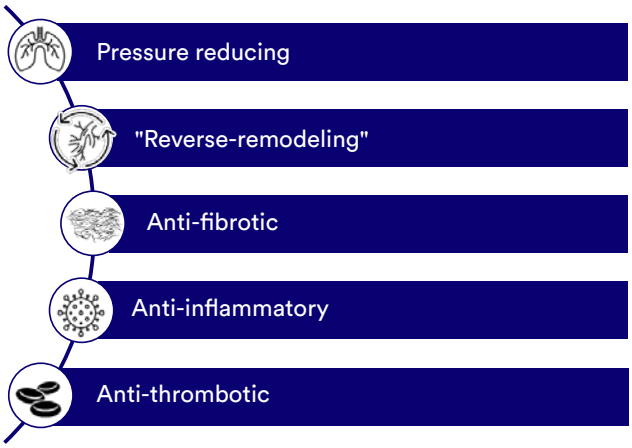
Clinical drug candidate CS1

The drug candidate CS1 is being developed as a treatment for the rare disease pulmonary arterial hypertension (PAH). The aim of CS1's development is to offer a disease-modifying drug that potentially can slow down, or reverse, the course of disease and thus improve the patient's quality of life and prolong the patients' life. A Phase II study with nine clinics in the US is ongoing in collaboration with the global healthcare company Abbott.

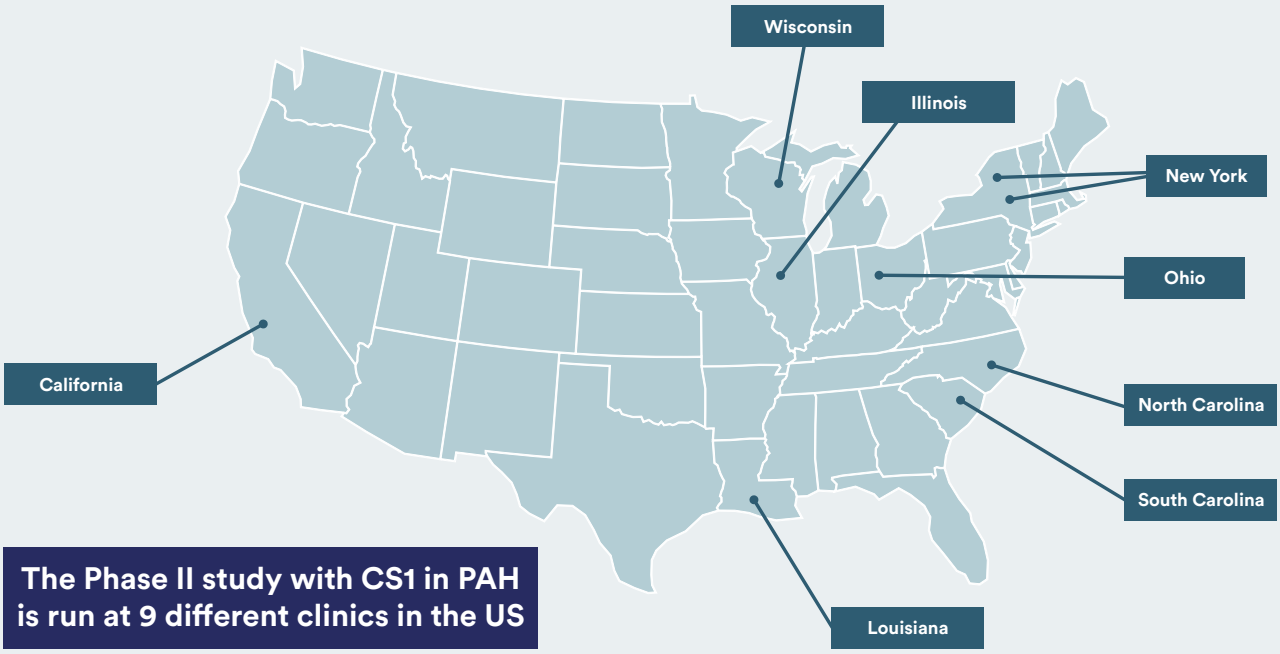
CS1 is an innovative formulation of valproic acid (VPA) and is an HDAC inhibitor that has received orphan drug designation for the treatment of PAH. CS1's active substance VPA works through epigenetic modulation with a multifold efficacy profile that is pressure-reducing, "reverse-remodeling" and has anti-fibrotic, anti-inflammatory, and anti-thrombotic properties. CS1 has the potential to offer an effective, safe and disease-modifying PAH treatment through epigenetic modulation and thus be able to offer improved quality of life and increased survival. CS1, therefore, has the potential to completely change the treatment landscape for PAH patients.

The documentation of CS1's properties has been demonstrated through in vitro models, animal models, human physiological data, independent epidemiological studies and a successfully completed Phase I study. In preclinical studies and clinical studies of the anti-thrombotic effect, CS1 showed an improvement of the endogenous fibrinolytic system by supporting thrombolysis through the effect on local release of t-PA and reduction of the blood levels of PAI-1. With the Phase I clinical trial, CS1 demonstrated good safety and tolerability, robust reduction of PA-1 and no problems with bleeding.

Overall, CS1 shows promising potential with a multifold efficacy profile with properties such as:



CS1 is being developed as a treatment for the rare disease PAH with the aim of offering patients a better and safer disease-modifying drug. CS1's unique efficacy profile fits well with the pathogenetic mechanisms of rare disease PAH and is believed to be able to address today's major unmet need for better treatment alternatives.



The Phase II study with CS1 in PAH is run at 9 different clinics in the US

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 have potential as a disease-modifying treatment in the future.

The development program for CS1 in PAH is anchored in the orphan drug designation (ODD) granted by the US FDA in March 2020. The FDA grants national orphan drug designation to encourage the development of drugs intended for the treatment of rare diseases in the US. Several incentives are associated with orphan drug status to facilitate drug development and they include, among other things, seven years of market exclusivity in the US from approval, assistance from the FDA in the design of clinical studies, and tax credits for qualified study costs. Through the granted orphan drug status, the FDA has also indicated that they believe that CS1 has the potential to offer patients with PAH a significantly improved treatment.

A Phase II clinical trial is ongoing to confirm CS1's safety, tolerability and efficacy in patients with PAH. A collaboration agreement with the global healthcare company Abbott is the basis for Cereno to be able to use Abbott's pioneering technology, the CardioMEMS HF System, in the study. The technology will be used to daily monitor pulmonary pressure and other cardiopulmonary function in patients in the Phase II study. The primary objective of the study is to evaluate the safety and tolerability of the drug candidate CS1. All relevant standard endpoints used in previous PAH studies for this patient group will also be evaluated and a validated estimate of risk is calculated and various biomarkers, quality of life and various aspects of cardiac function

> **CS1 definitely needs to be tested in PAH, it could be game-changing for patients.**
>
> **- Dr. Raymond Benza,** principal investigator for the Phase II study with CS1 and Chair of its clinical steering committee; scientific advisor to Cereno; Professor and Director of Division of Cardiovascular Disease at Ohio State University Wexner Medical Center.

are evaluated. Cereno expects that the optimal dose for later clinical trials will be able to be determined from the study. The study is being conducted at nine different specialist clinics in the USA and includes 30 patients. Patient recruitment for the study is ongoing and top-line results are expected by the end of 2023.

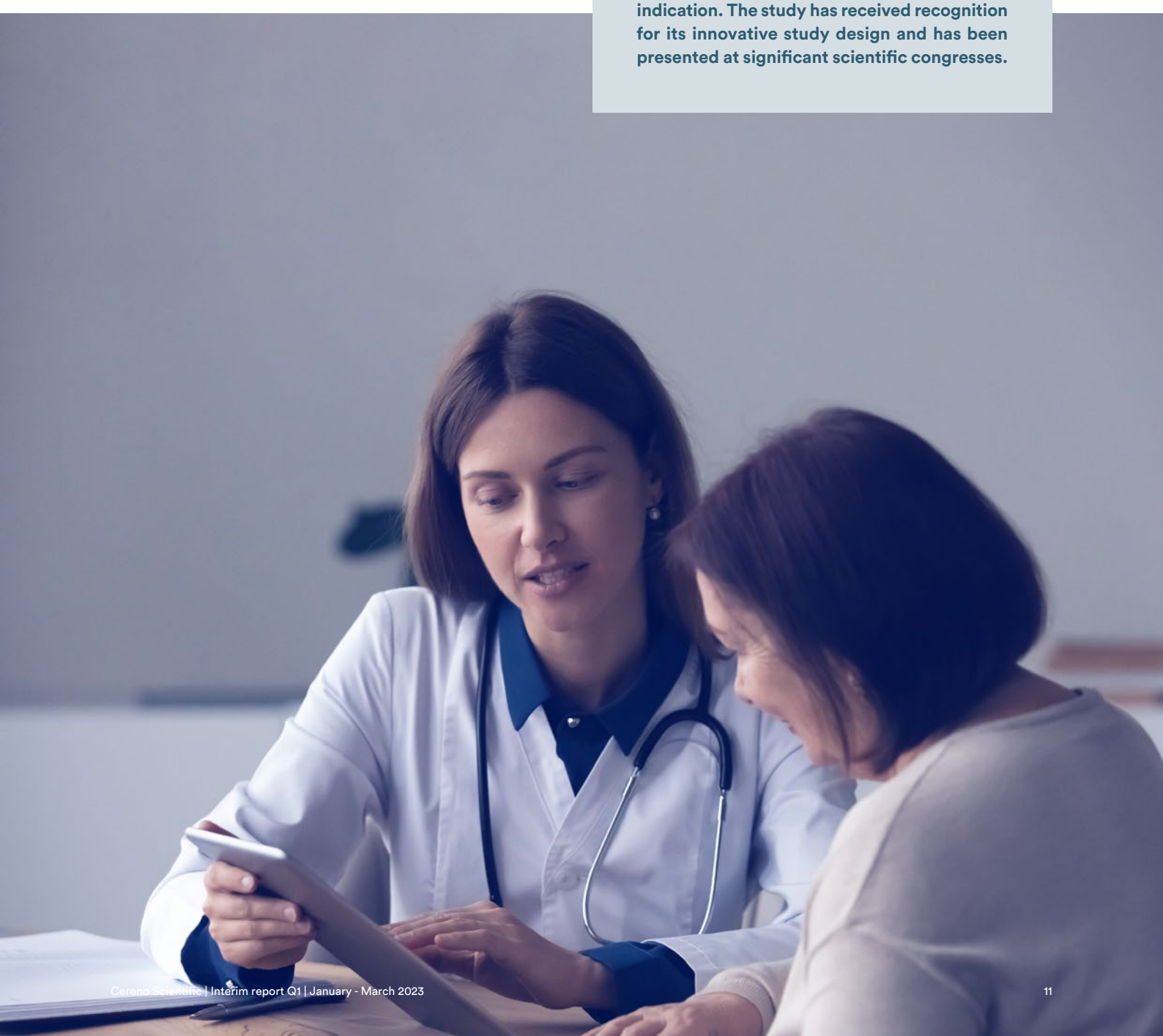
Patent overview

Cereno has three patent families in relation to the drug candidate CS1. In these three patent families, there are a granted patents in the most important global markets, including Australia, Europe, Israel, Japan, Canada, Malaysia, Mexico, the USA, Russia and South Korea. Additional patent applications are undergoing national registration processes in other strategically selected markets, which, if approved, could provide additional market exclusivity.

The collaboration with the global healthcare company Abbott allows Cereno to use Abbotts pioneering implantable technology CardioMEMS HF System in the ongoing Phase II-study with CS1 in PAH.

The technology is used to be able to monitor the lung pressure of patients in the study on a daily basis. Through the continuous monitoring, a smaller patient population than would otherwise be necessary can be used, which means that the study can be conducted more resource-efficiently. In addition, the function of the heart can be measured to see an effect of the medication with CS1.

CardioMEMS is a safe method already approved for monitoring in heart failure. With the current Phase II study, Abbott also gets the opportunity to test its system on a new disease indication. The study has received recognition for its innovative study design and has been presented at significant scientific congresses.



Preclinical programs

Cereno has two preclinical development programs with novel drug candidates for the treatment of cardiovascular disease. The aim is for these to meet all the requirements to be allowed to start clinical studies.

CS014

The drug candidate CS014 belongs to the preclinical HDAC inhibitor program consisting of HDAC inhibitors that act through epigenetic modulation. In March 2019, CS014 was acquired from Emeriti Bio and has since been developed in a collaboration between Cereno and Emeriti Bio. The drug candidate CS014 is being developed as a future treatment to effectively prevent thrombosis without increasing the risk of bleeding.

CS014 as an HDAC inhibitor with epigenetic effects is a completely new approach to thrombosis prevention with the potential to effectively reduce the risk of developing thrombosis without increased bleeding risk. Given the potential for the additional disease-modifying properties seen with HDAC inhibition (see details under CS1), additional benefit may be expected from treatment with CS014 in thrombosis prevention in cardiovascular disease as inflammation, fibrosis, vascular changes and elevated blood pressure are common in these conditions. HDAC inhibition as thrombosis prevention has the opportunity to fundamentally change the treatment landscape and meet a major unmet medical need.

In preclinical studies, CS014 has, in both venous and arterial thrombosis, shown to reduce the formation of thrombosis by inhibiting platelet activity and increase the fibrinolytic capacity.

Preclinical data were presented at the scientific congress ESC in August 2022 where these anti-thrombotic effects on both the venous and arterial side without increased bleeding risk were well received by the scientific community. This shows that CS014 has the potential to become a treatment option in both forms of thrombosis: venous thrombosis and arterial thrombosis. With the help of HDAC inhibitor CS014 and epigenetic modulation, it would be possible in the clinic to prevent thrombosis without an increased

Research collaboration with the University of Michigan

The University of Michigan is a top-ranked public research university in Ann Arbor, Michigan, USA with an extensive track record of successful collaborations with the pharmaceutical industry. The university has one of the largest annual academic research budgets of any university in the United States. Over US$1.6 billion is spent each year on research and development across the 2.8 million square meter laboratory area. The university has 6,200 faculty members and approximately 38,000 employees. Dr. Michael Holinstat leads work on Cereno's two preclinical programs at the University. Dr. Michael Holinstat received his PhD in pharmacology from the University of Illinois at Chicago and completed postdoctoral training at Vanderbilt University in Nashville. His research areas have included thrombosis, pharmacology and hematology. Dr. Holinstat is an associate professor of pharmacology and leads the translational programs in drug development in hemostasis and thrombosis at the Department of Pharmacology at the University of Michigan. Dr. Holinstat has built a "state of the art" laboratory to investigate the effects of various pharmacological principles on platelets and coagulation both in vitro and in vivo.

risk of bleeding. Additional preclinical and clinical studies will be conducted to determine the first indication where CS014 has the greatest potential as a treatment to prevent thrombosis.

The preclinical development program with CS014 is ongoing in collaboration with the University of Michigan. This program is now in its final phase with mandatory safety studies, including toxicity studies, while preparations to start clinical studies are ongoing. In April 2023, the preclinical collaboration agreement with the University of Michigan was extended for both CS014 and CS585. Cereno aims to be able to start a Phase I study with CS014 in the first half of 2024 in the indication thrombosis prevention.

CS585

The drug candidate CS585 belongs to the preclinical prostacyclin receptor agonist (PRA) program. CS585 has, in initial in vivo animal models, demonstrated the potential to significantly improve disease mechanisms relevant to selected cardiovascular diseases. The drug candidate CS585 has not yet been assigned a specific indication for clinical development as evaluation in the preclinical program is still ongoing.

In preclinical studies, CS585 has shown efficacy by stimulation of the prostacyclin (IP) receptor and thus prevents thrombosis without increased risk of bleeding. Preclinical data were presented at the scientific congress EHA 2022 and the US-based scientific congress ACC.23/WCC in March 2023. These preclinical data demonstrate that CS585 may have the potential to become one of the most effective PRA treatment for the indications PAH and thrombosis prevention.

In early April 2023, Cereno signed a license agreement for drug candidate CS585 with the University of Michigan. The agreement provides Cereno exclusive rights to further development and commercialization of CS585. In April 2023, the preclinical collaboration agreement with the University of Michigan was also extended for both CS014 and CS585.

Financial overview

Financial performance

During quarter one, the company has mainly invested in the implementation of the Phase II clinical study with CS1 in PAH, in the development of the patent portfolio, and in preclinical studies with CS585 and CS014. At the end of quarter one, the group had a cash balance of SEK 45 million and an equity ratio of 94%.

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 2023 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

Cereno Scientific's share capital was, as of the balance sheet date 31 March 2023, 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 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.

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 for 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 March 2023.

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 for 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 March 2023.

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 these, 831 199 had been allocated as of 31 March 2023. 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, Q2 2023.....25 August 2023
Interim Report, Q3 2023.....17 November 2023
Interim Report, Q3 2023.....22 February 2023

Annual general meeting

The annual general meeting is planned to be held on 1 June 2023 11 a.m. at the office of the lawyer firm MAQS, Östra Hamngatan 24 in Gothenburg.

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 March 2023.

Owners	Capital	Votes
Avanza Pension	13.5 %	12.9 %
Chian Punar	3.7 %	3.5 %
Pareto Securities AS	2.6 %	2.5 %
Milad Pournouri	2.1 %	2.0 %
Peyman Pournouri	1.8 %	1.7 %
Total five largest owners	**23.7 %**	**22.6 %**
Other shareholders	76.7 %	77.4 %
Total (4 764 shareholders)	**100 %**	**100 %**

Group – Income statement

(SEK)	1 Jan 2023 31 Mar 2023 3 months	1 Jan 2022 31 Mar 2022 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	15 426 614	8 153 269	57 538 069	44 805 361
	15 426 614	**8 153 269**	**57 538 069**	**44 805 361**
Operating expenses				
Other external costs	-16 591 438	-11 939 465	-76 619 906	-57 796 949
Personnel costs	-3 092 281	-1 081 332	-7 499 784	-1 774 371
Depreciation of tangible fixed assets	-3 577	-3 577	-14 308	-14 308
Other operating costs	-149 636	-240 864	-927 241	-225 814
Operating loss	**-4 410 318**	**-5 111 969**	**-27 523 170**	**-15 006 081**
Loss from financial items				
Interest income and similar income	735	-	309 778	1 680
Interest expenses and similar expenses	-5	-135 000	-435 257	-1 246 279
Loss after financial items	**-4 409 588**	**-5 246 969**	**-27 648 649**	**-16 250 680**
Loss before tax	**-4 409 588**	**-5 246 969**	**-27 648 649**	**-16 250 680**
Income taxes	-	-	-5 845	-4 210
Loss for the period	**-4 409 588**	**-5 246 969**	**-27 654 494**	**-16 254 890**

Group – Balance sheet

(SEK)	31 Mar 2023	31 Mar 2022	31 Dec 2022
ASSETS			
Fixed assets			
Intangible assets			
Capitalised expenditures for development activities	150 960 551	87 766 498	135 709 679
Patents, trademarks, licenses and similar rights	11 452 967	9 835 605	11 277 224
	162 413 518	**97 602 103**	**146 986 903**
Tangible assets			
Fixtures, tools and installations	25 046	39 354	28 623
	25 046	**39 354**	**28 623**
Financial assets			
Other long-term receivables	9 526	8 523	9 602
	9 526	**8 523**	**9 602**
Total fixed assets	**162 448 090**	**97 649 980**	**147 025 128**
Current assets			
Current receivables			
Other receivables	867 764	1 232 280	1 248 316
Prepaid expenses and accrued income	956 758	260 731	334 524
	1 824 522	**1 493 011**	**1 582 840**
Cash and bank balance	**44 622 145**	**77 268 668**	**67 045 679**
Total current assets	**46 446 667**	**78 761 679**	**68 628 519**
TOTAL ASSETS	**208 894 757**	**176 411 659**	**215 653 647**

Group – Balance sheet cont.

(SEK)	31 Mar 2023	31 Mar 2022	31 Dec 2022
EQUITY AND LIABILITIES			
Equity			
Share capital	13 751 484	10 526 178	13 751 484
Other contributed capital	245 725 032	189 760 849	245 725 032
Other capital including loss for the year	-62 431 528	-35 468 812	-57 965 096
Equity attributed to the Parent Company's shareholders	**197 044 988**	**164 818 215**	**201 511 420**
Holdings without controlling influence	-	-	-
Total equity	**197 044 988**	**164 818 215**	**201 511 420**
Long-term liabilities			
Other liabilities to credit institutions	400 000	400 000	400 000
	400 000	**400 000**	**400 000**
Current liabilities			
Accounts payable	7 156 820	3 835 065	9 410 863
Tax liabilities	267 632	47 592	212 761
Bridge loan	0	4 860 000	0
Other liabilities	443 819	80 914	406 636
Accrued expenses and deferred income	3 581 498	2 369 873	3 711 967
	11 449 769	**11 193 444**	**13 742 227**
TOTAL EQUITY AND LIABILITIES	**208 894 757**	**176 411 659**	**215 653 647**

Group – Change in equity

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**

01 January - 31 March 2023	Share capital	Other contributed capital	Other capital including profit/ loss for the year
At start of period	13 751 484	245 725 032	-57 965 096
Warrants issued	-	-	-
Exchange rate differences when translating foreign subsidiaries	-	-	-56 844
New share issue	-	-	-
Issue expenses	-	-	-
Loss for the period	-	-	-4 409 588
At the end of the period	**13 751 484**	**245 725 032**	**-62 431 528**

Group – Cash flow statement

(SEK)	1 Jan 2023 31 Mar 2023 3 months	1 Jan 2022 31 Mar 2022 3 months	1 Jan 2022 31 Dec 2022 12 months	1 Jan 2021 31 Dec 2021 12 months
OPERATING ACTIVITIES				
Loss after financial items	-4 409 588	-5 246 969	-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	-56 844	56	-89 781	-321 410
Accrued expenses for borrowings	-	60 000	200 000	680 000
Accrued interest cost	-	75 000	250 000	550 000
Income taxes	-	-	-4 210	-898
	-4 462 855	**-5 108 336**	**-27 284 177**	**-15 332 890**
Cash flow from operating activities before changes in working capital	**-4 462 855**	**-5 108 336**	**-27 284 177**	**-15 332 890**
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in operating receivables	-241 606	110 333	20 504	-84 298
Increase (+)/Decrease (-) in operating liabilities	-2 292 458	785 183	8 648 175	2 280 144
Cash flow from operating activities	**-6 996 919**	**-4 212 820**	**-18 615 498**	**-13 137 044**
Investing activities				
Acquisition of intangible assets	-15 426 615	-8 153 269	-57 538 069	-44 805 361
Cash flow from investing activities	**-15 426 615**	**-8 153 269**	**-57 538 069**	**-44 805 361**
Financing activities				
New share issue	-	-	61 280 818	95 311 040
Issue expenses	-	-	-2 489 995	-3 913 230
Warrants issue	-	-	398 666	-
Borrowings	-	-	-	-4 500 000
Costs associated with borrowings	-	-	-5 000 000	-5 000 000
Repayment of loan	-	-	-625 000	-325 000
Cash flow from financing activities	**0**	**0**	**53 564 489**	**81 572 810**
Cash flow for the period	**-22 423 534**	**-12 366 089**	**-22 589 078**	**23 630 405**
Cash and cash equivalents at start of period	**67 045 679**	**89 634 757**	**89 634 757**	**66 004 352**
Cash and cash equivalents at end of period	**44 622 145**	**77 268 668**	**67 045 679**	**89 634 757**

Parent company – Income statement

(SEK)	1 Jan 2023 31 Mar 2023 3 months	1 Jan 2022 31 Mar 2022 3 months	1 Jan 2022 31 Dec 2022 12 months	1 Jan 2021 31 Dec 2021 12 months
Net sales	-	-	-8	-
Capitalised work for own account	15 426 614	8 153 269	57 538 069	44 805 361
	15 426 614	**8 153 269**	**57 538 061**	**44 805 361**
Operating expenses				
Other external costs	-16 651 820	-11 939 997	-76 718 563	-58 121 192
Personnel costs	-3 092 281	-1 081 332	-7 499 785	-1 774 370
Depreciation of tangible fixed assets	-3 577	-3 577	-14 308	-14 308
Other operating cost	-149 633	-240 864	-903 424	-225 815
Operating loss	**-4 470 697**	**-5 112 501**	**-27 598 011**	**-15 330 325**
Loss from financial items				
Interest income and similar income	735	-	309 778	-
Interest expenses and similar expenses	-8	-135 000	-459 068	-1 246 279
Loss after financial items	**-4 469 970**	**-5 247 501**	**-27 747 301**	**-16 576 604**
Loss before tax	**-4 469 970**	**-5 247 501**	**-27 747 301**	**-16 576 604**
Loss for the period	**-4 469 970**	**-5 247 501**	**-27 747 301**	**-16 576 604**

Parent company – Balance sheet

(SEK)	31 Mar 2023	31 Mar 2022	31 Dec 2022
ASSETS			
Fixed assets			
Intangible assets			
Capitalised expenditures for development activities	150 960 551	87 766 498	135 709 679
Patents, trademarks, licenses and similar rights	11 452 967	9 835 605	11 277 224
	162 413 517	**97 602 103**	**146 986 903**
Tangible assets			
Fixtures, tools and installations	25 046	39 354	28 623
	25 046	**39 354**	**28 623**
Financial assets			
Shares in group company	941	941	941
	941	**941**	**941**
Total fixed assets	**162 439 505**	**97 642 398**	**147 016 467**
Current assets			
Current receivables			
Receivables from group companies	59 730	40 998	-
Other receivables	867 765	1 232 280	1 243 411
Prepaid expenses and accrued income	956 758	260 731	334 524
	1 884 253	**1 534 009**	**1 577 935**
Cash and bank balance	**41 281 024**	**77 221 636**	**67 012 503**
Total current assets	**43 165 277**	**78 755 645**	**68 590 439**
TOTAL ASSETS	**205 604 782**	**176 398 043**	**215 606 906**

Parent company – Balance sheet cont.

(SEK)	31 Mar 2023	31 Mar 2022	31 Dec 2022
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	13 751 484	10 526 178	13 751 484
Fund for development expenses	157 091 717	92 280 303	141 665 103
	170 843 201	**102 806 481**	**155 416 587**
Unrestricted equity			
Share premium reserve	55 565 517	88 053 563	55 565 517
Retained earnings	-24 905 763	-20 799 276	18 268 153
Profit/loss for the period	-4 469 970	-5 247 501	-27 747 301
	26 189 784	**62 006 786**	**46 086 369**
Total equity	**197 032 985**	**164 813 267**	**201 502 956**
Long-term liabilities			
Other liabilities to credit institutions	400 000	400 000	400 000
	400 000	**400 000**	**400 000**
Current liabilities			
Accounts payable	3 884 491	3 830 804	6 112 278
Tax liabilities	261 989	43 187	207 073
Bridge loan	-	4 860 000	-
Payables to group companies	-	-	3 265 996
Other liabilities	443 819	80 914	406 636
Accrued expenses and deferred income	3 581 498	2 369 871	3 711 967
	8 171 797	**11 184 776**	**13 703 950**
TOTAL EQUITY AND LIABILITIES	**205 604 782**	**176 398 043**	**215 606 906**

Parent company – Change in equity

2022-01-01-2022-12-31	Share capital	Ongoing share issue	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	0	-	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**	**0**	**141 665 103**	**55 565 518**	**18 268 153**	**-27 747 301**

2023-01-01-2023-03-31	Share capital	Ongoing share issue	Fund for development expenses	Share premium reserve	Retained earnings	Net loss for the period
At start of period	13 751 484	-	141 665 103	55 565 517	18 268 153	-27 747 301
Disposal according to AGM resolution	-	-	-	-	-27 747 301	27 747 301
Resolve of warrant subscription right	-	-	-	-	-	-
New share issue	-	-	-	-	-	-
Issue expenses	-	-	-	-	-	-
Redistribution in equity	-	-	15 426 614	-	-15 426 614	-
Loss for the period	-	-	-	-	-	-4 469 970
At the end of the period	**13 751 484**	**-**	**157 091 717**	**55 565 517**	**-24 905 763**	**-4 469 970**

Parent company – Cash flow statement

(SEK)	1 Jan 2023 31 Mar 2023 3 months	1 Jan 2022 31 Mar 2022 3 months	1 Jan 2022 31 Dec 2022 12 months	1 Jan 2021 31 Dec 2021 12 months
OPERATING ACTIVITIES				
Loss after financial items	-4 469 970	-5 247 501	-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	-	60 000	200 000	680 000
Accrued interest cost	-	75 000	250 000	550 000
	-4 466 393	**-5 108 924**	**-27 282 993**	**15 332 296**
Cash flow from operating activities before changes in working capital	**-4 466 393**	**-5 108 924**	**-27 282 993**	**-15 332 296**
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in operating receivables	-306 317	108 494	64 566	-140 264
Increase (+)/Decrease (-) in operating liabilities	-5 532 155	780 816	8 609 991	2 343 803
Cash flow from operating activities	**-10 304 865**	**-4 219 614**	**-18 608 436**	**-13 128 757**
Investing activities				
Acquisition of intangible assets	-15 426 614	-8 153 269	-	-
Acquisition of tangible assets	-	-	-	-
Acquisition of financial assets	-	-	-57 538 069	-44 805 361
Cash flow from investing activities	**-15 426 614**	**-8 153 269**	**-57 538 069**	**-44 805 361**
Financing activities				
New share issue	-	-	61 280 818	95 311 040
Issue expenses	-	-	-2 489 995	-3 913 230
Warrant issued	-	-	398 666	-
Resolve of warrant subscription right	-	-	0	-4 500 000
Amortisation of loans	-	-	-5 000 000	-5 000 000
Paid intrest costs	-	-	-625 000	-325 000
Cash flow from financing activities	**-**	**-**	**53 564 489**	**81 572 810**
Cash flow for the period	**-25 731 479**	**-12 372 883**	**-22 582 016**	**23 638 692**
Cash and cash equivalents at start of period	**67 012 503**	**89 594 519**	**89 594 519**	**65 955 827**
Cash and cash equivalents at end of period	**41 281 024**	**77 221 636**	**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 May 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 prostacyclin receptor agonist that has 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.

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