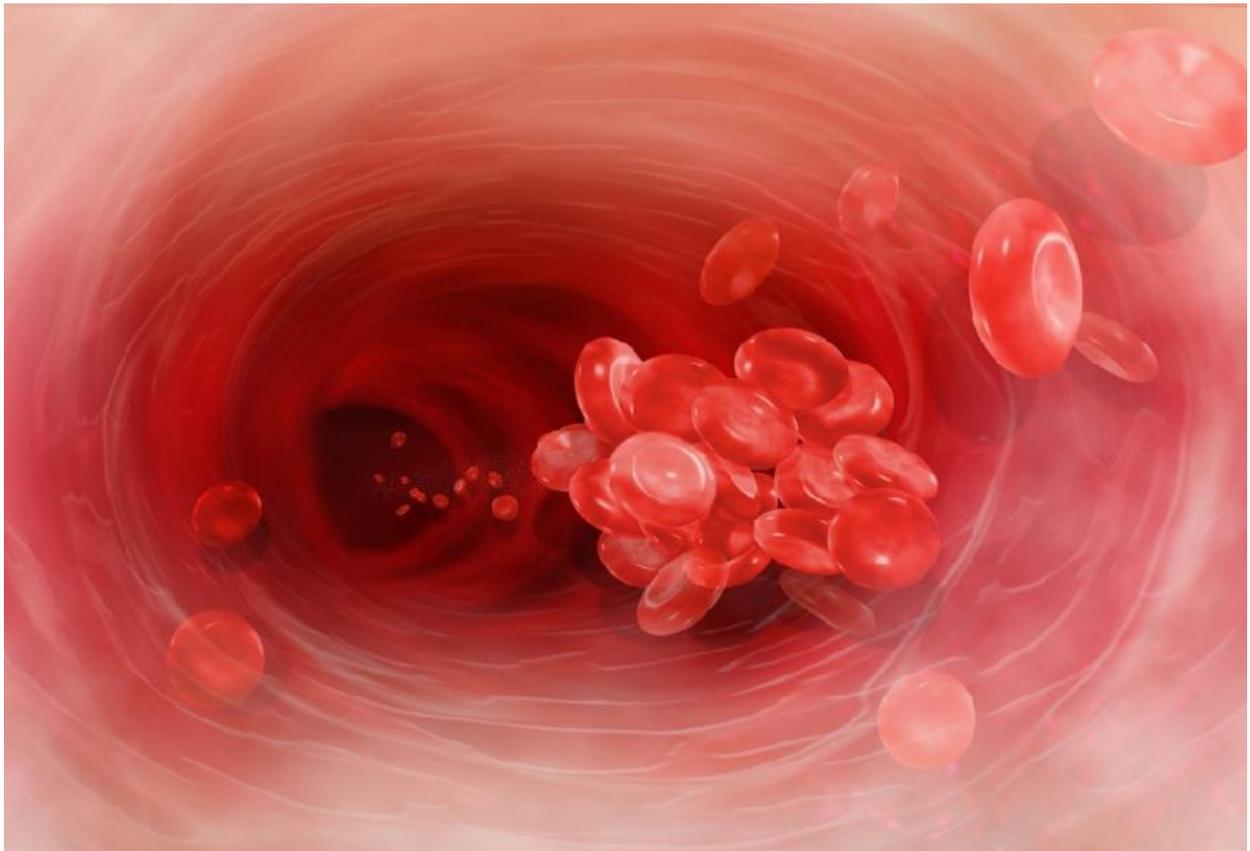


Cereno Scientific

Intelligent Thrombosis Prevention

Interim report Q1

2019-01-01 – 2019-03-31



The Board and Chief Executive Officer of Cereno Scientific AB herewith present the interim report for the first quarter 2019.

Summary of the interim report

Three months (2019-01-01 – 2019-03-31)

- Net sales were 0 SEK (0 SEK).
- Loss after financial items was -5 333 633 SEK (-1 805 442 SEK).
- Loss per share was -0,28 SEK (-0,16 SEK) before dilution and -0,24 SEK* (-0,16 SEK) after dilution.
- Equity ratio was 42,0 % (88,9 %).

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 19,181,302 shares as of 2019-03-31.

**Earnings per share after dilution: Profit/loss for the period divided by outstanding shares and warrants as of 2019-03-31.*

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

Important events during the first quarter 2019

- On 7 Mars 2019 Cereno Scientific announced that the Company has received a new granted patent in Australia. The patent broadens the protection for the use of the drug candidate, CS1, in an important market for the company.
- On 11 Mars 2019 Cereno Scientific announced the establishment of a Scientific Advisory Board, whose purpose is to strengthen the transfer of knowledge from academic research into a business environment. Dr. Bertram Pitt, Honorary Professor Emeritus at the University of Michigan School of Medicine with long-standing experience and a strong reputation in the field of cardiovascular diseases, has accepted the offer to become the chair of the board.
- On 13 Mars 2019 Cereno Scientific announced that the Company has signed an agreement with Emeriti Bio AB regarding the acquisition of the compound CS014 (previously EB014). The compound has innovative properties and will expand Cereno Scientific's pipeline product portfolio in cardiovascular diseases.
- On 18 Mars 2019 Cereno Scientific announced that the Company has recruited Dr Gordon H Williams, a Professor of Medicine at Harvard Medical School, as a new member of the Scientific Advisory Board.

Financing

- On 4 January 2019, Cereno Scientific requested the seventh tranche of convertible bonds with warrants attached to European High Growth Opportunities Securitization Fund which amounted to SEK 3,500,000.
- On 9 January 2019, Cereno Scientific received notification from European High Growth Opportunities Securitization Fund regarding conversion of convertible bonds into 533,333 class B shares in Cereno, corresponding to SEK 800,000 of the convertible loan. The conversion price per share amounted to SEK 1.50.
- On 17 January 2019, Cereno Scientific received notification from European High Growth Opportunities Securitization Fund regarding conversion of convertible bonds into 666,666 class B shares in Cereno, corresponding to SEK 800,000 of the convertible loan. The conversion price per share amounted to SEK 1.20.
- On 18 January 2019, the Board of Directors of Cereno Scientific decided to recall the latest tranche with associated warrants that the company issued on 4 January 2019 and to pause until further notice

the call-down of new convertible bonds in the funding solution the company entered into with the European High Growth Opportunities Securitization Fund.

- On 22 January 2019, Cereno Scientific received notification from European High Growth Opportunities Securitization Fund regarding conversion of convertible bonds into 3,333,333 class B shares in Cereno, corresponding to SEK 4,000,000 of the convertible loan. The conversion price per share amounted to SEK 1.20. EHGOSF still has the right, according to the agreement, to convert the outstanding convertible loan into shares. After the conversion, SEK 5,200,000 remains of the convertible loan.
- On 1 Mars 2019 Cereno Scientific announced that the company has decided to completely end the financing solution the company entered into with European High Growth Opportunities Securitization Fund.
- On 6 Mars 2019 Cereno Scientific announced that the Company repays SEK 2,600,000 of the convertible loan to European High Growth Opportunities Securitization Fund in cash instead of issuing new shares.
- On 22 mars 2019 Cereno Scientific announced that the Company repays the remaining convertible loan of SEK 2,600,000 to European High Growth Opportunities Securitization Fund in cash instead of issuing new shares. After the repayment, there are no longer any outstanding convertible loans left.

Important events after the period

- On 2 April 2019 Cereno Scientific announced that the Company is continuing to strengthen its clinical expertise through the recruitment of three internationally leading experts in cardiology to its Scientific Advisory Board. The new members are Dr Deepak Bhatt at Harvard Medical School, Dr Faiez Zannad Universite' de Lorraine and Dr Gunnar Olsson who has worked at executive level at AstraZeneca for more than 20 years.
- On 12 April 2019 Cereno Scientific resolved to issue shares with preferential rights for the Company's existing shareholders of SEK 55,600,000, conditional on the extraordinary general meeting's subsequent approval and that the extraordinary general meeting resolves to amend the Company's Articles of Association regarding the number of shares and share capital. In connection with the Rights Issue, Cereno Scientific has entered into agreement regarding a short-term bridge loan of SEK 12,000,000.

CEO Sten R. Sörensen comments

Cereno Scientific had an eventful first quarter during which we worked intensively on the development of our drug candidate CS1, broadened our pipeline to include a new compound and added further resources to our organization.

The start of the year was characterized by several new developments with respect to the financing of our operations. We decided to terminate our financing solution with the European High Growth Opportunities Securitization Fund (EHGOSF) since we are now in a strong position following the positive results we achieved in 2018 and can plan for a better alternative to meet the capital requirements for our upcoming milestones. Along with our shareholders' desire to participate in a financing arrangement without the risk of dilution, this was one of the main reasons behind the Board's decision to carry out a preferential rights issue totalling approximately MSEK 55.6, with a subscription period of 23 May to 7 June 2019.



Stronger organization of leading international experts

During the quarter, we took proactive steps to strengthen our organization. I am thinking in particular of our new Scientific Advisory Board, which has allowed us to establish relationships with five world-leading international experts in the field of cardiology, both in terms of clinical development, product development and registration and with respect to clinical practice. This means that we now have a broad knowledge base and an extensive contact network at our disposal, which will be very useful in our future clinical studies and potential commercialization activities.

Acquisition of new compound broadens our operations

In addition to the positive developments reported for our first drug candidate (CS1), we have been working hard to expand our pipeline. In March 2019, we acquired CS014 (previously EB014) from Emeriti Bio AB, a compound with innovative properties that are well suited to cardiovascular diseases. We will continue to develop EB014 in partnership with Emeriti Bio.

This acquisition means we now have a portfolio of drug candidates with potential for several indications in cardiovascular diseases. As we continue our ongoing development work, we will be able to leverage the knowledge and experience we have gained during the development of CS1 and thereby further capitalize on our previous successes.

Focus on Phase II for CS1

We are now fully focused on preparing for our upcoming Phase II study with CS1, which will be carried out in partnership with the Russian clinical research organisation (CRO) OCT Group at some 20 clinics in Russia and Bulgaria. As always, the start of the study is contingent on approval from the relevant authorities. We are currently working to complete the application documentation, which we plan to submit in the third quarter of this year. In parallel with these preparations, we are also working with our partner Galenica to scale up production in order to produce sufficient quantities of our CS1 investigational medicinal product in order to carry out our planned Phase II study. Our goal is to commence the study in the first half of 2020.

During the first quarter of the year, Cereno Scientific took several important steps forward and it is clear that we have the necessary foundation to create significant value for millions of patients and for our shareholders. I hope that as many of you as possible will take part in the share issue and look forward with confidence to leading our efforts to create benefits for patients in a segment with a major unmet medical need.

Gothenburg, 30 April 2019

Sten R. Sörensen, 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**

Documentation of the effect on risk factors can be found in experimental studies, early human studies and clinical 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. The first clinical study with CS1 showed positive results regarding safety,

pharmacokinetic properties and effect on a biomarker for the risk of thrombosis. Data shows that treatment with CS1 significantly lowers PAI-1 levels. PAI-1 is the factor that inhibits t-PA, which is the substance the body itself uses to dissolve blood clots.

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

CS1 is a new innovative 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**

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. In conjunction with the Phase II program, contacts with potential partners are expected to increase.

- **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. The Company has an approved patent in the US and Australia for use of CS1. The approved patent provides Cereno Scientific with a platform for a significant market potential in the US, the world's largest drug market — a market that, for drug-related treatment of thrombosis alone, has estimated sales of approximately USD 10 billion annually and continues to grow.

- **Expanded pipeline**

In March 2019, Cereno Scientific acquired CS014 (previously EB014) from Emeriti Bio AB, a compound with innovative properties that are well suited to cardiovascular diseases. Cereno Scientific will continue to develop EB014 in partnership with Emeriti Bio

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 an innovative controlled release 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 Gothenburg-based company is located in AstraZeneca's BioVentureHub and is supported by GU Ventures. For more information, see 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 Spotlight Stock Market on 22 June 2016. Spotlight Stock Market is an affiliate of the ATS Finans AB, which is a securities company under the supervision of Sweden's financial supervisory authority (Finansinspektionen). Spotlight Stock Market operates a multilateral trading facility (MTF), which is not a regulated market. As per 31 Mars 2019, the share capital was divided into 19,181,302 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 company repurchased 65,058 of the warrants during the third quarter in 2017 for the same price they were issued at. The repurchased warrants have been cancelled and total outstanding warrants now amounts to 260,231. 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.

Warrants of convertible loans

In connection with the issuance of a new tranche, warrants are issued giving the investor right to subscribe for shares of series B. The subscription price for each tranche of warrants is defined as 120% of VWAP during the pricing period of 15 trading days preceding the trading day when the company requests that the investor subscribe for new convertible bonds with warrants attached, i.e. when the company calls for a Tranche. The warrants must be exercised within 5 to 6 years from the date of issue. The number of outstanding warrants as per 31st of March 2019 amounted to 2,247,569.

Warrants of series OP 2018/2022

The Extraordinary General Meeting on October 23, 2018 decided to issue 647,256 warrants and/or employee warrants (series OP 2018/2022) entitled to subscription of 647,256 shares of series B. 323,628 of the warrants and/or employee warrants have an exercise price of SEK 15.00 per option and 323,628 of the warrants and/or employee warrants have an exercise price of SEK 30.00 per option. 617 256 warrants have been annulled during the second quarter 2019 without charge for the Company, after which 30,000 warrants are outstanding.

Financial development

During the first quarter, the Company has mainly invested in the development and production of clinical supply. At the end of the period, the Company had a cash balance of approximately 16,6 MSEK and an equity ratio of 42,0%.

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

Half-year report, 2019	2019-08-30
Interim report Q3, 2019	2019-11-14
Year-end report 2019	2020-02-27

AGM

The Annual General Meeting is scheduled for 19 June 2019 at 11.00 PM, at GU Ventures, Erik Dahlbergsgatan 11 A, in Gothenburg. Notice of the Annual General Meeting will be made public through PoIT and the company's website.

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

*Gothenburg, 30 April 2019,
Board of Directors and Chief Executive Officer for Cereno Scientific AB*

Income statement summary

(SEK)	2019-01-01	2018-01-01	2018-01-01	2017-01-01
	2019-03-31	2018-03-31	2018-12-31	2017-12-31
	<i>3 months</i>	<i>3 months</i>	<i>12 months</i>	<i>12 months</i>
Net sales	-	-	-	-
Capitalised work for own account	3 294 602	1 235 928	6 785 733	9 206 267
Other operating income	-	71 619	145 889	195 766
	3 294 602	1 307 547	6 931 622	9 402 033
<i>Operating expenses</i>				
Other operating expenses	-6 302 887	-2 810 204	-15 763 255	-13 484 893
Personnel costs	-75 752	-302 785	-855 165	-505 359
Operating profit/loss	-3 084 037	-1 805 442	-9 686 798	-4 588 219
<i>Result from financial items</i>				
Interest income	-	-	-	4
Interest expenses and similar expenses	-2 249 596	-	-2 152 089	-12 589
Profit/Loss after financial items	-5 333 633	-1 805 442	-11 838 887	-4 600 804
Profit/Loss before tax	-5 333 633	-1 805 442	-11 838 887	-4 600 804
Net profit/loss for the period	-5 333 633	-1 805 442	-11 838 887	-4 600 804

Balance sheet summary

(SEK)	2019-03-31	2018-03-31	2018-12-31
ASSETS			
Fixed assets			
<i>Intangible assets</i>			
Capitalised expenditures for development activities	23 863 705	15 435 896	20 569 104
Patents, trademarks, licenses and similar rights	4 108 895	2 604 471	3 886 587
	27 972 600	18 040 367	24 455 691
Total fixed assets	27 972 600	18 040 367	24 455 691
Current assets			
<i>Current receivables</i>			
Other receivables	1 033 982	394 336	1 015 973
Prepaid expenses and accrued income	1 011 768	123 676	127 960
	2 045 750	518 012	1 143 933
Cash and bank balance	16 549 099	5 885 529	11 237 141
Total current assets	18 594 849	6 403 541	12 381 074
TOTAL ASSETS	46 567 449	24 443 908	36 836 765

Balance sheet summary continued

(SEK)	2019-03-31	2018-03-31	2018-12-31
EQUITY AND LIABILITIES			
<i>Equity</i>			
<i>Restricted equity</i>			
Share capital	1 918 130	1 099 050	1 464 797
Fund for development expenses	23 523 182	15 095 374	20 228 580
	25 441 312	16 194 424	21 693 377
<i>Non-restricted equity</i>			
Share premium reserve	16 480 920	33 260 950	11 334 253
Retained earnings	-17 049 626	-25 924 490	2 203 254
Profit/Loss for the period	-5 333 633	-1 805 442	-11 838 887
	-5 902 339	5 531 018	1 698 620
Total equity	19 538 973	21 725 442	23 391 997
<i>Long-term liabilities</i>			
Liabilities to credit institutions	400 000	400 000	400 000
	400 000	400 000	400 000
<i>Current liabilities</i>			
Liabilities to credit institutions	12 000 000	-	-
Accounts payable	2 212 150	1 158 532	1 521 672
Convertible loan	-	-	9 550 404
Other liabilities	10 320 652	18 265	-
Accrued expenses and deferred income	2 095 674	1 141 669	1 972 692
	26 628 476	2 318 466	13 044 768
TOTAL EQUITY AND LIABILITIES	46 567 449	24 443 908	36 836 765

Summary of change in equity

2019-01-01 - 2019-03-31	Share capital	Fund for dev. expenses	Share premium reserve	Retained earnings	Net profit/loss
At the start of the period	1 464 797	20 228 580	11 334 253	2 203 254	-11 838 887
Redistribution, previous year's result				-11 838 887	11 838 887
Share issue through conversion of loan	453 333		5 146 667		
Deficit in resolve of conversion rights				-4 120 651	
Warrants				1 260	
Redistribution in equity		3 294 602		-3 294 602	
The period's result					-5 333 633
At the end of the period	1 918 130	23 523 182	16 480 920	-17 049 626	-5 333 633

Cash flow summary

(SEK)	2019-01-01	2018-01-01	2018-01-01	2017-01-01
	2019-03-31	2018-03-31	2018-12-31	2017-12-31
	3 months	3 months	12 months	12 months
OPERATING ACTIVITIES				
Profit/Loss after financial items	-5 333 633	-1 805 442	-11 838 887	-4 600 804
<i>Adjustments for items not included in the cash flow</i>				
Accrued expenses for borrowings	1 249 596	-	2 145 404	-
Share issue through conversion of loans	5 600 000	-	-	-
Deficit in resolve of conversion rights	-4 120 651	-	-	-
	-2 604 688	-1 805 442	-9 693 483	-4 600 804
Cash flow from operating activities before changes in working capital	-2 604 688	-1 805 442	-9 693 483	-4 600 804
<i>Cash flow from changes in working capital</i>				
Increase (-)/Decrease (+) in operating receivables	-901 817	-109 637	-735 558	249 373
Increase (-)/Decrease (+) in operating liabilities	1 583 708	489 871	1 665 768	-74 267
Cash flow from operating activities	-1 922 797	-1 425 208	-8 763 273	-4 425 698
Investment				
Acquisition of intangible assets	-3 516 909	-1 328 121	-7 743 444	-10 841 793
Cash flow from investing activities	-3 516 909	-1 328 121	-7 743 444	-10 841 793
Financing activities				
Issue / Warrants	1 260	-	-	-40 336
Borrowings	12 000 000	-	-	-
Convertible loans	-	-	22 500 000	-
Cost associated with convertible loans	-1 249 596	-	-3 395 000	-
Cash flow from financing activities	10 751 664	0	19 105 000	-40 336
Cash flow	5 311 958	-2 753 329	2 598 283	-15 307 827
Cash and cash equivalents at beginning of period	11 237 141	8 638 858	8 638 858	23 946 685
Cash and cash equivalents at end of period	16 549 099	5 885 529	11 237 141	8 638 858

Cereno Scientific

Intelligent Thrombosis Prevention



About Cereno Scientific AB

Cereno Scientific is developing a novel preventive medicine to treat thrombosis-related disease, based on the body's own intelligent clot-busting system. Cardiovascular disease is currently the leading cause of death worldwide. Current therapies are connected to an increased risk of bleeding and, as a result, low effectiveness due to lower dosing levels. In turn, this leads to a high risk of new blood clots. Cereno Scientific's drug candidate, CS1, is expected to provide a possibility for an effective prevention of thrombosis and a lower risk for serious bleeding complications than with current blood thinning therapies. CS1 is an innovative controlled release formulation of a known compound and, as such, is expected to have a relatively short development time. The Gothenburg-based company is located in AstraZeneca's BioVentureHub and is supported by GU Ventures. Cereno Scientific's B share has been listed on Spotlight Stock Market since June 2016 with the ticker CRNO B, ISIN SE0008241558.

Cereno Scientific AB

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