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.

July – September

Interim report Q3 2023

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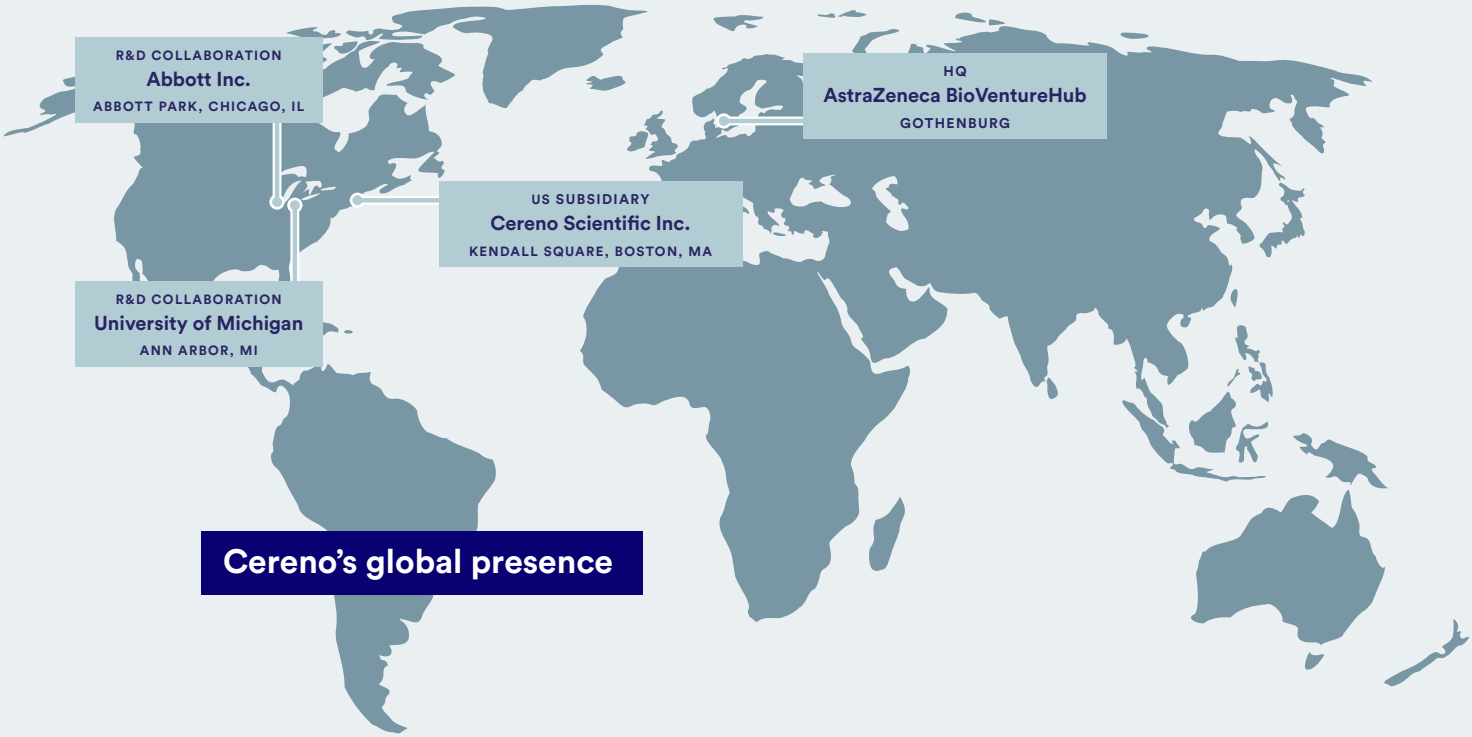


Cereno Scientific in brief

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.

June 2023

Listed on Nasdaq First North Growth Market

(CRNO B)

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.

Third quarter summary

Financial overview

	The group		Parent company	
(SEK)	Jul-Sep 2023	Jul-Sep 2022	Jul-Sep 2023	Jul-Sep 2022
Result after financial items	-11 076 974	-7 248 364	-11 076 973	-7 215 192
Earnings per share before dilution	-0.05	-0.06	-0.05	-0.06
Earnings per share after dilution*	-0.05	-0.04	-0.05	-0.04
Equity/assets ratio	95.4 %	93.2 %	95.4 %	93.2 %
Cash and bank balances	68 455 542	36 569 272	68 381 544	36 527 454

	The group		Parent company	
(SEK)	Jan-Sep 2023	Jan-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Result after financial items	-26 172 614	-19 013 366	-26 244 811	-19 210 671
Earnings per share before dilution	-0.11	-0.11	-0.11	-0.11
Earnings per share after dilution*	-0.11	-0.08	-0.11	-0.08
Equity/assets ratio	95.4 %	93.2 %	95.4 %	93.2 %
Cash and bank balances	68 455 542	36 569 272	68 381 544	36 527 454

Earnings per share: Profit/loss for the period divided by 233 775 234 shares as of 30 September, 2023 and 105 261 782 shares as of 30 September, 2022.

*Diluted earnings per share: Profit/loss for the period divided by shares outstanding and warrants as of the balance sheet date, 30 September 2023 and 30 September 2022, respectively.

Significant events during the third quarter

- In July, Cereno participated in the 8th Annual DrugDiscovery & Development Symposium arranged by the Pulmonary Vascular Research Institute (PVRI) on July 10-11, 2023. Raymond Benza, PI of the Phase II study of CS1 and member of Cereno's scientific advisory board, co-chairs the event while Björn Dahlöf, Cereno's Chief Medical Officer (CMO), presented the company and its HDAC-focused portfolio.

- On July 27, Sverker Jern, a co-founder of Cereno and board member, purchased a total of 366,828 shares on July 24, 2023, to a value of 0.65-0.659 per share on the Nasdaq First North Growth Market marketplace.

- Two abstracts on the preclinical drug candidates CS014 and CS585, respectively, were accepted as moderated ePoster presentations at the ESC Congress 2023 hosted by the European Society of Cardiology, in Amsterdam, Netherlands, on August 25-28, 2023.

- Eva Jagenheim joined the company as the Chief Financial Officer (CFO) on August 28, 2023. Jagenheim has broad experience in finance and the Swedish biotech sector.

- In August, Cereno announced that additional strategies have been activated in the Phase II study of CS1 in PAH due to slower patient recruitment than expected. Two new specialist clinics with large capacity are currently in the start-up phase to complete the recruitment of patients meeting the study criteria. Consequently, the study timeline is estimated so that top-line results will be reported during the first quarter of 2024.

- In August, Cereno launched a data quality control initiative for the CardioMEMS HF System in the Phase II study with CS1 in PAH, which also allows for the reporting of early efficacy data for CS1 during Q4 2023. The data quality control will support the possibility of a conclusive study result from this new CardioMEMS HF System technology in a new disease indication.

- On August 28, a scientific article about the drug candidate CS585 was published in the peer-reviewed medical journal Blood. The publication shows that CS585, a prostacyclin receptor agonist, is a very potent and selective substance that is administered both orally and intravenously and prevents thrombosis for up to 48 hours as observed in preclinical studies.

- On August 29, it was announced that Cereno Scientific's board and management had signed a lock-up agreement for their shares and/or other securities in the company until the publication of the report from the data quality control of CardioMEMS measurements, which took place on October 13, 2023.

- Cereno held a well-received capital market day on August 30, 2023, a recording of the event is available on the company's website at https://cerenoscientific.com/investors/cmd-2023/

- Sten R. Sörensen, CEO of Cereno, acquired 65,000 shares on August 31, 2023, at a value of 1.50 SEK per share on the Nasdaq First North Growth Market trading platform.

- The members of the Nomination Committee for the company's 2024 annual meeting were announced on September 12. More information is available on the company's website under Corporate Governance, https://cerenoscientific.com/corporate-governance/.

- An extraordinary general meeting was held on September 14, where it was decided to adopt proposals for a directed issue of warrants to employees and for a directed issue of warrants to certain board members.

- On September 20, it was announced that an agreement had been signed with the Contract Research Organization (CRO) Clinical Trial Consultants (CTC) to conduct the Phase I study of CS014. CTC will also provide support in the preparatory steps for Phase I, including the development of study protocols and the application process to start the study, which will be conducted in Sweden.

- On September 21, it was announced that a second season of the Insights video series will be released over the coming months. The Insights series is conducted as a series of interviews and conversations with internationally known scientific experts who share their knowledge and insights to convey a greater understanding of the company's development program. The video series is available on the company's website and YouTube.

- On September 29, it was announced that members of the company's board and management, as well as scientific advisors, have subscribed warrants within the framework of the incentive programs introduced at the extraordinary general meeting held on September 14, 2023.

Significant events after the period

- On October 13, positive findings from the data quality control review initiative in the Phase II study of CS1 in rare disease pulmonary arterial hypertension (PAH) were reported. Efficacy findings show a clinically meaningful reduction of pulmonary pressure in several patients included in the data quality control already after 3 weeks of treatment with CS1, in line with the results from the previously communicated Patient Case. Cereno emphasizes that these reported initial findings of the DQCR may differ from the Phase II study's final results.

- On October 26, the company was informed that the Swedish Economic Crime Authority (ECA) had initiated a preliminary investigation related to a suspected insider trade on the Swedish stock market. Cereno has currently no information on whether this investigation concerns the Cereno Scientific's share or other shares traded on the stock market. Cereno Scientific is assisting the authorities in their investigation.

- Drug candidate CS1's second patent family obtained a newly issued patent in Japan in October, strengthening and broadening the intellectual property rights (IPR) for Phase II drug candidate CS1.

- An extraordinary general meeting was held on November 7 where resolutions were made about the number of board members, remuneration to the board, election of the board including the new election of Jeppe Øvlesen as well as directed issue of warrants to new board member and adoption of an incentive program.

- Cereno's drug candidate CS585 was highlighted by top-tier medical journal Blood as a promising novel anti-thrombotic strategy without risk of bleeding, which was announced on November 8. The recently published paper on CS585 in the top peer-reviewed medical journal Blood was selected to feature in the journal's Blood Podcast as well as awarded a commentary titled "Targeting prostacyclin: all gain with no pain?" concluding that the discoveries reported by Stanger and colleagues mark a possible important milestone to improve anti-thrombotic strategies.

- On November 17, the company reported significant progress in the Phase II study of CS1 in PAH, however, a slower recruitment pace than estimated during the last months and a longer start-up phase for two new clinics have affected the study timeline. The updated study timeline now expects study completion and top-line results during Q2 2024.

- On November 17, the company reported entering a loan of 90 MSEK that extends the company's financial runway into 2025 and strengthens partnering possibilities.

- On November 17, the company announced that a request for expanded access to investigational drug CS1 for use as a treatment outside of a clinical trial, sometimes called "compassionate use", will be submitted. The initiative is prompted by a request from an investigator in the ongoing Phase II study of CS1. Cereno will submit a request to the FDA under the 'Expanded Access to Investigational Drugs for Treatment Use' requesting expanded access to CS1 which initially will be limited to patients who have completed the Phase II study in PAH.

Letter from the CEO

The last few months have been a very progressive period for Cereno. Our achievements have ranged from supporting company growth, progress, and positive findings in our ongoing clinical Phase II study with CS1, recognition and progress in our preclinical programs as well as aligning operative incentives with shareholder value and building operational capacity for business development. We are particularly pleased to have secured a financial solution that will enable us to hold a strong position in upcoming partnering discussions. We entered autumn at full speed and we are looking forward to continuing to deliver on our development milestones and company growth to create shareholder value.

We are approaching a pivotal point in the company's growth journey. Our drug development programs have shown very promising results in their respective development stages, and while we do not have conclusive results yet, we are well on our way.

- Sten R. Sörensen, CEO

Lead program CS1 is progressing in Phase II study with expectations supported by remarkable patient case results, positive findings from DQCR initiative and "compassionate use" request

Although the study is currently ongoing, findings from the study suggesting a potential positive effect of drug candidate CS1 in patients with the severe rare disease PAH have been reported. First, a patient case study performed on the first patient having completed the study at a specific clinic showed remarkable efficacy data. In 12 weeks of treatment with CS1, the patient showed a 30% reduction in pulmonary pressure and a 20% increase in cardiac output. The patient's overall functional status was changed from NYHA/WHO functional class II to I at the end of the treatment period, meaning that she had next to normal functional physical capacity with CS1. Secondly, we could in October 2023 share that the Data Quality Control Review (DQCR) performed was concluded with positive findings. The data quality of the CardioMEMS measurements was found satisfactory with adherence to study protocol and with timely data transfers from the patient's home to the clinic. Efficacy findings showed a clinically meaningful reduction of pulmonary pressure in several patients, included in the data quality control, of a similar or greater magnitude as in the Patient Case. The review included data obtained by the CardioMEMS HF System from the first 16 patients enrolled in the study and the reported findings can be read in full in a previous announcement.

We are seeing significant progress in the ongoing Phase II study, however, a slower recruitment pace than estimated during the last months and a longer start-up phase for two new clinics have affected the study timeline. The updated study timeline now expects study completion and top-line results during Q2 2024.

A last exciting update of CS1 and the Phase II study regards a request for expanded access to CS1 for use as a treatment outside of a clinical trial, sometimes called "compassionate use." An investigator in the study has asked Cereno to

investigate the possibility of requesting extended access to CS1 for a patient who has completed the trial, which, if authorized, would allow this patient to continue to be treated with CS1 for PAH. This is of course a very positive signal to us at Cereno of the potential clinical benefit of CS1 for patients with this disease. For Cereno, an expanded access to CS1 for patients having completed the study would provide value for our development program with CS1 in PAH. "Compassionate use" would provide the ability for us to collect more data on the usage of our CS1 drug in this patient population over an extended period of time; data, which could add insight and value to our program for CS1 in its clinical development journey towards market approval. We are aiming to submit the request to the FDA as soon as we are possible during Q4 this year.

Novel HDACi program CS014 moving forward to being Phase I ready

Our novel HDACi CS014 has shown great potential in our preclinical studies as a novel approach to antithrombotic treatment without the associated increased risk of bleeding as seen with current antithrombotic drug therapies. Our preparations for starting the first-in-human clinical Phase I trial with drug candidate CS014 has progressed very well. I am pleased to see that our preclinical development program to fulfill the necessary requirements is on track. In addition, we have engaged Clinical Trial Consultants (CTC), to conduct the Phase I study of CS014. We plan to be able to initiate the study in Q2, 2024.

CS585 – Published in Blood - "...could be a significant milestone to improve anti-thrombotic treatment strategies without bleeding"

I am very pleased with the research and development efforts that have led to CS585 recently being published in the highly renowned medical journal Blood and the great recognition from the medical community following the publication. The fact that this paper also was selected to be featured in the journal's podcast and awarded a commentary says a lot about CS585's promising preclinical data. The concluding statement from the podcast is a great testimony to the fact that we are on the right track "... [CS585] could be a significant milestone to improve anti-thrombotic treatment strategies without bleeding."

Building our presence as va valuable player in the cardiovascular scientific, medical and industry community

Our prioritized strategy of establishing our research in the medical community with articles in journals and attendance at congresses is paying off as we continue to expand Cereno's global footprint. In the recent quarter, we have been present at key cardiovascular events such as 8th Annual DrugDiscovery & Development Symposium arranged by the Pulmonary Vascular Research Institute (PVRI) in Washington D.C., The ESC Congress 2023 in Amsterdam, as well as been published in "Blood", a top peer review medical journal.

We have a solid line-up of conference attendances, abstracts, and journal submissions ahead of us, hence continuing to continue to build our presence as a key player with innovative drug candidates that have the potential to significantly change the way cardiovascular disease is treated with the ultimate aim to provide improved quality of life and prognosis to patients in need of better care.

Communication with shareholders a priority

Cereno held an ambitious and well-received capital markets day on August 30, 2023. The management team was joined by a powerful lineup of significant external speakers Dr. Raymond Benza, System Director of Pulmonary Hypertension at Mount Sinai Icahn School of Medicine, New York City; Dr. Phil B. Adamson, Divisional Vice President and Chief Medical Officer, Heart Failure Division, Abbott; and Dr. Michael Holinstat, Prof. at University of Michigan Medical School; and Director Translation Research, Cereno. A recording of the event is available on Cereno's website and provides good insight into the company's strategy as well as current clinical and preclinical progress of our three promising drug candidates.

I would also like to highlight the launch of a second season Insights Video Series where internationally renowned scientific experts share their knowledge and insights to provide a greater understanding of the company's intensified focus on further developing the product portfolio. We are delighted to be able to share the expertise of global thought leaders to provide insight into the inner workings of drug development at Cereno, insights normally not available publicly. The videos were recorded during the ESC Congress in August 2023 and are released during the autumn and winter on our website, LinkedIn and YouTube.

Strategic organizational growth and showcased confidence

In the past quarter, Cereno has welcomed Eva Jagenheim as our new Chief Financial Officer, who is bringing valuable experience in finance and the Swedish biotech sector. Demonstrating our commitment to the company's future, the management and Board of Directors entered lock-up agreements for their shares, a strong show of confidence in Cereno's portfolio. This period also saw insider share purchases and subscriptions of warrant programs by key management, Board members and scientific advisors, signaling confidence in our strategic direction. Additionally, we were pleased to welcome Jeppe Øvlesen to our Board.

His expertise in executive roles and business development in the Nordic biotech industry adds a significant skillset to our leadership, aligning with our growth and innovation objectives. These developments mark a pivotal stage in reinforcing Cereno's position as a key player in developing innovative drugs in common and rare cardiovascular disease.

Future outlook

We are approaching a pivotal point in the company's growth journey. Our drug development programs have shown very promising results in their respective development stages, and while we do not have conclusive results yet, we are well on our way. The completion of the Phase II study of CS1 is in sight now that more than half of the participants have completed the study, and a solid plan is set to reach completion during the second quarter 2024. At this time next year, our CS014 program will have initiated a Phase I study for the evaluation as a treatment for thrombosis prevention and, our third program CS585 will have progressed well toward being Phase I ready as per our plans. Our innovative drug development portfolio positions Cereno as a key player in delivering new valuable drug candidates in the cardiovascular disease landscape, while at the same time creating shareholder value.

Having reached this point in the company's development and our development programs showing great promise, we are now building our capacity to engage in business development activities with the aim to propel our drugs to the market and to the patients in need of new valuable therapies in the best way possible.

As was recently announced, we are pleased to have entered a financing solution that give the company and the portfolio the best conditions for continued successful growth and development. We assess that with this loan of up to 90 MSEK, as well as the warrants of series 3 (TO3) which will be invoked in March 2024 (up to 77 MSEK), we have secured optimal conditions to be able to maintain a strong position in discussions and potential negotiations with partners. Furthermore, we look positively at being able to deliver shareholder value with a better return, as with a strengthened cash position we have now the opportunity to accelerate the development of all our three programs to the next value-increasing milestones for each program.

Thank you for your continued support of our exciting journey.

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

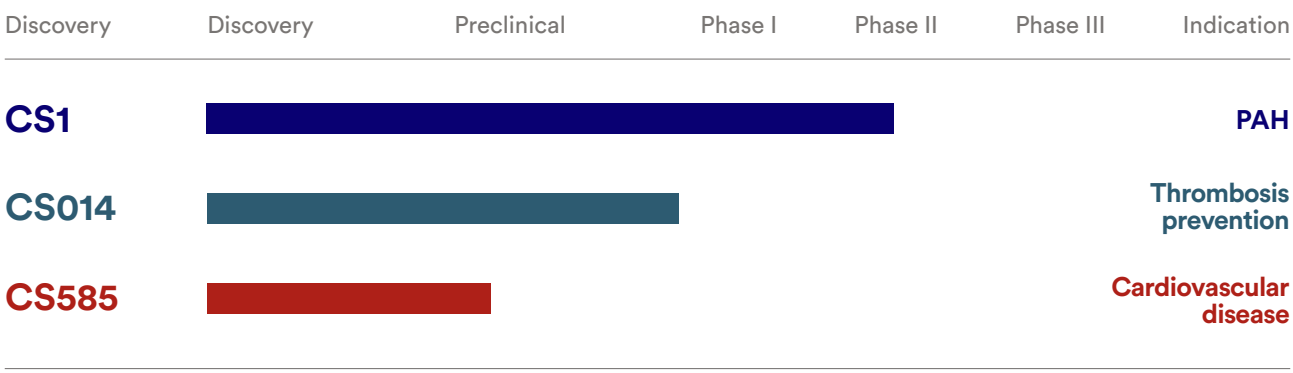
CS1
The drug candidate CS1 is an HDAC (histone deacetylase) inhibitor that acts as an epigenetic modulator through pressure-reducing, "reverse-remodeling", anti-fibrotic, anti-inflammatory and anti-thrombotic properties. CS1 is undergoing a Phase II clinical trial for the treatment of the rare disease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

Drug candidates in the portfolio



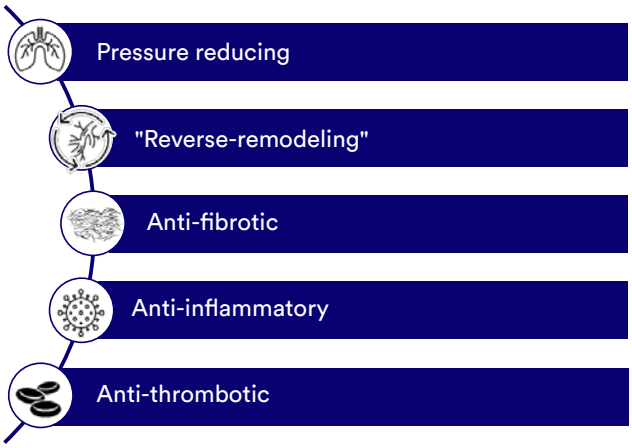
Clinical drug candidate CS1

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, and two additional clincis to be opened, in the US is ongoing in collaboration with the global healthcare company Abbott.

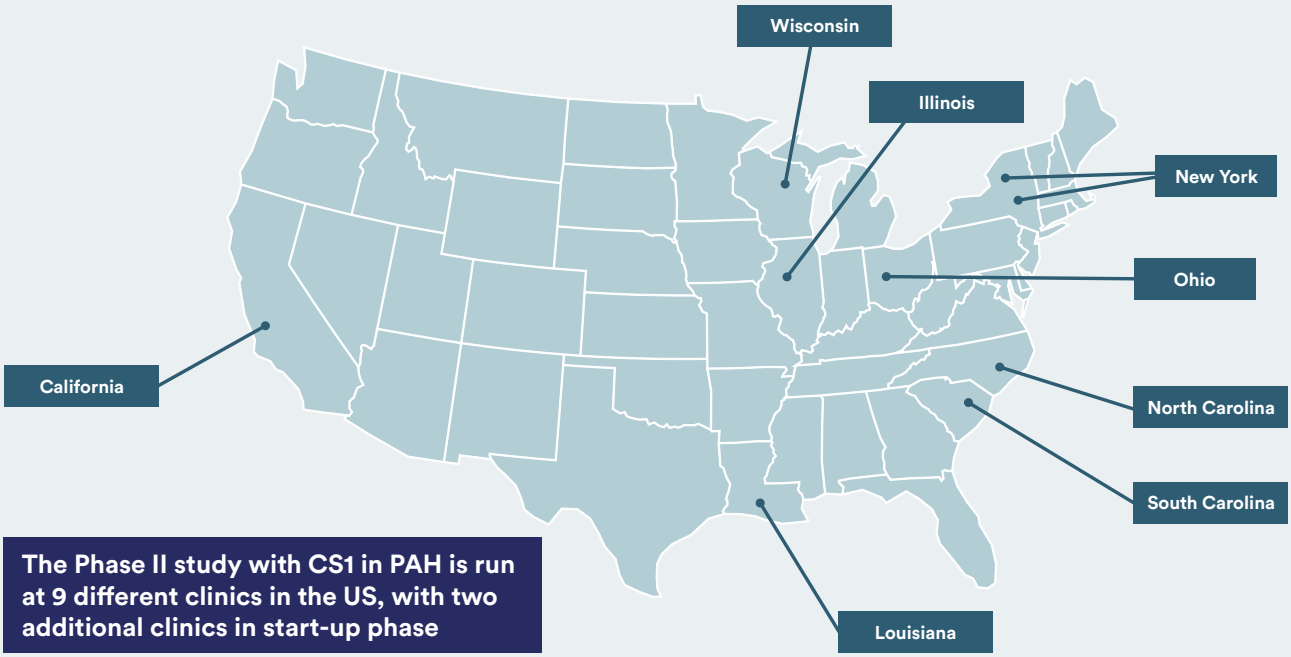
CS1 is an innovative formulation of valproic acid (VPA) and is an HDAC inhibitor that has received orphan drug designation for the treatment of PAH. CS1's active substance VPA works through epigenetic modulation with a multifold efficacy profile that is pressure-reducing, "reverse-remodeling" and has 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 PAI-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.



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.

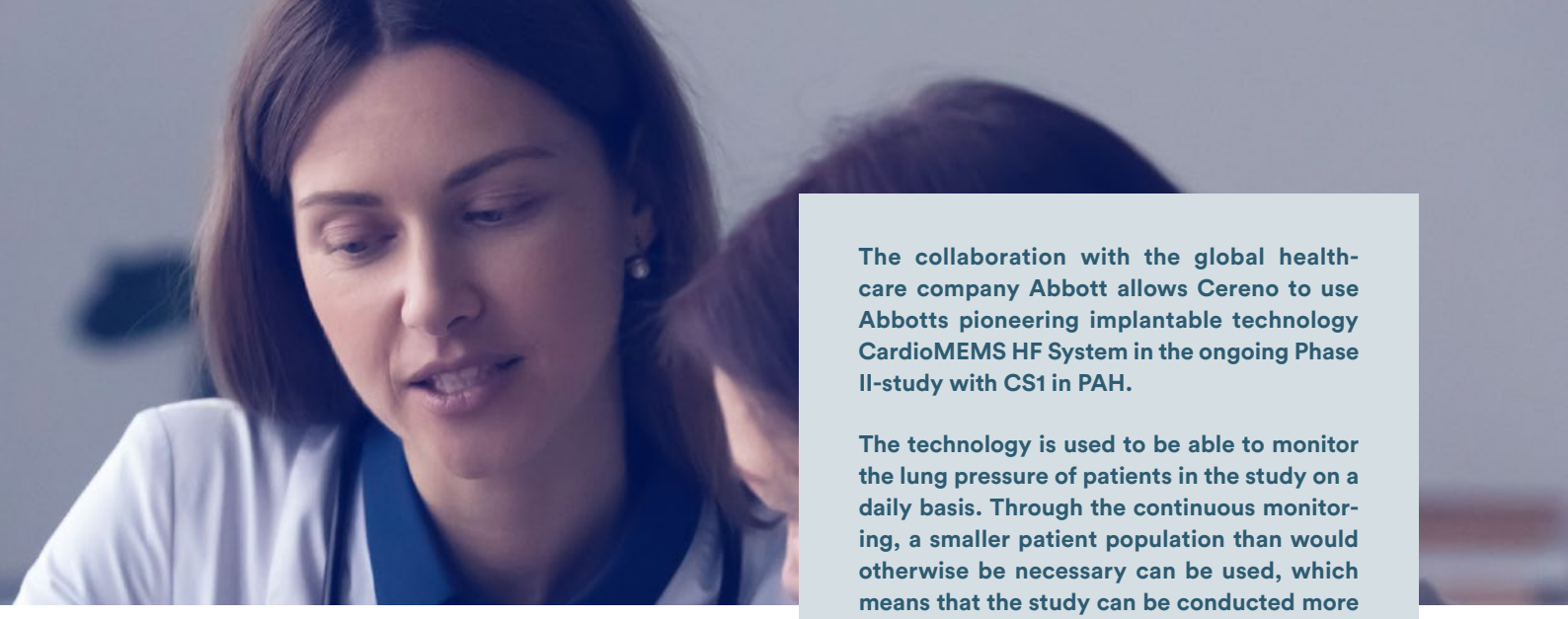
A Phase II clinical trial is ongoing to confirm CS1's safety, tolerability and efficacy in patients with PAH. A collaboration agreement with the global healthcare company Abbott is the basis for Cereno to be able to use Abbott's pioneering technology, the CardioMEMS HF System, in the study. The technology 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 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, with two additional clinics in late start-up phase, and includes 30 patients.

Remarkable patient case study data

Data from a patient case study reviewed during the ongoing study was reported in June 2023. The data is based on one patient, the first patient that completed the study at the site where the investigator who initiated the case study was based. The main aim of the case study was to control the utility of CardioMEMS HF System. In summary, data indicated that CS1 has a positive effect on pulmonary arterial pressure and cardiac function. It further indicated the utility of CardioMEMS in evaluating drug medication effectiveness in PAH.

Findings of the case study, carried out during a 12-week treatment period with CS1, further show that the patient's mean pulmonary arterial (PA) pressure was reduced from 33 mmHg at baseline to 23 mmHg at the end of the period. Cardiac output was increased from 4.7 L/min at baseline to 5.6 L/min. Right ventricular (RV) stroke volume (SV) also increased when treated with CS1 over time, together with SV index and RV efficiency. These changes were accompanied by reductions in RV stroke work and total pulmonary resistance (TPR). The patient required no changes to her PAH medication during the study, and her status was improved from NYHA/WHO functional class II to functional class I at the end of the treatment period. There were no adverse events related to the CardioMEMS sensor implantation or the device itself and there were no serious adverse events reported on CS1.

In addition to the data related to the effects of CS1 in the PAH patient, the case study indicates that using the CardioMEMS permits safe daily remote monitoring of pulmonary arterial (PA) pressure over time in patients with



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.

PAH, permitting assessment of medication effectiveness on an individual patient level.

Positive finding from the Data Quality Control Review

In October, an initiative for Data Quality Controll Review (DQCR) was completed with the aim of correcting potential deviations from the set protocol or identifying issues around data transfer from the patient's home to the clinic to increase standardization of the data and also obtain an early indication of CS1's efficacy. The DQCR was performed on blinded data regarding the individual patient dosing. The review included data obtained by the CardioMEMS HF System from the first 16 patients enrolled in the Phase II study.

Key findings from the DQCR:

1. The DQCR concluded no concerning issues with digital data transfer and patient/physician protocol adherence.
2. The DQCR shows several patients with a reduction in mPAP of similar or greater magnitude as the initial Patient Case as measured with CardioMEMS HF System over time (AUC mmHg days). This indicates a clinically meaningful efficacy potential with CS1 in reducing mPAP in patients with PAH on top of standard-of-care drug therapy.
3. The DQCR shows that more than 60% of patients on CS1, all doses included, have a sustained reduction in mPAP evaluated as the AUC.
4. Reductions of mPAP (AUC) as so far seen in several patients in this study are clinically meaningful for patients with PAH.
5. The DQCR indicates an efficacy response compatible with a dose-response pattern. As the analysis was performed with dosages blinded, the final assessment of a dose-response relationship will need to await unblinding of the data at the end of the study.
6. The DQCR indicates an early onset of action with drug therapy of CS1 as measured by the reduction of mPAP. This early onset was observed already after 3 weeks for several patients.
7. The DQCR showed a sustained reduction of mPAP in the 2-week follow-up period after the 12-week period of therapy with CS1 was discontinued.

The Phase II study will continue to completion without any changes to the study protocol. Top-line results are expected in Q2 2024. The DQCR findings are not based on data from all patients participating in the Phase II study and some patients in this analysis have not completed the full study period. The final results of the study may differ from the findings in this DQCR and should not in any way be seen as a guarantee regarding the outcome and conclusions of the upcoming final Phase II study results.

"Compassionate use" of CS1

On request by an investigator in the Phase II study, a request of expanded access will be submitted to the FDA during Q4 2023 following the 'Expanded Access to Investigational Drugs for Treatment Use'. The request regards providing expanded access to CS1 for use as a treatment after the Phase II study. Initially, this will be limited to patients who have completed the Phase II study in PAH.

Patent overview

Cereno has three patent families in relation to the drug candidate CS1. In these three patent families, there are granted patents in the most important global markets, including Australia, Europe, India, 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.

Preclinical drug candidate 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 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 second quarter of 2024 in the indication thrombosis prevention.

Cereno is collaborating with contract research organization (CRO) Clinical Trial Consultants (CTC) to conduct the Phase I study of CS014. This first-in-human Phase I study is planned to be initiated during the second quarter of 2024.

Preclinical drug candidate 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.

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 post-doctoral training at Vanderbilt University in Nashville. His research areas have included thrombosis, pharmacology and hematology. Dr. Holinstat is a 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.

Financial overview

Financial performance

During the third quarter, 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 the third quater-year, the group had a cash balance of SEK 68 million and an equity ratio of 95.4 %.

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 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 but since 1 July 2023 the shares are trading on Nasdaq First North Growth Market with the short name "CRNO B" and ISIN code SE0008241558. Mangold Fondkommission is Cereno Scientific's Certified Advisor and helps the company comply with Nasdaq First North Growth Market rules and regulations.

Share capital

Cereno Scientific's share capital was, as of the balance sheet date 30 september 2023, divided into 233 775 234 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 May 2023, the restated number of Class B shares that the warrants give entitlement to is 1 625 502. 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 May 2023, 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 May 2023, 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. A total of 2 444 442 stock options was allocated to employees before 31 December 2022. With employees who have left their employment with the company taken into account, the number of allocated stock options that remains amounts to 1 666 665. After the completed share issue in May 2023, the restated number of Class B shares that the stock options give entitlement to is 1 754 719.

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. A total of 1 111 110 stock options was allocated to board members before 31 December 2022. With board members who have left their engagement with the company taken to into account, the number of allocated stock options that remains amounts to 444 444. After the completed share issue in May 2023, the restated number of Class B shares that the stock options give entitlement to is 467 925.

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 May 2023, the restated number of Class B shares that the warrants give entitlement to is 3 509 440 Of these, 807 171 had been allocated as of 30 September 2023. The warrants shall be issued to the company and then 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.

Warrants of series 2023/2026:1 and series 2023/2026:1

The Extraordinary General Meeting on September 14 2023 resolved to issue 13 000 000 warrants of series 2023(2026:1 to be transferred to employees at market price, 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 of 2 SEK. The subscription time is set to Nov 16 to Nov 30, 2026. The extraordinary General Meeting resolved to issue 7 000 000 warrants to some Members of the Board. The warrants of series 2023/2026:2 are transferred to the board members at market price, cal-

culated 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 of 2 SEK. The subscription time is set to Nov 16 to Nov 30, 2026.

Warrants of series 2023/2026:3 and series 2023/2026:4

The Extraordinary General Meeting on November 7 2023 resolved to issue 250 000 warrants of series 2023/2026:4 to be transferred to employees at market price, calculated pursuant to the Black & Scholes model. One (1) Warrant of series 2023/2026:3 provides the right during the period from 30 November 2026 up to and including 14 December 2026 subscribe to one Share at a Subscription Price amounting to 200 percent of the volume-weighted average price of the Company's share of series B on Nasdaq First North Growth Market during the period from and including 24 October 2023 until and including 6 November 2023, however, never lower than the Shares' quota value. The extraordinary General Meeting resolved to issue 1 000 000 warrants to a new Member of the Board. The warrants of series 2023/2026:4 are transferred to the board member at market price, calculated pursuant to the Black Scholes model. One (1) Warrant of series 2023/2026:3 provides the right during the period from 30 November 2026 up to and including 14 December 2026 subscribe to one Share at a Subscription Price amounting to 200 percent of the volume-weighted average price of the Company's share of series B on Nasdaq First North Growth Market during the period from and including 24 October 2023 until and including 6 November 2023, however, never lower than the Shares' quota value.

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

Year-end Report (Q4) 2023..... 22 February 2024
Annual Report 2023..... week of 15 April 2024
Interim Report for Q1 2024..... 23 May 2024
Interim Report for Q2 2024 ..... 29 August 2024

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
2023	Rights issue	0.10	96 260 390	9 626 039	233 775 234	23 377 523
At end of period		**0.10**	**96 260 390**		**233 775 234**	

Number of average shares

	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Before diluted	185 645 039	105 261 782	185 645 039	105 261 782
After diluted	195 496 122	146 255 418	195 496 122	146 255 418

Share and owners

The largest shareholders by 30 September 2023.

Owners	Capital	Votes
Avanza Pension	23.9 %	23.2 %
Pareto Securities AS	3.1 %	3.0 %
Jern Claes Sverker	0.7 %	1.6 %
Butt Jan	1.4 %	1.4 %
Gevryie Dory	1.4 %	1.4 %
Bergh, Olof Niklas	0.5 %	1.4 %
Borgquist, Niklas	1.2 %	1.1 %
Ejlegard, Andreas	1.2 %	1.1 %
Nordnet Pensionsförsäkring	1.0 %	1.0 %
Lundberg Mårten	0.9 %	0.9 %
Total ten largest owners	**35.2 %**	**36.0 %**
Other shareholders	64.8 %	64.0 %
Total (5 567 shareholders)	**100 %**	**100 %**

Group – Income statement

(SEK)	1 July 2023 30 Sept 2023 3 months	1 July 2022 30 Sept 2022 3 months	1 Jan 2023 30 Sept 2023 9 months	1 Jan 2022 30 Sept 2022 9 months
Capitalised work for own account	5 798 696	10 945 764	31 855 497	36 562 546
	5 798 696	**10 945 764**	**31 855 497**	**36 562 546**
Operating expenses				
Other external costs	-14 305 631	-15 982 537	-48 140 100	-49 821 280
Personnel costs	-2 446 782	-1 724 257	-9 428 704	-4 576 005
Depreciation of tangible fixed assets	-3 577	-3 577	-10 731	-10 731
Other operating costs	-120 370	-372 567	-440 902	-782 550
Operating loss	**-11 077 665**	**-7 137 174**	**-26 164 941**	**-18 628 020**
Loss from financial items				
Interest income and similar income	691	–	1 541	–
Interest expenses and similar expenses	–	-111 190	-9 214	-385 346
Loss after financial items	**-11 076 974**	**-7 248 364**	**-26 172 614**	**-19 013 366**
Loss before tax	**-11 076 974**	**-7 248 364**	**-26 172 614**	**-19 013 366**
Loss for the period	**-11 076 974**	**-7 248 364**	**-26 172 614**	**-19 013 366**

Group – Balance sheet

(SEK)	30 Sept 2023	30 Sept 2022
ASSETS		
Subscribed unpaid capital		61 280 818
		61 280 818
Fixed assets		
Intangible assets		
Capitalised expenditures for development activities	165 298 158	115 052 583
Patents, trademarks, licenses and similar rights	13 544 242	10 958 797
	178 842 400	**126 011 380**
Tangible assets		
Fixtures, tools and installations	17 892	32 200
	17 892	**32 200**
Financial assets		
Other long-term receivables	10 199	10 233
	10 199	**10 233**
Total fixed assets	**178 870 491**	**187 334 631**
Current assets		
Current receivables		
Other receivables	868 215	1 058 028
Prepaid expenses and accrued income	321 524	357 757
	1 189 739	**1 415 785**
Cash and bank balance	**68 455 542**	**36 569 272**
Total current assets	**69 645 281**	**37 985 057**
TOTAL ASSETS	**248 515 772**	**225 319 688**

Group – Balance sheet cont.

(SEK)	30 Sept 2023	30 Sept 2022
EQUITY AND LIABILITIES		
Equity		
Share capital	23 377 523	13 751 484
Other contributed capital	297 413 530	245 725 032
Other capital including loss for the year	-84 332 962	-49 459 454
Equity attributed to the Parent Company's shareholders	**236 458 091**	**210 017 062**
Total equity	**236 458 091**	**210 017 062**
Long-term liabilities		
Other liabilities to credit institutions	400 000	400 000
	400 000	**400 000**
Current liabilities		
Accounts payable	6 989 558	7 304 584
Tax liabilities	344 150	130 852
Bridge loan	0	4 980 000
Other liabilities	643 849	186 245
Accrued expenses and deferred income	3 680 124	2 300 945
	11 657 681	**14 902 626**
TOTAL EQUITY AND LIABILITIES	**248 515 772**	**225 319 688**

Group – Change in equity

01 January – 30 September 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	–	–	-223 984
New share issue	3 225 306	58 055 512	0
Issue expenses		-2 489 995	0
Loss for the period	–	–	-19 013 366
At the end of the period	**13 751 484**	**245 326 366**	**-49 060 787**

01 January – 30 September 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
Exchange rate differences when translating foreign subsidiaries	–	–	-195 251
New share issue	9 626 039	67 382 273	–
Issue expenses	–	-15 693 775	–
Loss for the period	–	–	-26 172 615
At the end of the period	**23 377 523**	**297 413 530**	**-84 332 962**

Group – Cash flow statement

(SEK)	1 July 2023 30 Sept 2023 3 months	1 July 2022 30 Sept 2022 3 months	1 Jan 2023 30 Sept 2023 9 months	1 Jan 2022 30 Sept 2022 9 months
OPERATING ACTIVITIES				
Loss after financial items	-11 076 974	-7 248 364	-26 172 615	-19 013 366
Adjustments for items not included in the cash flow				
Depreciations	3 577	3 577	10 731	10 731
Translation differences	-1 760	-1 541	-195 251	-225 898
Accrued expenses for borrowings	–	60 000	–	180 000
Accrued interest cost	–	75 000	–	225 000
	-11 075 157	**-7 111 328**	**-26 357 135**	**-18 823 533**
Cash flow from operating activities before changes in working capital	**-11 075 157**	**-7 111 328**	**-26 357 135**	**-18 823 533**
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in operating receivables	250 887	129 498	429 539	187 559
Increase (+)/Decrease (-) in operating liabilities	-112 542	-9 159 749	-2 121 581	1 734 369
Cash flow from operating activities	**-10 936 812**	**-16 141 579**	**-28 049 177**	**-16 901 605**
Investing activities				
Acquisition of intangible assets	-5 798 696	-10 945 763	-31 855 497	-36 562 546
Cash flow from investing activities	**-5 798 696**	**-10 945 763**	**-31 855 497**	**-36 562 546**
Financing activities				
New share issue	0	–	77 008 312	–
Issue expenses	0	–	-15 693 775	–
Warrants issued		398 666		398 666
Amortisation of loans	–	–	–	–
Paid interest costs	–	–	–	–
Cash flow from financing activities	**0**	**398 666**	**61 314 537**	**398 666**
Cash flow for the period	**-16 735 508**	**-26 688 676**	**1 409 863**	**-53 065 485**
Cash and cash equivalents at start of period	**85 191 050**	**63 257 948**	**67 045 679**	**89 634 757**
Cash and cash equivalents at end of period	**68 455 542**	**36 569 272**	**68 455 542**	**36 569 272**

Parent company – Income statement

(SEK)	1 July 2023 30 Sept 2023 3 months	1 July 2022 30 Sept 2022 3 months	1 Jan 2023 30 Sept 2023 9 months	1 Jan 2022 30 Sept 2022 9 months	1 Jan 2022 31 Dec 2022 12 months	1 Jan 2021 31 Dec 2021 12 months
Net sales	–	–	–	-6	–	–
Capitalised work for own account	5 798 696	10 945 764	31 855 497	36 562 546	57 538 069	44 805 361
	5 798 696	**10 945 764**	**31 855 497**	**36 562 540**	**57 538 069**	**44 805 361**
Operating expenses						
Other external costs	-14 305 630	-15 949 364	-48 212 300	-50 018 585	-76 718 563	-58 121 192
Personnel costs	-2 446 782	-1 724 257	-9 428 704	-4 576 005	-7 499 785	-1 774 370
Depreciation of tangible fixed assets	-3 577	-3 577	-10 731	-10 731	-14 308	-14 308
Other operating cost	-120 370	-348 757	-440 899	-758 733	-903 424	-225 815
Operating loss	**-11 077 664**	**-7 080 191**	**-26 237 138**	**-18 801 514**	**-27 598 011**	**-15 330 325**
Loss from financial items						
Interest income and similar income	691	–	1 541	–	309 778	–
Interest expenses and similar expenses	–	-135 001	-9 214	-409 157	-459 068	-1 246 279
Loss after financial items	**-11 076 973**	**-7 215 192**	**-26 244 811**	**-19 210 671**	**-27 747 301**	**-16 576 604**
Loss before tax	**-11 076 973**	**-7 215 192**	**-26 244 811**	**-19 210 671**	**-27 747 301**	**-16 576 604**
Loss for the period	**-11 076 973**	**-7 215 192**	**-26 244 811**	**-19 210 671**	**-27 747 301**	**-16 576 604**

Parent company – Balance sheet

(SEK)	30 Sept 2023	30 Sept 2022	31 Dec 2022	31 Dec 2021
ASSETS				
Subscribed unpaid capital	–	61 280 818	–	–
Fixed assets				
Intangible assets				
Capitalised expenditures for development activities	165 298 158	115 052 583	135 709 679	80 164 358
Patents, trademarks, licenses and similar rights	13 544 242	10 958 797	11 277 224	9 284 476
	178 842 400	**126 011 380**	**146 986 903**	**89 448 834**
Tangible assets				
Fixtures, tools and installations	17 892	32 200	28 623	42 931
	17 892	**32 200**	**28 623**	**42 931**
Financial assets				
Shares in group company	941	941	941	941
	941	**941**	**941**	**941**
Total fixed assets	**178 861 233**	**126 044 521**	**147 016 467**	**89 492 706**
Current assets				
Current receivables				
Receivables from group companies	69 873	68 515	–	39 158
Other receivables	820 875	1 058 029	1 243 411	1 363 425
Prepaid expenses and accrued income	321 524	357 757	334 524	239 918
	1 212 272	**1 484 301**	**1 577 935**	**1 642 501**
Cash and bank balance	**68 381 544**	**36 527 454**	**67 012 503**	**89 594 519**
Total current assets	**69 593 816**	**38 011 755**	**68 590 439**	**91 237 021**
TOTAL ASSETS	**248 455 049**	**225 337 094**	**215 606 906**	**180 729 727**

Parent company – Balance sheet cont.

(SEK)	30 Sept 2023	30 Sept 2022	31 Dec 2022	31 Dec 2021
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital	23 377 523	10 526 178	13 751 484	10 526 178
Ongoing share issue	–	3 225 306	–	–
Fund for development expenses	173 520 600	120 689 580	141 665 103	84 127 034
	196 898 123	**134 441 064**	**155 416 587**	**94 653 212**
Unrestricted equity				
Share premium reserve	51 688 498	55 565 517	55 565 517	88 053 563
Retained earnings	14 230 872	39 243 676	18 268 153	3 930 597
Loss for the period	-26 244 811	-19 210 671	-27 747 301	-16 576 604
	39 674 558	**75 598 522**	**46 086 369**	**75 407 557**
Total equity	**236 572 681**	**210 039 586**	**201 502 956**	**170 060 769**
Long-term liabilities				
Other liabilities to credit institutions	400 000	400 000	400 000	400 000
	400 000	**400 000**	**400 000**	**400 000**
Current liabilities				
Accounts payable	7 319 869	7 299 468	6 112 278	2 884 374
Liabilities to group companies	–	–	3 265 996	–
Tax liabilities	407 504	130 852	207 073	28 142
Bridge loan	–	4 980 000	–	4 800 000
Other liabilities	426 014	186 244	406 636	201 853
Accrued expenses and deferred income	3 328 981	2 300 943	3 711 967	2 354 590
	11 482 368	**14 897 508**	**13 703 950**	**10 268 959**
TOTAL EQUITY AND LIABILITIES	**248 455 049**	**225 337 094**	**215 606 906**	**180 729 727**

Parent company – Change in equity

01 January – 30 September 2023	Share capital	Fund for development expenses	Share premium reserve	Retained earnings	Net loss for the period
At start of period	13 751 484	141 665 103	55 565 518	18 268 153	-27 747 301
Disposal according to AGM resolution	–	–	-55 565 518	27 818 216	27 747 301
New share issue	9 626 039	–	67 382 273	–	–
Issue expenses	–	–	-15 693 775	–	–
Redistribution in equity	–	31 855 497	–	-31 855 497	–
Loss for the period	–	–	–	–	-26 244 811
At the end of the period	**23 377 523**	**173 520 600**	**51 688 498**	**14 230 872**	**-26 244 811**

01 January – 30 June 2023	Share capital	Fund for development expenses	Share premium reserve	Retained earnings	Net loss for the period
At start of period	13 751 484	141 665 103	55 565 518	18 268 153	-27 747 301
Disposal according to AGM resolution	–	–	-55 565 518	27 818 216	27 747 301
New share issue	9 626 039	–	67 382 273	–	–
Issue expenses	–	–	-15 693 775	–	–
Redistribution in equity	–	26 056 802	–	-26 056 802	–
Loss for the period	–	–	–	–	-15 167 838
At the end of the period	**23 377 523**	**167 721 904**	**51 688 498**	**20 029 567**	**-15 167 838**

01 January – 31 December 2022	Share capital	Fund for development expenses	Share premium reserve	Retained earnings	Net loss for the period
At start of period	10 526 178	84 127 034	88 053 563	3 930 597	-16 576 604
Disposal according to AGM resolution	–	–	-88 053 563	71 476 959	16 576 604
Resolve of warrant subscription right	–	–	–	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 July 2023 30 Sept 2023 3 months	1 July 2022 30 Sept 2022 3 months	1 Jan 2023 30 Sept 2023 9 months	1 Jan 2022 30 Sept 2022 9 months	1 Jan 2022 31 Dec 2022 12 months	1 Jan 2021 31 Dec 2021 12 months
OPERATING ACTIVITIES						
Loss after financial items	-11 076 973	-7 215 192	-26 244 811	-19 210 671	-27 747 301	-16 576 604
Adjustments for items not included in the cash flow						
Depreciations	3 577	3 577	10 731	10 731	14 308	14 308
Accrued expenses for borrowings	–	60 000	–	180 000	200 000	680 000
Accrued interest cost	–	75 000	–	225 000	250 000	550 000
New share issue through offset of liability	–	–	–	–	–	–
	-11 073 396	**-7 076 615**	**-26 234 080**	**-18 794 940**	**-27 282 993**	**-15 332 296**
Cash flow from operating activities before changes in working capital	**-11 073 396**	**-7 076 615**	**-26 234 080**	**-18 794 940**	**-27 282 993**	**-15 332 296**
Cash flow from changes in working capital						
Increase (-)/Decrease (+) in operating receivables	196 453	61 398	365 664	174 765	64 566	-140 264
Increase (+)/Decrease (-) in operating liabilities	-162 542	-9 124 768	-2 221 581	1 716 989	8 609 991	2 343 803
Cash flow from operating activities	**-11 039 485**	**-16 139 985**	**-28 089 998**	**-16 903 186**	**-18 608 436**	**-13 128 757**
Investing activities						
Acquisition of intangible assets	-5 798 696	-10 945 764	-31 855 497	-36 562 546	-57 538 069	-44 805 361
Cash flow from investing activities	**-5 798 696**	**-10 945 764**	**-31 855 497**	**-36 562 546**	**-57 538 069**	**-44 805 361**

Parent company – Cash flow statement

(SEK)	1 July 2023 30 Sept 2023 3 months	1 July 2022 30 Sept 2022 3 months	1 Jan 2023 30 Sept 2023 9 months	1 Jan 2022 30 Sept 2022 9 months	1 Jan 2022 31 Dec 2022 12 months	1 Jan 2021 31 Dec 2021 12 months
Financing activities						
New share issue	–	–	77 008 311	–	61 280 818	95 311 040
Issue expenses	–	–	-15 693 775	–	-2 489 995	-3 913 230
Warrant issued	–	398 666	–	398 666	398 666	–
Resolve of warrant subscription right	–	–	–	–	–	-4 500 000
Amortisation of loans	–	–	–	–	-5 000 000	-5 000 000
Paid intrest costs	–	–	–	–	-625 000	-325 000
Cash flow from financing activities	**–**	**398 666**	**61 314 536**	**398 666**	**53 564 490**	**81 572 810**
Cash flow for the period	**-16 838 181**	**-26 687 082**	**1 369 041**	**-53 067 065**	**-22 582 015**	**23 638 692**
Cash and cash equivalents at start of period	**85 219 725**	**63 214 536**	**67 012 503**	**89 594 519**	**89 594 519**	**65 955 827**
Cash and cash equivalents at end of period	**68 381 544**	**36 527 454**	**68 381 544**	**36 527 454**	**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 17 November 2023,

Joakim Söderström
Chair of the Board

Jonas Faijerson Säljö
Board member

Sverker Jern
Board member

Lena Mårtensson Wernrud
Board member

Anders Svensson
Board member

Jeppe Øvlesen
Board member

Sten R. Sörensen
Chief Excutive Officer

Cereno Scientific

Cereno Scientific develops innovative treatments for common and rare cardiovascular disease. The lead drug candidate, CS1, is a HDAC (histone deacetylase) inhibitor that acts as an epigenetic modulator with pressure-reducing, reverse-remodeling, anti-inflammatory, anti-fibrotic and anti-thrombotic properties. A Phase II study is ongoing to evaluate CS1's safety, tolerability, and efficacy in patients with the rare disease pulmonary arterial hypertension (PAH). A collaboration agreement with global healthcare company Abbott allows Cereno to use their cutting-edge technology CardioMEMS HF System in the study. Two initiatives performed during the ongoing Phase II study have shown positive findings suggesting the potential clinical benefit of CS1 in PAH patients. These initial findings are, however, not a guarantee of the final study results that are expected in Q2 2024. Cereno also has two promising preclinical drug candidates in development through research collaborations with the University of Michigan. Investigational drug CS014 is a HDAC inhibitor in development as a treatment for arterial and venous thrombosis prevention. The innovative drug candidate represents a groundbreaking approach to antithrombotic treatment potentially without the associated increased risk of bleeding in humans. CS014 is a new chemical entity with a multi-fold mechanism of action as an epigenetic modulator – regulating platelet activity, fibrinolysis, and clot stability for the prevention of thrombosis without increased risk of bleeding as documented in preclinical studies. Drug candidate CS585 is a prostacyclin receptor agonist that 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 Nasdaq First North (CRNO B). More information on www.cerenoscientific.com.

Cereno Scientific AB
Org.nr. 556890–4071
Visiting and Postal address: BioVentureHub
Pepparedsleden 1, 431 83 Mölndal, Sweden
Tel: +46 768 66 77 87
www.cerenoscientific.com