Letter from the CEO

Clinical execution underway: multiple value-driving milestones ahead

The first half of 2026, together with important progress after the period, marks Cereno Scientific's transition into an execution-led stage with several important clinical and strategic milestones in view. The first clinical site in the global Phase IIb EPIMODE trial of CS1 is now activated for patient screening. All dosing and participant visits in CS014's FDA-aligned pharmacokinetic bridging study are complete, with topline results expected in Q3 2026. In parallel, the SEK 60 million directed share issue, completed at a premium to the latest closing price, has strengthened our financial flexibility and negotiating position.

The significance is clear: Cereno now has several distinct and increasingly tangible value drivers. CS1 is moving from study preparation into clinical execution; CS014 is approaching a near-term study readout intended to support a direct and capital-efficient path to Phase IIb; and CS585 is advancing toward clinical development in rare thrombotic disease. Our focus is to convert this position into disciplined execution, new data and stronger strategic options.

CS1: EPIMODE enters clinical execution

Activation of the first EPIMODE site in early August means that potential participants can now be identified and screened. Patients who meet the study's eligibility criteria may then proceed to randomization and first dosing. Additional specialist PAH centers are progressing toward activation, which will gradually expand recruitment capacity of the study.

First patient in (FPI), or first patient randomization, has moved beyond the June target communicated in our Interim Report for Q1. Starting each site requires a sequence of regulatory, contractual, logistical and operational steps, and the first site has now completed that process. Our immediate priority is to convert site activation into first patient randomization and dosing while activating additional study sites across the global network.

The investigator meeting held with the initial participating study sites established alignment on the protocol, patient identification and operational execution. This is particularly important in a rare disease study, where experienced specialist centers and consistent trial conduct are central to maintain quality and reliable data generation.

EPIMODE is designed to answer the central clinical question for CS1: whether the encouraging safety, tolerability and efficacy signals observed to date can translate into a meaningful treatment effect in a larger, randomized and placebo-controlled Phase IIb trial. The study is planned to enroll approximately 126 patients across approximately 68 sites in 12 countries and will evaluate efficacy, safety, tolerability, optimal dose and CS1's potential disease-modifying effects.

This question matters because PAH remains a severe, progressive and life-threatening disease despite important advances in treatment. Existing therapies have improved outcomes, but there remains a need for treatments designed to address the underlying disease biology, including pathological vascular remodeling, fibrosis, inflammation and thrombosis.

CS1 is an oral, once-daily HDAC (histone deacetylase) inhibitor acting through epigenetic modulation. In the completed Phase IIa trial, CS1 demonstrated a favorable safety and tolerability profile together with encouraging signals related to right-heart function, functional class, risk score, quality of life and vascular remodeling. These observations provide the clinical rationale for evaluating CS1 in the larger and controlled EPIMODE trial.

The completed 12-month Expanded Access Program (EAP) added important longer-term treatment experience. A majority of patients who completed treatment maintained or improved their clinical status, while the favorable safety and tolerability profile remained consistent with the Phase IIa observations. The EAP was small, uncontrolled and was not designed to demonstrate efficacy; the findings are therefore supportive rather than confirmatory. In a progressive disease requiring long-term treatment, however, sustained clinical stability and tolerability are relevant observations and strengthen the rationale for controlled Phase IIb evaluation.

Our near-term focus is first patient randomization and dosing, followed by progressive activation of the global site network and disciplined recruitment execution. Topline results are anticipated in Q4 2028, subject to recruitment timelines.

CS014: Q3 readout brings a capital-efficient Phase IIb path into focus

CS014 has also moved materially forward. During the quarter, we initiated the Phase I pharmacokinetic (PK) bridging study, and in July, the last healthy volunteer completed the final study visit. All dosing and participant visits are complete, and the study is now progressing through data management, database lock and analysis, with topline results anticipated in Q3 2026.

This readout is one of Cereno's most important near-term clinical readouts because the study is designed to determine whether the intended bridging strategy can support the next development step. Developed based on feedback from the FDA, the study compares CS014's exposure profile with valproic acid (VPA), a well-characterized HDAC inhibitor with extensive clinical use.

Subject to supportive results and continued regulatory alignment, the data may allow CS014 to advance directly toward Phase IIb in PH-ILD without an additional Phase IIa study or further non-clinical safety studies. A direct route to Phase IIb could reduce development time, cost and risk and move CS014 more efficiently into a study designed to evaluate clinical benefit in patients. It would also strengthen Cereno's second clinical HDAC inhibitor program alongside CS1.

Following supportive results, we plan to progress regulatory activities during the second half of 2026, including submission of an Investigational New Drug (IND) application to the FDA.

We now expect the Phase IIb trial to initiate in Q3 2027, compared with the previously communicated Q1 2027 target. The updated timing reflects additional chemistry, manufacturing and controls (CMC) work required to ensure manufacturing and clinical supply readiness. These activities are being advanced in parallel with the regulatory work, and direct progression toward Phase IIb remains our intended development path, subject to supportive study results and continued regulatory alignment.

PH-ILD is a serious and progressive condition in which pulmonary vascular disease and interstitial lung disease occur together and treatment options remain limited. This creates both a significant medical need and a strategically important development opportunity for CS014.

CS014 is a proprietary, precision-deuterated new chemical entity and HDAC inhibitor designed to modulate several disease-driving processes, including fibrosis, vascular remodeling, inflammation and thrombosis. It showed a favorable safety and tolerability profile in Phase I, while preclinical data support its broader therapeutic rationale. The planned Phase IIb program is the next step in determining whether this differentiated profile can translate into clinical benefit for patients with PH-ILD.

Building a multi-asset clinical-stage company
The combined progress of CS1 and CS014 is changing Cereno's strategic profile. We are no longer developing a single clinical asset: we have two distinct clinical-stage HDAC inhibitors advancing in separate rare cardiopulmonary indications, supported by a common scientific foundation in epigenetic modulation.

This creates pipeline depth, diversifies clinical development exposure and provides multiple opportunities to generate clinical data that can advance the programs and reduce development uncertainty. It also means that clinical and strategic progress reduces dependency on the outcome of any one asset.

The programs also reinforce each other scientifically. CS1 and CS014 are distinct candidates with different formulations, indications and development paths, but both target mechanisms associated with disease progression, including vascular remodeling, fibrosis, inflammation and thrombosis. Cereno's HDAC inhibitor portfolio is protected until 2045/46, excluding potential patent term extensions.

This broader and increasingly mature clinical profile is also relevant from a partnering perspective. Potential partners can evaluate individual assets as well as a broader clinical platform with two differentiated clinical programs, a common scientific foundation and several clearly defined development milestones. This gives Cereno more than one route to clinical validation and strategic value creation.

Building on this position, Cereno continues to actively pursue business development and partnering opportunities through leading international biotech partnering conferences and direct engagement with established and prospective partners across several geographies. We are experiencing growing interest from pharmaceutical companies in our differentiated scientific approach, the expanding clinical and preclinical dataset, and the development plans across our pipeline. With several important clinical milestones expected during 2026 and beyond, we believe the increasing maturity of our programs can support further progression of discussions with potential partners.

CS585: a third, mechanistically distinct path toward clinical development
CS585 adds a third development opportunity with a mechanism distinct from our HDAC inhibitor portfolio. Its initial development focus in rare disease is antiphospholipid syndrome (APS), an autoimmune condition associated with recurrent blood clots and serious cardiovascular complications.

CS585 is an oral, potent and selective prostacyclin IP receptor agonist that has demonstrated antithrombotic effects in preclinical studies to date without an observed increase in bleeding risk. This profile is particularly relevant in diseases where long-term prevention of thrombosis must be balanced against the serious bleeding risk associated with anticoagulant treatment.

Currently, APS-focused preclinical studies are ongoing intended to further evaluate CS585's therapeutic potential in a disease characterized by recurrent thrombosis and limited treatment options. Our objective for 2026 is further to initiate IND-enabling activities required to move CS585 closer to a first-in-human, Phase I, study. Despite being earlier-stage than CS1 and CS014, CS585 adds pipeline breadth and a further potential path to clinical and strategic value.

Stronger financial position, negotiating power and shareholder alignment
In June, Cereno completed a directed share issue of SEK 60 million before issue costs at SEK 5.10 per share, representing a premium of approximately 4.08 percent to the latest closing price. Despite significant investor interest, the Board limited the raise to SEK 60 million, balancing increased financial and strategic flexibility with limited dilution. Existing shareholders participated alongside a new investor.

The financing strengthens our ability to maintain pace in prioritized clinical and regulatory activities and to advance active partnering discussions from a stronger negotiating position. This is particularly relevant as EPIMODE enters clinical execution and CS014 approaches a near-term data readout and subsequent regulatory work.

Shareholder alignment was further underlined after the period when members of management and the Chair of the Board acquired shares for more than SEK 1.5 million. In addition, all members of the Board and management entered lock-up agreements through December 31, 2026.

We continue to broaden engagement with specialist life science, institutional and long-term investors in the US and continental Europe while maintaining close dialogue with our Swedish shareholder base. The purpose is to increase understanding of Cereno as a multi-asset clinical-stage company and broaden the investor base capable of supporting its long-term development.

The investment case is now defined by a clearer sequence of milestones: first patient randomized and recruitment progression in EPIMODE; the CS014 PK-bridging study readout and subsequent IND application preparation; and CS585's transition through its next preclinical steps. Each milestone addresses a different area of development uncertainty and has the potential to strengthen the basis for continued development, partnering and strategic decision-making.

Outlook: execution against clearly defined H2 2026 milestones

We have entered the second half of 2026 with four clearly defined priorities:

- **CS1:** achieve first patient randomization and dosing, activate additional sites, expand recruitment capacity and progress the regulatory work required to initiate sites in Europe.
- **CS014:** report topline results from the PK-bridging study in Q3 2026, advance CMC and regulatory activities and, subject to supportive results and continued regulatory alignment, submit an IND application to the FDA in preparation for Phase IIb initiation in Q3 2027.
- **CS585:** advance the APS-focused disease-model studies and initiate IND-enabling activities required for first-in-human, Phase I, development.
- **Corporate:** maintain disciplined capital allocation, advance partnering processes from a strengthened position and broaden international investor engagement.

These priorities are not isolated activities. Together, they are designed to expand clinical execution, generate new data, reduce development uncertainty and strengthen Cereno's strategic options.

For patients, the objective remains unchanged: to develop well-tolerated treatments that have the potential to address the biological mechanisms driving serious rare cardiovascular and pulmonary diseases and enable affected individuals to live longer, fuller lives.

Cereno enters the second half of 2026 from a stronger and more diversified position than at the start of the year: CS1 is in site-level global Phase IIb execution, CS014 is approaching a potentially important Q3 data readout, CS585 is advancing toward clinical development, and our financial and negotiating position has strengthened.

I am proud of the work that has brought Cereno to this point and grateful to our patients, investigators, employees, clinical partners, collaborators and shareholders. We now have a clear set of milestones ahead and an organization focused on executing them.

The next phase is about delivery. We remain focused on pace, quality and capital discipline as we work to convert scientific promise into rigorous clinical evidence, advance our strategic opportunities, and continue pioneering treatments that can enhance and extend life for people with rare cardiovascular and pulmonary diseases.

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Sten R. Sörensen
CEO