



SERODUS

SERODUS ASA

**Interim report
First quarter 2019
and subsequent events
(Unaudited)**

May 2019

Q1-2019 Highlights

- Preparing for the next financing round
- Initiated SER150 long-term toxicological testing in 2 animal species
- Submitted a novel SER150 patent application

SER150 for Diabetic Kidney Disease

Analysis of the recent pharmacological study indicated that SER150 reduced general inflammation in rats suffering from severe surgically-induced diabetes.

The two toxicological studies were successfully initiated early Q1 2019, i.e. one rat study to be dosed for 6 months and one dog study to be dosed for 9 months. Now all animals have been dosed for 64 days. Weekly information about body weight, food intake and general condition are all very good for both animal species.

SER140 for Newly Diagnosed Type 1 diabetes

Nothing to report.

Financing

Serodus has finalized a new share issue among current shareholders. The last registration was in beginning of April. The total number of shares was raised from 81.635.357 to 102.920.420 and NOK 27.378.082 was invested.

Financials

Financial statement for the first quarter 2019 compared to same quarter 2018.

The first quarter showed significantly higher costs compared to 1Q 2018. This is due to costs for production of SER150 material to be used in the toxicological studies. Furthermore, the toxicological studies were initiated in this quarter.

Profit & Loss

(All figures in thousand NOK)

	Q1 '2019	Q1 '2018	YTD 2019	YTD 2018
Operating income				
Revenue	-	-	-	-
Operating expenses				
Cost of sales	-	-	-	-
Project cost	(8.442)	(289)	(8.442)	(289)
Personnel expenses	(1.697)	(1.952)	(1.697)	(1.952)
Depreciation and Amortization of assets	(45)	(11)	(45)	(11)
Other Operating Expenses	(942)	(800)	(942)	(800)
Total Operating Expenses	(11.126)	(3.051)	(11.126)	(3.051)
Operating result	(11.126)	(3.051)	(11.126)	(3.051)
Net finance	(124)	(573)	(124)	(573)
Profit/ (loss) before tax	(11.250)	(3.624)	(11.250)	(3.624)
Tax	-	-	-	-
Profit/ (loss) after tax	(11.250)	(3.624)	(11.250)	(3.624)

Balance Sheet

(All figures in thousand NOK)

31.03.2019

31.03.2018

ASSETS

Assets

Intangible assets	2.219	662
Goodwill	599	-
Sum intangible assets	2.818	662

Current assets

Inventories	4.874	-
Other short term receivables		242
Bank	28.873	29.312
Sum Current assets	33.747	29.554

Sum assets	36.565	30.217
-------------------	---------------	---------------

EQUITY AND DEBT

Share capital	133.797	100.304
Share premium reserve	50.948	54.420
Other equity	(4.461)	(9.518)
Capital not registered		
Retained earnings	(150.560)	(123.296)
Sum equity	29.724	21.909

Long term debt

Convertible loan	-	5.677
Deferred tax	392	-
Sum long term debt	392	5.677

Short term debt

Accounts payable	5.503	720
Other short term debt	947	1.911
Sum short term debt	6.450	2.630

Sum equity and debt	36.565	30.217
----------------------------	---------------	---------------

Cash flow

(All figures in thousand NOK)	Q1 '2019	Q1 '2018	YTD 2019	YTD 2018
Cash flow from operating activities				
Ordinary profit/(loss) before tax	(11.250)	(3.624)	(11.250)	(3.624)
Amortization of assets				
Depreciation of assets	45	11	45	11
Placement expenses booked booked directly to equity				
Share based payments				
Changes in accounts receivables, creditors and inventory	(4.665)	(1.694)	(4.665)	(1.694)
Changes in accruals	235	(3.073)	235	(3.073)
Net cash flow from operating activities	(15.635)	(8.380)	(15.635)	(8.380)
Cash flow from investing activities				
Investment in assets	-	-	-	-
net cash flow from investing activities	-	-	-	-
Cash flow from financing activities				
Proceeds from issue of share capital	27.378	42.451	27.378	42.451
Capital not registered				
Convertible loan	-	(19.023)	-	(19.023)
Emmision acquisition of shares Phlogo				
Issue expences recognized directly in equity				
Repayment of loans				
Net cash flow from financing activities	27.378	23.428	27.378	23.428
Net changes in cash and cash equivalents	11.743	15.048	11.743	15.048
Cash and cash equivalents at the beginning of the period	17.130	14.264	17.130	14.264
Cash and cash equivalents at the end of the period	28.873	29.312	28.873	29.312

YTD 2019

(All figures in thousand NOK)	Share capital	Share premium reserve	Other paid inn equity	Retained earnings	Total equity
Equity 01.01.2019	106.418	50.948	(4.461)	(139.310)	13.595
- Profit/(loss) for the period				(11.250)	(11.250)
- Other revenue/expenses				-	-
<i>Total comprehensive income</i>	-	-	-	(11.250)	(11.250)
<i>Transaction costs</i>					-
Sharebased payments					-
Conversion of debt					-
Capital not registered	780				780
Issue of shares	26.598	-	-		26.598
Foreign exchange change Equity					-
Capital reduction					-
Equity 31.03.2019	133.797	50.948	(4.461)	(150.560)	29.724

Key Figures

(All figures in thousand NOK)	Q1 '2019	Q1 '2018	YTD 2019	YTD 2018
Total operating revenue	-	-	-	-
Net operating expenses	(11.126)	(3.051)	(11.126)	(3.051)
Operating profit (loss)	(11.126)	(3.051)	(11.126)	(3.051)
Total comprehensive income(loss) for the period	(11.250)	(3.624)	(11.250)	(3.624)
Diluted earnings (loss) per share	(0,11)	(0,08)	(0,11)	(0,08)
Number of employees	3	3	3	3
Cash and equivalents at end of period	28.873	29.312	28.873	29.312

Board of Directors and CEO

May 2019

Serodus ASA