

# Cereno Scientific

Intelligent Thrombosis Prevention

## Interim report

2018-01-01 – 2018-03-31



The Board and Chief Executive Officer of Cereno Scientific AB herewith present the interim report for the first quarter 2018.

## Summary of the interim report

### Three months (2018-01-01 – 2018-03-31)

- Net sales were 0 SEK (0 SEK).
- Loss after financial items was -1 805 442 SEK (-739 403 SEK).
- Loss per share was -0.16 SEK (-0.07 SEK) before dilution and -0.16 SEK (-0.07 SEK) after dilution.
- Equity ratio was 88.9 % (92.6 %).

*Amounts in parentheses: Prior year comparative period*

*Equity ratio: Shareholders' equity divided by total capital*

*Earnings per share: Profit/loss for the period divided by 10,990,500 shares as of March 31, 2018*

*The "Company" or "Cereno Scientific" refers to Cereno Scientific AB, corporate identity number 556890-4071.*

*This information is such that Cereno Scientific AB is required to make public in accordance with the EU's market abuse regulation (MAR) and the Swedish Securities Market Act. The information was made available publically by the Company's contact person on 24 May 2018*

## Important events during the first quarter 2018

- On 19 March 2018, Cereno Scientific announced a financing agreement with European High Growth Opportunities Securitization Fund, advised by Alpha Blue Ocean Inc., regarding a financing solution based on the issuance of convertible bonds with warrants attached. The financing solution means that the Company is able, over a 24-month period, to receive up to SEK 82.0 million SEK and potentially an additional SEK 24.6 million SEK if all the warrants issued are exercised.

## Important events after the period

- On 18 April 2018, Cereno Scientific announced the completion of its clinical study with drug candidate CS1. Preliminary analysis of the study data showed that CS1 was safe and well tolerated. Cereno Scientific continues to analyse all data from the study and hopes to be able to present all results during the second quarter, including data on CS1 pharmacokinetics and potential pharmacodynamic effects.
- On 26 April 2018, Cereno Scientific requested the first convertible loan from European High Growth Opportunities Securitization Fund. The first tranche of convertible bonds with warrants attached amounts to SEK 5,000,000.
- On 18 May 2018, Cereno Scientific issued the second tranche of convertible bonds with warrants attached to European High Growth Opportunities Securitization Fund which amounted to SEK 3,500,000.

## CEO Sten R. Sørensen comments

Thrombosis-related diseases are the primary cause of death globally, and the problem is growing. Cereno's research and development is focused on addressing this problem in a completely new way.

There are currently no drugs that can stimulate the body's own defense mechanism against thrombosis. Such a drug would be a new alternative to preventive treatment against thrombosis, without the risks for serious bleeding complications that exist today with available blood thinning drugs. It is very exciting and motivating to be engaged in the development of CS1, a new drug with significant potential to have a global impact as a preventive thrombosis treatment, with positive effects on both health and the economy.



In early October 2017, we initiated our clinical study with CS1 together with our clinical research partner, CTC in Uppsala, Sweden. The first individuals were dosed at the end of October 2017. Since then, our main focus has been to conduct this first clinical study with our drug candidate CS1. In April, we announced that the preliminary analysis of the study data showed that CS1 was safe and well tolerated. In the study, individuals with an increased risk profile for thrombosis participated in evaluating safety, tolerability and pharmacokinetic properties of CS1. Furthermore, effects on risk markers for thrombosis were studied. We continue to analyse all data from the study and hopes to be able to present all results during the second quarter, including data on CS1 pharmacokinetics and potential pharmacodynamic effects.

In March, we presented a financing agreement with European High Growth Opportunities Securitization Fund (EHGO), advised by Alpha Blue Ocean Inc., regarding a financing solution based on the issuance of convertible bonds with warrants attached. The financing solution means that the Company is able, over a 24-month period, to receive up to SEK 82.0 million, and potentially an additional SEK 24.6 million if all the warrants issued are exercised. The financing agreement provides Cereno Scientific with financial stability for the next 30 months and funds the implementation of the company's planned Phase II-study.

The first tranche in the financing agreement was issued at the end of April and means that Cereno received SEK 5,000,000 based on a first convertible bond with warrants attached. The second tranche was issued on 18 May and amounted to SEK 3,500,000.

We are now looking forward to fully analysed results from the clinical study with CS1. These, together with our secured financing up to SEK 106,000,000 paves the way for our continued development work that aims to document CS1's effectiveness when it comes to preventive thrombosis treatment in patients.

Göteborg, 24 May 2018

Sten R. Sørensen, CEO Cereno Scientific AB

## About Cereno Scientific

- **Thrombosis – causes the most deaths globally**

Thrombosis-related disease (blocking blood clots) is the leading cause of illness and death worldwide. Myocardial infarction and stroke, which in most cases are caused by thrombosis, cause great suffering for the individual and high costs for society.

- **Current treatments are inadequate – high risk of bleeding and suboptimal preventive effect**

Blood-thinning medications are widely used today to prevent blood clots. They act by inhibiting coagulation or blood platelets. This treatment is associated with a relatively high risk for serious bleeding complications, resulting in insufficient prevention effect with current drugs, since the most effective doses can't be used. This entails a high risk of new blood clots.

- **Cereno Scientific works with the body's own intelligent blood clot-busting system to improve the preventive treatment of blood clots with reduced risk of bleeding side effects**

Cereno Scientific's unique concept is to develop a drug (CS1) based on the body's own intelligent defence systems against blood clots. Cereno Scientific considers that the company's concept is unique because there are currently no clinical therapies that optimize the body's clot dissolving system (the fibrinolytic system) that is triggered when blood clotting (coagulation) and wound healing are started after a vascular injury has occurred.

CS1 is expected to provide an opportunity for effective preventive treatment of blood clots and a lower risk of serious side effects than is the case with today's treatments blood-thinning drugs.

- **Documented effect on risk factors for blood clots and proven preventive effect in vivo**

Documentation of the effect on risk factors can be found in experimental studies and early human studies. Preventive effect against thrombosis has also been demonstrated in in vivo studies in animals. Indication of clinical preventive effect against heart attacks has been shown in two large epidemiological studies.

- **Known substance that has been used for over 40 years in large patient populations indicates low development risk**

CS1 is a new formulation of a known substance, which minimises the risk for unwanted side effects and indicates a relatively low development risk.

- **Relatively short time to market and possible collaboration agreement with major pharmaceutical company**

At the latest after completing the Phase II study, the Company intends to seek collaboration agreements with major pharmaceutical companies for further development towards larger thrombosis prevention indications such as heart attack and stroke

- **Large market potential**

CS1 has an intelligent mechanism with a possible broad indication window towards large blood clot-related diseases, with long treatment times (preventive treatment) and therefore a large value and market potential.

### **About Cereno Scientific**

Cereno Scientific is developing a new preventive medicine to treat thrombosis-related disease. The novel therapeutic stimulates the body's own intelligent clot-busting system, and is being developed to treat thrombosis-related cardiovascular diseases on the global market. Current therapies are connected to an increased risk of major bleeding complications and, as a result, low effectiveness due to lower dosing levels - leading to a high risk of new blood clots. CS1 is expected to provide an opportunity for more effective preventive thrombosis treatment and a lower risk of serious bleeding complications associated with current treatment with blood-thinning drugs. CS1 is a re-formulation of a known compound and, as such, is expected to have a relatively short development time. It is based on many years of research and its effectiveness is documented in experimental animal studies, early clinical studies and in epidemiological studies. CS1 has a unique mechanism of action, a potentially wide range of indication opportunities connected to major thrombosis-related diseases and, consequently, a large market potential. The Göteborg-based company is listed on the AktieTorget stock market, conducts lab and research activities at AstraZeneca's BioVentureHub in Göteborg and is supported by GU Ventures. For more information, see [www.cerenoscientific.se](http://www.cerenoscientific.se).

### **Company structure and shareholding**

Cereno Scientific does not have any subsidiaries and is not included in any group. The Company does not have any shareholding.

### **Company share**

Cereno Scientific's shares were listed on AktieTorget on 22 June 2016. AktieTorget is an affiliate of the ATS Finans AB, which is a securities company under the supervision of Sweden's financial supervisory authority (Finansinspektionen). AktieTorget operates a multilateral trading facility (MTF), which is not a regulated market. The share capital is divided into 10,990,500 shares. The Company has two classes of shares (of which 722,248 A shares). The A share entitles to ten (10) votes per share. Each B share entitles to one (1) vote per share. Each share gives equal rights to the company's assets and earnings. The quota value (equity divided by number of shares) amounts to 0.10 SEK.

### **Warrants of series 2016/2019**

The Annual General Meeting on January 29, 2016 decided to issue 325,289 warrants (series 2016/2019) through a private placement, thus entitling to a subscription of 325,289 shares of series B. The warrants have an exercise price of SEK 6.00 per option and can be used to subscribe for series B shares during the period from 1 March 2019 to 1 December 2020. For information regarding holders of warrants refer to the Listing Memorandum.

### **Financial development**

During the year, the Company has mainly invested in the development and implementation of the first clinical study with CS1. At the end of the period, the Company had a cash balance of approximately SEK 5,900,000 and an equity ratio of 88.9%.

### **Audit**

The Company's auditor has not audited the Q1 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, H1, 2018	30 August 2018
Interim report, Q3, 2018	15 November 2018
Year-end report 2018	22 February 2019

The Board of Directors and the CEO certify that the interim report gives a true and fair view of the Company's operations

*Göteborg, 24 May 2018. Board of Directors and Chief Executive Officer for Cereno Scientific AB*

## Summary income statement

(SEK)	01-01-2018	01-01-2017	01-01-2017	01-01-2016
	31-03-2018	31-03-2017	31-12-2017	31-12-2016
	3 months	3 months	12 months	12 months
Net sales	-	-	-	-
Capitalised work for own account	1 235 928	1 485 732	9 206 267	4 666 527
Other operating income	71 619	-	195 766	1 285
	<b>1 307 547</b>	<b>1 485 732</b>	<b>9 402 033</b>	<b>4 667 812</b>
<b>Operating expenses</b>				
Other operating expenses	-2 810 204	-2 225 139	-13 484 893	-10 658 811
Personnel costs	-302 785	-	-505 359	-60 219
<b>Operating profit/loss</b>	<b>-1 805 442</b>	<b>-739 407</b>	<b>-4 588 219</b>	<b>-6 051 218</b>
<b>Result from financial items</b>				
Interest income	-	4	4	96
Interest expenses	-	-	-12 589	-225
<b>Profit/Loss after financial items</b>	<b>-1 805 442</b>	<b>-739 403</b>	<b>-4 600 804</b>	<b>-6 051 347</b>
<b>Profit/Loss before tax</b>	<b>-1 805 442</b>	<b>-739 403</b>	<b>-4 600 804</b>	<b>-6 051 347</b>
<b>Net profit/loss for the period</b>	<b>-1 805 442</b>	<b>-739 403</b>	<b>-4 600 804</b>	<b>-6 051 347</b>

## Summary balance sheet

(SEK)	31-03-2018	31-03-2017	31-12-2017
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Intangible assets</i>			
Capitalised expenditures for development activities	15 435 896	1 151 443	14 199 969
Patents, trademarks, licenses and similar rights	2 604 471	6 492 783	2 512 277
	<b>18 040 367</b>	<b>7 644 226</b>	<b>16 712 246</b>
<b>Total fixed assets</b>	<b>18 040 367</b>	<b>7 644 226</b>	<b>16 712 246</b>
<b>Current assets</b>			
<i>Current receivables</i>			
Other receivables	394 336	389 671	344 101
Prepaid expenses and accrued income	123 676	157 000	64 274
	<b>518 012</b>	<b>546 671</b>	<b>408 375</b>
<b>Cash and bank balance</b>	<b>5 885 529</b>	<b>21 428 463</b>	<b>8 638 858</b>
<b>Total current assets</b>	<b>6 403 541</b>	<b>21 975 134</b>	<b>9 047 233</b>
<b>TOTAL ASSETS</b>	<b>24 443 908</b>	<b>29 619 360</b>	<b>25 759 479</b>

## Summary balance sheet, continued

(SEK)	31-03-2018	31-03-2017	31-12-2017
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital	1 099 050	1 099 050	1 099 050
Fund for development expenses	15 095 374	6 152 259	13 859 446
	<b>16 194 424</b>	<b>7 251 309</b>	<b>14 958 496</b>
<i>Non-restricted equity</i>			
Share premium reserve	33 260 950	33 260 950	33 260 950
Retained earnings	-25 924 490	-12 340 235	-20 087 758
Profit/Loss for the period	-1 805 442	-739 403	-4 600 804
	<b>5 531 018</b>	<b>20 181 312</b>	<b>8 572 388</b>
<b>Total equity</b>	<b>21 725 442</b>	<b>27 432 621</b>	<b>23 530 884</b>
<b>Long-term liabilities</b>			
Liabilities to credit institutions	400 000	400 000	400 000
	<b>400 000</b>	<b>400 000</b>	<b>400 000</b>
<b>Current liabilities</b>			
Accounts payable	1 158 532	659 042	456 341
Other liabilities	18 265	-	60 585
Accrued expenses and deferred income	1 141 669	1 127 697	1 311 669
	<b>2 318 466</b>	<b>1 786 739</b>	<b>1 828 595</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>24 443 908</b>	<b>29 619 360</b>	<b>25 759 479</b>

## Summary, change in equity

01-01-2018 – 31-03-2018	Share capital	Fund for dev. expenses	Share premium reserve	Retained earnings	Net profit/loss
At the start of the period	1 099 050	13 859 446	33 260 950	-20 087 758	-4 600 804
Redistribution, previous year's result				-4 600 804	4 600 804
Redistribution in equity		1 235 928		-1 235 928	
The period's result					-1 805 442
<b>At the end of the period</b>	<b>1 099 050</b>	<b>15 095 374</b>	<b>33 260 950</b>	<b>-25 924 490</b>	<b>-1 805 442</b>

## Cash flow summary

(SEK)	01-01-2018 31-03-2018 3 months	01-01-2017 31-03-2017 3 months	01-01-2017 31-12-2017 12 months	01-01-2016 31-12-2016 12 months
<b>OPERATING ACTIVITIES</b>				
Profit/Loss after financial items	-1 805 442	-739 403	-4 600 804	-6 051 347
<i>Adjustments for items not included in cash flow</i>	-	-	-	-
<b>Cash flow from operating activities before changes in working capital</b>	<b>-1 805 442</b>	<b>-739 403</b>	<b>-4 600 804</b>	<b>-6 051 347</b>
<i>Cash flow from changes in working capital</i>				
Increase (-)/Decrease (+) in operating receivables	-109 637	111 077	249 373	-621 180
Increase (-)/Decrease (+) in operating liabilities	489 871	-116 123	-74 267	1 304 340
<b>Cash flow from operating activities</b>	<b>-1 425 208</b>	<b>-744 449</b>	<b>-4 425 698</b>	<b>-5 368 187</b>
<b>Investment</b>				
Acquisition of intangible assets	-1 328 121	-1 773 773	-10 841 793	-5 087 643
<b>Cash flow from investing activities</b>	<b>-1 328 121</b>	<b>-1 773 773</b>	<b>-10 841 793</b>	<b>-5 087 643</b>
<b>Financing activities</b>				
Issue / Warrants	-	-	-40 336	33 471 679
Borrowings	-	-	-	46 445
<b>Cash flow from financing activities</b>	<b>-</b>	<b>-</b>	<b>-40 336</b>	<b>33 518 124</b>
<b>Cash flow</b>	<b>-2 753 329</b>	<b>-2 518 222</b>	<b>-15 307 827</b>	<b>23 062 294</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>8 638 858</b>	<b>23 946 685</b>	<b>23 946 685</b>	<b>884 391</b>
<b>Cash and cash equivalents at end of period</b>	<b>5 885 529</b>	<b>21 428 463</b>	<b>8 638 858</b>	<b>23 946 685</b>

# Cereno Scientific

Intelligent Thrombosis Prevention



## About Cereno Scientific AB

Cereno Scientific is developing a new preventive medicine to treat thrombosis-related disease. The novel therapeutic stimulates the body's own intelligent clot-busting system, and is being developed to treat thrombosis-related cardiovascular diseases on the global market. Current therapies are connected to an increased risk of major bleeding complications and, as a result, low effectiveness due to lower dosing levels - leading to a high risk of new blood clots. CS1 is expected to provide an opportunity for more effective preventive thrombosis treatment and a lower risk of serious bleeding complications associated with current treatment with blood-thinning drugs. CS1 is a re-formulation of a known compound and, as such, is expected to have a relatively short development time. It is based on many years of research and its effectiveness is documented in experimental animal studies, early clinical studies and in epidemiological studies. CS1 has a unique mechanism of action, a potentially wide range of indication opportunities connected to major thrombosis-related diseases and, consequently, a large market potential. The Göteborg-based company is listed on the AktieTorget stock market, conducts lab and research activities at AstraZeneca's BioVentureHub in Göteborg and is supported by GU Ventures. Cereno Scientific's B share has been listed on AktieTorget since June 2016 with the ticker CRNO B, ISIN SE0008241558.

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Cereno Scientific AB

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