



SERODUS

ANNUAL REPORT 2021

SER150
CLINICAL STUDY
APPROVED BY
THE REGULATORY
AND ETHICAL
AUTHORITIES IN
AUSTRALIA

FIRST PATIENT
RANDOMIZED

Serodus is a
Scandinavian
private, mid-
stage clinical
company.

Serodus focuses
on novel
treatments for
patients with
diabetic kidney
disease.

Table of contents

Table of contents	2
Serodus in brief	4
Letter from the CEO	5
Pipeline.....	6
SER150 and diabetic kidney disease	7
Corporate strategy	9
Corporate governance	9
Overall objectives.....	9
Code of ethics and conduct	10
Board of Directors	13
Executive management	15
Board of Directors' report	16
Operational review	16
Outlook	16
Working environment and human resources.....	16
Environment.....	16
Liability Insurance.....	16
Financial review.....	17
Statement of income and comprehensive income	20
Statement of financial position.....	21
Statement of changes in equity	22
Statement of cash flow	23
Notes to the financial statements.....	24
Note 1 - General information	24
Note 2 - Summary of significant accounting principles	24
Note 3 - Government grants	30
Note 4 - Segments.....	30
Note 5 - Salaries and allowances	31
Note 6 - Share option plan.....	32
Note 7 - Other operating expenses.....	32
Note 8 - Tax	33
Note 9 - Intangible assets	34

Note 10 - Receivables and prepayments.....	35
Note 11 - Cash and cash equivalents	35
Note 12 - Share capital	36
Note 13 - Other current liabilities.....	37
Note 14 - Financial risk management, objectives, and guidelines.....	37
Note 15 - Related parties.....	40
Note 16 - Financial items.....	40
Note 17 - Events after the closing date.....	40
Note 18 - Subsidiaries	41
Note 19 - Contingent liabilities.....	41
Responsibility statement	41

Serodus in brief

Our ambition is to develop drug candidates that will stop the progression of kidney disease in patients suffering from diabetes. We do so by continuing to progress our three different anti-inflammatory compounds.

Serodus was founded in Oslo, Norway, as a spin-out from Biomedical Innovation AS. Serodus is based in Oslo and today has two wholly owned subsidiaries, Phlogo ApS in Copenhagen, Denmark, and Serodus (AUS) Pty Ltd in Melbourne, Australia.

SER150 inhibits inflammatory activities induced in patients with diabetes. SER150 is Serodus's lead compound, and the second clinical study in patients with type 2 diabetes, high concentration of protein in urine and reduced kidney function has been initiated.

The Covid-19 pandemic has significantly delayed the progress of that clinical study. Australia locked down not only for all travelers to Australia but also between states and locally in larger cities. In addition, Covid-19 vaccination of the population has been difficult. This has made communication difficult for the Clinical Research Organization (CRO) and the clinical centers involved in the study and recruiting the patients who must visit the clinics for blood sampling and urine collection has also been challenging.

Low numbers of patients have been screened, and only a few patients have test results which allow randomization. It is expected that more patients will now be identified and become eligible for randomization once the lockdown ends in early 2022. One patient was randomized in late 2021.

Serodus operates in a lean management structure with a CEO, a CFO and an external clinical manufacturing consultant. All non-clinical activities, clinical studies, clinical manufacturing activities and financial accounting are outsourced and managed by the CEO and the CFO.

Management is experienced, with a proven track record of taking new compounds from the drug discovery phase to the preclinical and clinical development phases and of getting new products out licensed or given market authorization.

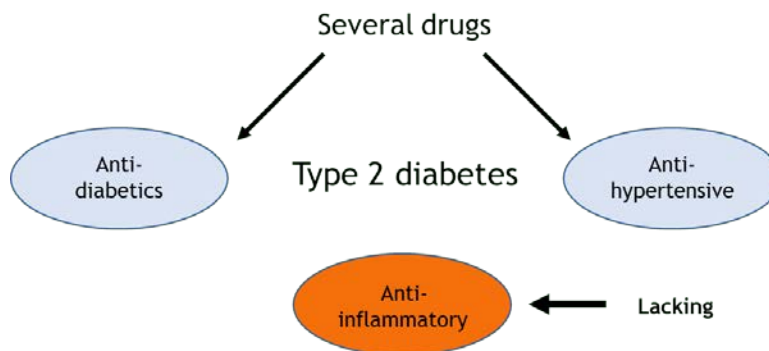
SER140 and SER130 are also anti-inflammatory compounds with different mechanisms of action, and both differ from SER150. These two compounds have also moved forward in the drug discovery phase.

Letter from the CEO

We are very grateful for the strong support Serodus receives from our shareholders, who continued to support the Company financially during 2021.

Decades of intensive clinical research strategies regarding how to reduce the risks of both cardiovascular and renal diseases in patients suffering from diabetes have not yet been successful. Despite careful control of blood sugar with anti-diabetic drugs and strong control of blood pressure with anti-hypertensive drugs, loss of kidney function continues. In addition, patients with diabetic kidney disease also have both increased morbidity and mortality compared with non-diabetic people.

The three cornerstones of drug treatment for patients with diabetic kidney disease are shown in the figure below.



It is my opinion that specific treatment of the inflammatory processes seen in diabetes is urgently needed.

Eva Steiness, MD, Professor in clinical pharmacology, DSc

Chief Executive Officer

Pipeline

Type 2 diabetes (T2D) is a multifactorial, metabolic, low-grade inflammatory disorder that leads to serious debilitating and fatal complications, such as diabetic kidney disease.

Once diabetic patients have developed kidney disease, changes in the heart muscles and vessels are also recorded and the condition is often named cardiovascular-renal syndrome, indicating that the functioning of these two organ systems is closely linked.

There is also a close relationship between T2D, overweight or obesity, uncontrolled blood glucose and high blood pressure, and this condition is called metabolic syndrome.

Both types of syndromes are difficult to treat, and low-grade inflammation plays an essential role in both conditions.

T2D and its complications develop slowly over time and are most common in middle-aged and elderly people. T2D does not have a clear etiological background, but there is a strong correlation with increased bodyweight, and the prevalence of diabetes is growing globally in parallel with obesity.

Oxidative stress and other metabolic changes are found in patients with T2D, followed by the activation of several pro- and anti-inflammatory endogenous agents. The normal balance between the two opposite pro- and anti-inflammatory agents is not maintained, and the consequence is low-grade inflammation.

Through a combination of acquisition and licensing, Serodus has created an interesting, innovative pipeline consisting of three different non-infectious anti-inflammatory compounds. These compounds inhibit the low-grade inflammatory processes seen in patients with diabetes. Two compounds, SER150 and SER140, reduce the pro-inflammatory processes directly, and one compound, SER130, inhibits the inflammation indirectly by stimulating the body's own production of an anti-inflammatory protein.

Serodus's compounds act as low-grade anti-inflammatory entities, and these compounds will re-establish the balance between pro- and anti-inflammatory endogenous processes. This addresses the lack of the treatment triumvirate, antidiabetic, antihypertensive and anti-inflammatory drugs, that is needed for the optimal treatment of patients with diabetic kidney disease, avoiding the need for dialysis.

All currently available treatment options for diabetic patients are effective at reducing blood glucose and controlling blood pressure, thereby delaying the onset of complications. However, they all lack the ability to halt the chronic, low-grade systemic inflammation driving the pathophysiological processes of diabetes and its complications.

SER150 and diabetic kidney disease

Serodus has finalized the first clinical efficacy, safety and tolerability study with SER150 in patients with T2D and diabetic kidney disease.

SER150 significantly reduced the key biomarker of kidney disease, albumin (protein) in urine, after only four weeks of treatment. SER150 was well tolerated, and no safety concerns were observed.

Therefore, an important clinical effect of SER150 treatment would be to diminish or halt the loss of albumin and further prevent the degradation of kidney function in the chronic treatment of patients with diabetic kidney disease.

The next clinical study was planned in detail during 2020 and, due to favorable public science funding in Australia, the study was submitted to and approved by the Australian authorities during 2021.

SER150 targets a large, growing and poorly treated market segment

The diabetic kidney disease market is huge, with significant unmet clinical need and a growing patient population worldwide. About one in 11 adults worldwide now have diabetes, 90% of whom have type 2 diabetes. Asia is a major area in the rapidly emerging T2D global epidemic, with China and India being the top two epicenters.

Approximately 150 million patients suffer from diabetic kidney disease worldwide, and approximately 30 million patients have a high albumin content in their urine (macroalbuminuria). Diabetic kidney disease is the leading cause of end-stage renal disease, which is treated with chronic dialysis. Some patients will be candidates for kidney transplantation, but they are in the minority. The disease causes the progressive loss of renal function, and changes are localized in both the kidneys' glomeruli and proximal tubules, characterized by persistent albuminuria, a progressive decline in the glomerular filtration rate and, often, elevated arterial blood pressure. However, the patient does not have clinical symptoms before 85-90% of renal function is lost, i.e. end-stage kidney disease. Many patients may therefore not know they have developed diabetic kidney disease until it is too late to intervene.

The treatment cost of dialysis and concomitant medical treatment for a patient with end-stage kidney disease is approximately EUR 90,000 annually, both in Europe and the US.

What is SER150?

SER150 is an orally administered, new chemical entity - a potent dual-acting competitive thromboxane receptor antagonist and thromboxane synthesis inhibitor.

Thromboxane is a pro-inflammatory endogenous mediator, and thromboxane is increased in patients with type 2 diabetes. SER150 reduces the effect of thromboxane through its dual blockade of thromboxane synthase and the thromboxane receptor. This mode of action reduces inflammation in all cells, including those of the kidneys.



SER150 inhibits inflammatory processes in all kidney cells. It is expected to inhibit the renal invasion of inflammatory cells and pro-inflammatory agents. More fundamentally, SER150 is expected to reduce or stop the progression of renal impairment typically seen in patients with diabetic kidney disease.

Ongoing clinical study

The ongoing SER150 clinical study will target patients with type 2 diabetes, macro-albuminuria, and reduced kidney function. The study is a randomized, placebo-controlled study. 100 patients will be treated for six months, and the effect on urinary albumin excretion, the kidney function estimated as creatinine clearance, safety and tolerability will be monitored monthly during the treatment. The study will be carried out in Australia, with a few centers in New Zealand. The study is expected to finalize in 2025-Q1

Corporate strategy

Serodus's strategy is to inlicense or acquire early-phase drug candidates and mature the candidates to "proof of clinical concept." Serodus plans to outlicense the projects ahead of the final, larger clinical studies.

Management has experience and knowledge of qualifying and evaluating early-stage drug candidates, as well as expertise in maturing the individual candidates from the early drug discovery stages through to the various preclinical, clinical, and regulatory phases.

The Company has a dedicated focus on the treatment of patients with type 2 diabetes and diabetic kidney disease and has a broad, chemically diversified basket of compounds.

Serodus strives for risk mitigation by ensuring:

1. A multiple drug pipeline.
2. Different modes of action of the individual drug candidates.

Serodus's strategy is to collaborate with contract research organizations, contract manufacturing organizations and consultants.

Currently, the Company has a primary focus on the development of SER150 addressing diabetic kidney disease.

Corporate governance

Serodus has adopted the Norwegian Code of Practice for Corporate Governance dated October 14, 2021. The purpose of this code of practice is to clarify the respective roles of shareholders, the Board of Directors, and executive officers beyond the requirements of the legislation.

Overall objectives

Serodus's objective is, first and foremost, to help patients with diabetic kidney disease. Furthermore, Serodus aims to ensure long-term value creation for its shareholders through clinical and preclinical achievements.

We believe that the best way to achieve these goals is through a value-based performance culture, stringent ethical requirements and a code of conduct that promotes personal integrity and respect.

We believe that good corporate governance is more than just a technical exercise - it is a fundamental element of the practical work of the Company's governing bodies, and it defines the criteria on which the trust of the Company's shareholders is based.

The following principles underline our approach to corporate governance:

- All shareholders will be treated equally.
- Serodus will ensure that all shareholders have access to up-to-date, reliable and relevant information about the Company's activities.
- Serodus has a Board of Directors that is independent of the Group's management. Consequently, the Board can ensure that there are no conflicts of interest between owners, the Board of Directors and the Company's management.
- The Board of Directors will always base its practical work on the principles for good corporate governance.

Code of ethics and conduct

Serodus intends to comply with the Norwegian Code of Practice for Corporate Governance. The Company's social responsibility statement is available on its website.

Business

Serodus's business is defined in the articles of association available on the Company's website. The focus areas are presented in the annual report.

Equity

Serodus intends to always have sufficient equity to carry out its plans. Initiatives without sufficient equity will not be initiated. Combining strategy, risks and cash is key to making Serodus a successful company.

The Company does not expect to pay recurring dividends. Serodus intends to use its equity to develop products.

Equal treatment of shareholders and transactions with related parties

Serodus has one class of share.

All material transactions between the Company and shareholders, members of the Board of Directors, key employees or parties closely associated with the above will be assessed by an independent third party. Members of the Board of Directors and management are required to notify the Board of Directors if they have any material interest - directly or indirectly - in any agreement entered into by the Company. The Board of Directors will report any transactions with related parties in its annual report.

If the Board of Directors proposes that existing shareholders' pre-emptive rights should be waived in the event of share capital increases, this waiver will be based on the common interests of the Company and the shareholders.

Freely negotiable shares

All shares are freely negotiable with no form of restriction.

General meetings

The Board of Directors is responsible for ensuring that as many shareholders as possible can participate in the Company's general meetings. The Board of Directors is also responsible for ensuring that the general meeting is an effective forum for shareholders and the Board of Directors.

The chair of the Board of Directors and the CEO must attend the annual general meeting. Shareholders who are not able to participate themselves can appoint another person as a proxy.

Notice of the general meeting and relevant documents are made available on the Company's website two weeks in advance of the meeting. Notice of the meeting is sent to all shareholders through the Norwegian VPS system two weeks in advance.

Composition and independence of the Board of Directors

The Board of Directors consists of between three and seven members. The composition of the Board of Directors is designed to ensure that it can attend to the common interests of all shareholders and that it meets Serodus's requirements for expertise, capacity and diversity.

Board members are elected for a two-year period. All members are elected at the annual general meeting. All members of the Board of Directors are independent of the Company's day-to-day management, main shareholders and material business connections.

The work of the Board of Directors

The Board of Directors prepares an annual plan for its work.

The Board of Directors provides instructions for the CEO.

Risk management

The Board of Directors is responsible for ensuring that the Company has sound internal controls and systems for risk management that are appropriate in view of the extent and nature of Serodus's activities. Risks include strategic risks, financial risks, liquidity risks and operational risks related to the development of products within Serodus's portfolio. The Board assesses these risks on an ongoing basis.

The finance function is responsible for the financial statements and for ensuring that they are prepared and reported according to applicable laws and regulations and in accordance with IFRS. The Board of Directors receives monthly reports from management that include

financial updates. The Board reviews the quarterly interim reports and annual financial statements with a particular focus on significant transactions and estimates.

Audit committee

Serodus does not have an audit committee.

Remuneration of the Board of Directors

The Board's remuneration should reflect the responsibilities, expertise, and time commitments of its members, as well as the complexity of Serodus's activities. The Board's remuneration is not linked to Serodus's profits or product development progress.

Remuneration committee

Serodus does not have a remuneration committee.

Information and communication

Serodus's reporting of financial and other information is based on openness and considers requirements relating to the equal treatment of investors. Serodus publishes a financial calendar on an annual basis featuring the release dates of its quarterly reports.

The Chairman of the Board and the CEO are authorized to speak on behalf of the Company. They can delegate this authorization to other members of the Board or Executive Management.

Company takeovers

The Board will always focus on what is in the best interests of its shareholders. Any bid will be evaluated based on that principle.

Auditor

The auditor provides the Board with an annual presentation of the audit work performed. The auditor participates in a meeting with the Board of Directors that deals with the annual financial statements. At this meeting, the auditor also presents a review of Serodus's internal control procedures.

For more information on corporate governance, please visit www.serodus.com.

Board of Directors



Søren Elmann Ingerslev
Chairman

Elected as a Board member in 2013 and as Chairman in 2017

Mr Ingerslev is an attorney and a partner in the Danish law firm Elmann Advokatpartnerselskab. He has extensive international experience and business acumen within mergers and acquisitions, company law, business development and international business agreements. He is head of Elmann's Corporate and M&A department and serves as a non-executive member of the board of directors of several listed and privately held companies, including Immudex ApS, Immumap ApS and Biostrip ApS.



Terri Sebree
Board member

Elected as a Board member in 2014

Ms. Sebree is an experienced pharmaceutical and biotechnology entrepreneur who has successfully founded, financed, grown and taken public three biopharmaceutical companies. She is currently President of Zynerba Pharmaceuticals (Nasdaq: ZYNE) based in Devon, PA, US. She co-founded NuPathe Inc. (Nasdaq: PATH) and served as its President from February 2005 to March 2014. Prior to NuPathe, she served as Senior Vice President, Development, of Auxilium Pharmaceuticals (Nasdaq: AUXL) from January 2000 to January 2005. Prior to joining Auxilium, she served as Executive Vice President, United States Operations, at IBAH, Inc., a contract research organization. Prior to that, she served in a variety of management roles with Abbott Laboratories for more than nine years, including as its development head for psychopharmacology products. She holds a BSc from Texas A&M University, US.



Kathrin Christin Kortschak
Board member

Elected as a Board member
in 2018

Kathrin Christin Kortschak is Director of Hestia Investments Ltd., an early-stage biotechnology investment company, as well as co-founder of Starfish Services Ltd., a lifestyle drinks manufacturing start-up. Prior to joining Hestia in 2012, she worked as a technology consultant at FimpactT AG in Switzerland. She has a BA in History & French Literature from the University of Oxford, UK.



Arnstein Endresen
Board member

Elected as a Board member
in 2016

Arnstein Endresen has had a long career in Norwegian and international finance and investment activities. He has 10 years of banking experience. He has served as CFO of two companies and has headed a family office investing in health-related companies and other sectors.

He is a board member of several private companies and the chairman of Ursa Minor AS, which is a significant shareholder of Serodus.

Executive management



Eva Steiness
CEO

Professor Eva Steiness was the first female dean of the Faculty of Health Science, University of Copenhagen, Denmark, Professor in Clinical Pharmacology and Senior Vice President and Deputy CEO of Lundbeck A/S. She holds an MD and a DSc in Medicine from the University of Copenhagen, Denmark.

During her time at Lundbeck A/S, she created a broad discovery and clinical pipeline, including registering and launching both Cipramil® (citalopram), an antidepressant drug that reached blockbuster status, and Serdolect® (sertindole), a neuroleptic drug.

She later founded Zealand Pharma A/S in 1998. Under her leadership, a GLP-1 agonist (lixisenatide) for the treatment of type 2 diabetes was developed and licensed to Aventis (Sanofi) in 2003. Lyxumia® (lixisenatide) was first launched on the European market in 2013.

She became CEO of Serodus in 2011, at a time when Serodus had no pipeline.

She has held a string of leadership positions, including chairman of the board of Genmab and other biotech start-up companies in the Copenhagen area of Denmark and in Norway. She was a board member of several of Lundbeck's affiliates and has also been a member of the board of directors of the Oticon Foundation, a member of the Danish Medical Research Council and chairman of the Danish Governmental Advisory Board on Research Politics.



Henrik Mordhorst
CFO

Mr Mordhorst holds an MSc in Economics from Copenhagen Business School, Denmark. He has worked in financial positions within real estate, investment banking, project financing, portfolio management and start-ups for 30 years.

Starting out in real estate in Denmark straight out of business school, he then went to London, UK, for six years, working for Merrill Lynch and Nomura. He then took on a position as CFO with a development company in New York, US.

After the US contract expired, he went to Switzerland, where he lived for 15 years, working for UBS as client advisor and for a family office as CIO.

He then returned to Denmark to co-found and act as CEO of Dansk Farm Management A/S, a fund management company specializing in the acquisition of Danish farms (farmland and buildings only) and selecting highly skilled young farmers as tenants.

He is the founder and CEO of HeMo ApS, a consulting company providing financial advice, management, and support to SMEs. Since 2016, he has worked as CFO of several start-ups and of the Caladonian Group of companies in the UK.

He joined Serodus in 2019.

Board of Directors' report

Operational review

Serodus is a lean, virtual, clinical-stage biotech company. The lead program has completed a phase 2 study in patients with diabetic kidney disease. Serodus's goal is to mature its pipeline candidates up to late, larger clinical studies, and subsequently to enter partnerships for the remaining development, regulatory market approvals and global marketing.

During 2021, the company received approval for the next SER150 clinical study from the Australian authorities. Pharmacological studies with SER140 and SER130 were carried out.

Outlook

During 2022, Serodus will, together with the CRO, manage the next clinical studies in patients with type 2 diabetes, severe albuminuria and reduced kidney function.

Serodus will continue efforts to outlicense the individual compounds in the pipeline to the pharmaceutical industry through team or one-to-one meetings.

Working environment and human resources

Serodus is mindful of expectations regarding equal opportunities and ensures that all applicants for positions are treated equally. As of the end of 2021, the Company employs one woman, the CEO. Two consultants, both men, are long-term engaged for financial management and medicinal chemistry.

The Board of Serodus ASA is made up of two women and two men and meets the requirements laid down in Section 6-6a of the Norwegian Public Limited Liability Companies Act.

Environment

Serodus does not pollute the environment beyond what is normal for this kind of business, which is not considered to be material.

Liability Insurance

Serodus maintains a Directors and Officers Liability Insurance for the Board of Directors and management against claims from 3rd parties.

Financial review

Income statement

The Group did not have any revenue in 2021. Serodus ASA sold capsules to its subsidiary Serodus (AUS) Pty Ltd generating internal revenue of NOK 1,9 million.

The Group's operating expenses for 2021 amounted to NOK 15.4 million for the full year, compared to NOK 30.0 million for 2020. The net loss for the Group in 2021 was NOK 16.6 million, compared to a net loss of NOK 32.3 million in 2020.

Serodus ASA (the Parent Company) posted a net loss of NOK 24.6 million in 2021, compared to a net loss of NOK 33.5 million in 2020.

Cash flow and statement of financial position

At December 31, 2021, the Serodus Group had total assets of NOK 57.5 million, compared to NOK 45.0 million at year-end 2020. For Serodus ASA, total assets on December 31, 2021, were NOK 47.7 million, compared to NOK 41.2 million in 2020. Serodus increased the share capital by NOK 2.4 million in 2021.

At December 31, 2021, total equity for the Group was NOK 56.6 million, compared to NOK 42.0 million at year-end 2020. The registered share capital of Serodus ASA at December 31, 2021, was NOK 17,048,396 divided into 17,048,396 shares, each with a nominal value of NOK 1.

The unrestricted cash balance at December 31, 2021, was NOK 43.1 million, compared to NOK 42.0 million at year-end 2020.

Going concern assumption

In accordance with Section 3-3a of the Norwegian Accounting Act, the Board confirms that the going concern assumptions are valid.

Serodus successfully raised new equity of NOK 31.0 million in October 2021 from private investors through a private placement, with the purpose of financing the next SER150 clinical study and general and administrative (G&A) costs.

Financial risks

Serodus is exposed to financial risks in various areas. The long-term goal is to reduce this exposure where possible. At present, the Company does not use financial derivatives to hedge this risk.

Currency risk

Serodus operates in an international market and is exposed to various currencies. A substantial proportion of the project expenses is in foreign currency. Most of the exposure is related to transactions in USD, AUD, EUR and DKK. The Company does not currently hedge positions to reduce this risk but monitors the situation carefully.

Interest risk

Serodus does not have any loans. There is thus no interest risk associated with loans.

Liquidity risk

Serodus is exposed to significant liquidity risk through its capital-intensive development projects. The Company seeks to minimize this risk by securing sustained financing that enables the Company to reach key development milestones, which are expected to generate licensing interest from potential partners.

Market risk

Serodus operates in an international market and is exposed to market fluctuations across the world. The general economic situation may influence the progress of projects but is not expected to influence the overall need for the product candidates developed by Serodus. The market risk is thus considered limited.

Subsequent events after year-end

There have been no significant events since the closing of the accounts on December 31, 2021.

Covid-19

Covid-19 emerged close to the end of 2019/beginning of 2020 and was declared a global public health crisis on January 30, 2020. It spread quickly, the situation escalated, and a pandemic was declared on March 11, 2020.

The pandemic has led to major social and economic consequences worldwide, with extensive restrictions imposed by the authorities. However, there is still considerable uncertainty about the long-term consequences of the pandemic, both in terms of further

spread or possible control of the virus, and the severity of the impact on the global economy.

This has led to delays in starting planned studies, as patient checks and monitoring have been affected.


Allocation of the net result for the year

The Serodus Group generated a net loss for the 2021 financial year of NOK 16,566,810, while the Parent Company's loss for the year was NOK 24,557,503. The Parent Company had no distributable reserves on December 31, 2021. The Board proposes the following allocation of the net result for the year for Serodus ASA:

Net loss	NOK -24,557,503
Transferred from other equity	NOK -24,557,503

Oslo, May 3, 2022

Board of Directors, Serodus ASA


DocuSigned by:

 Søren Eimann Ingerslev
 Chairman of the Board

DocuSigned by:

 Kathrin Christin Kortschak
 Board member

DocuSigned by:

 Arnstein Endresen
 Board member

DocuSigned by:

 Terri Sebree
 Board member

DocuSigned by:

 Eva Steiness
 CEO

Statement of income and comprehensive income

NOK

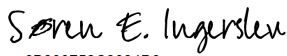
Group			Serodus ASA		
Dec. 31, 2021	Dec. 31, 2020	Note	Note	Dec. 31, 2021	Dec. 31, 2020
<i>Operating income</i>					
-	-	4	4	1,858,434	-
-	-			-	-
-	-			1,858,434	-
<i>Operating expenses</i>					
6,444,729	18,855,249	7	7	1,921,085	1,158,038
2,707,238	4,728,435	5-6	5-6	2,707,238	4,728,435
42,038	92,037	9	9	42,038	42,038
6,191,237	8,351,119	2.7	2.8	3,669,320	7,926,898
15,385,242	32,026,841			8,339,681	13,855,410
(15,385,242)	(32,026,841)			(6,481,247)	(13,855,410)
<i>Financial income</i>					
-	31,525	16	16	601,136	142,380
(42,451)	204,187	16	16	53,528	174,513
(42,451)	235,712			654,664	316,893
<i>Financial expenses</i>					
17,130	2,281	16	16	-	15
1,290,999	547,642	16	16-18	18,730,920	19,944,619
1,308,129	549,923			18,730,920	19,944,634
(1,350,580)	(314,211)	16	16	(18,076,256)	(19,627,741)
(16,735,822)	(32,341,052)			(24,557,503)	(33,483,151)
-	(11,000)	8	8	-	-
(16,735,822)	(32,330,052)			(24,557,503)	(33,483,151)
169,012	(15,330)				
(16,566,810)	(32,345,382)			(24,557,503)	(33,483,151)

Statement of financial position

NOK

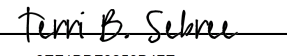
Group			Serodus ASA		
Dec. 31, 2021	Dec. 31, 2020	Note	Note	Dec. 31, 2021	Dec. 31, 2020
ASSETS					
<i>Fixed assets</i>					
504,450	546,488	9	9	504,450	546,488
-	-	16	18	521,496	521,496
504,450	546,488			1,025,946	1,067,984
<i>Current assets</i>					
13,969,341	10,252,500	10	10	9,275,849	9,815,554
43,058,909	34,195,598	11	11	37,424,143	30,271,595
57,028,250	44,448,098			46,699,992	40,087,148
57,532,701	44,994,585			47,725,938	41,155,132
EQUITY AND LIABILITIES					
<i>EQUITY</i>					
17,048,396	14,664,053	12	12	17,048,396	14,664,053
-	-			-	-
87,867,194	59,255,078			87,867,194	59,255,078
(48,302,445)	(31,894,415)			(58,040,654)	(33,483,151)
56,613,146	42,024,717			46,874,936	40,435,980
<i>Current liabilities</i>					
465,724	2,642,465	14-15	14-15	450,851	391,748
453,832	327,404	13	13	400,151	327,404
919,556	2,969,868			851,002	719,152
57,532,702	44,994,585			47,725,938	41,155,132

Oslo, May 3, 2022.

DocuSigned by:

 6B800752C3034D9

Søren Elmann

Chairman of the Board

DocuSigned by:

 8EF1BDF8250B47E...

Terri Sebree

Board member

DocuSigned by:

 F2241C6BA0AC440...

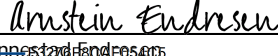
Eva Steiness
 CEO

DocuSigned by:

 858029D0E7A0475

Kathrin Christin Kortschak

Board member

DocuSigned by:

 Arnstein Gunnestad Endresen...

Arnstein Gunnestad Endresen

Board member

Statement of changes in equity

NOK

2021					
	Share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
Serodus ASA					
Equity at Jan. 1, 2021	14,664,053	-	59,255,078	(33,483,151)	40,435,980
- Total comprehensive income 2021	-	-	-	(24,557,503)	(24,557,503)
- Other income/expenses	-	-	-	-	-
<i>Total comprehensive income:</i>	<i>14,664,053</i>	<i>-</i>	<i>59,255,078</i>	<i>(58,040,654)</i>	<i>15,878,477</i>
Items from cash contributions	2,384,343	-	28,612,116	-	30,996,459
Used to cover previous year's uncovered loss	-	-	-	-	-
Equity at Dec. 31, 2021	17,048,396	-	87,867,194	(58,040,654)	46,874,936

	Share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
Group					
Equity at Dec. 31, 2021	14,664,053	-	59,255,078	(31,894,415)	42,024,716
- Total comprehensive income 2021	-	-	-	(16,566,810)	(16,566,810)
- Exchange differences	-	-	-	158,780	158,780
<i>Total comprehensive income:</i>	<i>14,664,053</i>	<i>-</i>	<i>59,255,078</i>	<i>(48,302,445)</i>	<i>25,616,686</i>
Items from cash contributions ¹	2,384,343	-	28,612,116	-	30,996,459
Items (unregistered)	-	-	-	-	-
Items expenses	-	-	-	-	-
Used to cover previous years' uncovered loss	-	-	-	-	-
Capital reduction	-	-	-	-	-
Other changes	-	-	-	-	-
Equity at Dec. 31, 2021	17,048,396	-	87,867,194	(48,302,445)	56,613,146

¹ Issues from cash contributions registered on Dec. 3, 2021.

2020					
	Share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
Serodus ASA					
Equity at Jan. 1, 2020	10,455,442	-	34,480,374	(27,486,119)	17,449,697
- Total comprehensive income 2020	-	-	-	(33,483,151)	(33,483,151)
- Other income/expenses	-	-	-	-	-
<i>Total comprehensive income:</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(33,483,151)</i>	<i>(33,483,151)</i>
Share-based compensation	-	-	1,757,491	-	1,757,491
Items from cash contributions	4,208,611	-	50,503,332	-	54,711,943
Used to cover previous years' uncovered loss	-	-	(27,486,118)	27,486,118	-
Equity at Dec. 31, 2020	14,664,053	-	59,255,078	(33,483,151)	40,435,980

	Share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
Group					
Equity Dec. 31, 2020	10,455,442	-	34,480,374	(27,035,151)	17,900,665
- Total comprehensive income 2020	-	-	-	(32,345,382)	(32,345,382)
- Exchange differences	-	-	-	-	-
<i>Total comprehensive income:</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(32,345,382)</i>	<i>(32,345,382)</i>
Share-based compensation	-	-	1,757,491	-	1,757,491
Items from cash contributions ²	4,208,611	-	50,503,332	-	54,711,943
Items (unregistered)	-	-	-	-	-
Items expenses	-	-	-	-	-
Used to cover previous years' uncovered loss	-	-	(27,486,118)	27,486,118	-
Capital reduction	-	-	-	-	-
Other changes	-	-	-	-	-
Equity Dec. 31, 2020	14,664,053	-	59,255,078	(31,894,415)	42,024,716

¹ Items from convertible loan registered on June 17, 2020.

² Items from cash contributions registered on June 29 and Dec. 14, 2020.

Statement of cash flow

NOK

Group			Serodus ASA		
Dec. 31, 2021	Dec. 31, 2020	Note	Note	Dec. 31, 2021	Dec. 31, 2020
Cash flow from operating activities					
(16,735,822)	(32,341,052)			(24,557,503)	(33,483,151)
-	-			-	-
				17,441,359	-
42,039	92,038	9	9	42,039	42,039
-	1,757,491	5	5	-	1,757,491
(2,176,742)	(684,983)			59,102	(3,457,195)
(3,262,623)	(1,438,347)			612,451	18,455,642
(22,133,148)	(32,614,852)			(6,402,552)	(16,685,175)
Cash flow from investment activities					
-	-			(17,441,359)	(19,463,642)
-	-			(17,441,359)	(19,463,642)
Cash flow from financing activities					
30,996,460	54,711,944	12	12	30,996,459	54,711,943
-	-			-	-
30,996,460	54,711,944			30,996,459	54,711,943
8,863,313	22,097,092			7,152,548	18,563,126
34,195,598	12,098,506	11	11	30,271,595	11,708,469
43,058,909	34,195,598	11	11	37,424,143	30,271,595

Notes to the financial statements

Note 1 - General information

Serodus ASA (the Company) is a private company incorporated and domiciled in Norway. It is a virtual company without a permanent place of business. The staff work largely from home or in facilities near to home. Serodus is a biomedical company that works on the development of new and innovative medicines for the treatment of diabetes-related complications. The financial statements were approved by the Company's Board of Directors on May 3, 2022.

The Company has two subsidiaries:

Phlogo ApS, a limited Danish company that holds the license for SER130 and patent for SER140.

Serodus (AUS) Pty Ltd, an Australian limited company founded in 2020 that is acting as sponsor for the SER150-CL-009 clinical study in Australia.

Note 2 - Summary of significant accounting principles

The main accounting principles applied in preparing the financial statements are described below.

2.1 Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and in compliance with additional requirements pursuant to the Norwegian Accounting Act.

The financial statements are prepared based on historical cost.

The Company has two employees. On December 31, 2021, the Group had NOK 43.1 million in unrestricted cash. Serodus successfully raised new equity of NOK 31.0 million in October 2021 from private investors through a private placement, and the Company now has sufficient liquidity to operate through 2022. The going concern assumption is considered to be fulfilled, and the financial statements have been prepared on this basis.

2.2 Consolidation principles

The financial statements include Serodus ASA and companies over which Serodus ASA exercises control. Control is usually achieved when the Group owns more than 50% of the shares in the company. Control may also be achieved where the Group owns less than 50% of the voting shares, either by agreement or because the Group can exercise actual control of the company. Non-controlling interests are included in the Group's equity.

The acquisition method is used for recognition of business combinations. Companies acquired or disposed of during the year are included in the financial statements from the time control commences and until control ceases.

Changes in ownership interests in subsidiaries that do not result in loss of control are recognized as an equity transaction. The consideration is recognized at fair value, and the difference between any considerations and the capitalized value of non-controlling ownership interests is offset against the controlling owners' equity.

In the event of a change in ownership resulting in loss of control, the consideration is measured at fair value. The capitalized value of assets and liabilities in subsidiaries and any non-controlling interests is derecognized at the date of loss of control. The difference between the consideration and the capitalized value of net assets and any non-controlling interests is recognized in the income statement as gains or losses. Any interest retained is measured at fair value, and any gains or losses are recognized in the income statement as share of gains/losses on sale of subsidiary. Depending on the nature of the items, amounts are recognized in other comprehensive income or charged directly to equity.

Intercompany transactions and balances, including intercompany profits and unrealized gains and losses, are eliminated. Unrealized gains arising from transactions with associates and jointly controlled entities are eliminated at the percentage of the Group's interest in the company/business. Correspondingly, unrealized losses are eliminated, but only to the extent that there is no indication of impairment of the asset sold internally.

2.3 Foreign currency

The functional currency of the Company is NOK. The functional currency for the subsidiary Phlogo Aps is DKK and AUD for Serodus (AUS) Pty Ltd. Financial assets and liabilities in other currencies are converted at the exchange rates on December 31. Income and expenses in foreign currency are converted at the exchange rate at the transaction date. Exchange rate gains and losses are recognized as other financial income and other financial expenses respectively and included in the determination of net profit. Statement of financial position items for Phlogo are translated at the exchange rate at period-end. Income statement items are translated using the average exchange rate for the period.

2.4 Intangible assets

Acquired intangible assets

Intangible assets acquired separately are capitalized at cost less accumulated amortization and accumulated impairment losses. Amortization is calculated on a straight-line basis over the estimated useful life. The estimated useful life and amortization method are reviewed at the end of each year. The effect of any changes in estimates is recognized over the expected useful life.

Internally generated intangible assets are recognized less R&D costs.

Research costs are recognized as an expense in the period incurred.

An internally generated intangible asset relating to development (or in the development stage of an internal project) is recognized when, and if, the following conditions are met:

- it will be technically feasible to complete the asset such that it will be available for use or sale
- the Company intends to complete the intangible asset and use or sell it
- it will be possible to use or sell the asset
- the intangible asset will generate future economic benefits
- there are adequate technical, financial, and other resources to complete development and to use or sell the asset
- it will be possible to reliably measure the costs related to development of the intangible asset.

The Company considers that these criteria are not met until development work has led to a product that has been approved by the relevant authorities. In this context, no internally developed intangible assets were capitalized at December 31, 2021.

2.5 Depreciation of property, plant and equipment and amortization of intangible assets

At the end of each reporting period, the company assesses the capitalized value of property, plant and equipment and intangible assets to determine whether there are indications of loss or impairment. If such indications exist, the recoverable amount of the asset is calculated to determine the extent of any decrease in value. Where it is not possible to estimate the recoverable amount for a given asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less selling costs and utility value. To calculate utility value, future cash flows discounted to present value are estimated.

If the recoverable amount for an asset (or cash-generating unit) is estimated to be less than the capitalized value of the asset (or cash-generating unit), the value is written down to the recoverable amount. Impairment losses are recognized immediately in the income statement.

In the event of a reversal of the impairment, the capitalized value of the asset (or cash-generating unit) is increased to the revised estimate of the recoverable amount, but such that the increased capitalized value does not exceed the capitalized value that would have been determined had it not been written down previously. A reversal of impairment is recognized immediately in the income statement.

2.6 Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and other short-term liquid investments with original maturities of three months or less.

2.7 Government grants

Government grants are recognized on a systematic basis in the period in which the Company recognizes the costs that the grant is intended to compensate. Grants are presented as part of other operating expenses, i.e., netted against the associated costs. Government grants related to assets are presented in the statement of financial position by deducting the grant from the capitalized value of the asset.

2.8 Revenue

Serodus ASA is a biomedical company that works on the development of new and innovative medicines for the treatment of diabetes-related complications. The Company had no operating income in 2021 or 2020, other than intercompany sale of materials in 2021. Such revenues are recognized upon delivery of material.

2.9 Taxes

Tax for the period includes tax payable and changes in deferred tax.

Tax is recognized in the income statement, except to the extent it is related to items recognized in the statement of comprehensive income or directly in equity. In this case, the tax is also recognized in comprehensive income or directly in equity.

Deferred tax assets and liabilities are calculated on the basis of temporary differences between the capitalized value of assets and liabilities in the financial statements and their tax values, as well as tax loss carryforwards at the closing date. Deferred tax assets and liabilities are calculated on the basis of tax rates and tax regulations that are expected to be in force when the assets are realized or the liability is settled, based on tax rates and tax regulations that have been adopted or substantially adopted at the closing date. Deferred tax assets are recognized only to the extent it is likely that future taxable profit will be available against which the assets can be utilized.

2.10 Share-based payment

The Company previously had a share-based compensation scheme, whereby the Company received services as consideration for equity instruments. The scheme was terminated by the Board of Directors in 2021, with the approval of all the beneficiaries of the scheme.

2.11 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events, it is likely that the provision must be met, and the amount can be estimated. Provisions are reviewed at each closing date and adjusted to reflect the current best estimate. Provisions are measured at the present value of expected expenditures to settle the obligation. Increases in liabilities due to a change in the time to maturity are recorded as financial expenses.

For convertible debt, the various components of the instruments are identified. The fair value of the liability component is determined at the fair value of a similar liability that does not have an associated equity conversion feature. The equity component is then calculated as the residual amount and credited directly to equity. The equity component will not be remeasured subsequently.

2.12 Contingent liabilities

Contingent liabilities are not recognized in the financial statements. Significant contingent liabilities are disclosed, with the exception of contingent liabilities where the likelihood of liability is low.

2.13 Segment reporting

The Company has only one operating segment and does not report segment information.

2.14 Cost of equity transactions

Transaction costs directly attributable to an equity transaction are recognized directly in equity, net of tax.

2.15 Events after the closing date

The financial statements will be amended to reflect events after the closing date that provide information on conditions that existed on the closing date. The financial statements will not be amended for events after the closing date that are due to conditions that have arisen after the closing date. Such events are disclosed in a note if they are material.

2.16 Statement of cash flows

The statement of cash flows is prepared using the indirect method.

2.17 Use of accounting estimates and assumptions

The preparation of financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes.

Future events could cause the estimates to change. Estimates and the underlying assumptions are reviewed on an ongoing basis. Changes to accounting estimates are recognized in the period in which the change occurs. If changes also apply to future periods, the effect is distributed across the current and future periods. Accounting items affected by estimates and assumptions are:

a) Intangible assets

Recognition and measurement of intangible assets: Application of the criteria for when development costs qualify for recognition as intangible assets is subject to management judgment, cf. Note 2.3. Even if projects have been capitalized, there may be uncertainty about the market and future margins, and consequently it is difficult to estimate the recoverable amount in relation to impairment tests.

To determine whether an intangible asset is impaired, it is necessary to calculate the utility value of the asset or the cash-generating unit. Calculation of utility value requires management to make estimates of future cash flows and to determine an appropriate discount rate to calculate present value.

b) Share-based payment

Expenses related to share-based compensation are sensitive to assumptions used in the calculation of fair value, but the total expenses related to share-based compensation are minor.

2.18 New standards effective for periods beginning after January 1, 2021

New and amended accounting standards and interpretations issued by the IASB may affect the Group's future financial reporting. The group has not early adopted any standards, interpretations or amendments that have been issued, but are not yet effective. The preliminary review of the impacts of standards and interpretations that are not yet effective have not identified any material effect from these on the Group's financial statements.

Note 3 - Government grants

NOK

Group		Serodus ASA	
Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
1,801,321	-	-	-
-	1,283,906	-	1,283,906
1,801,321	1,283,906	-	1,283,906

The Company had no SkatteFUNN projects (Norway) in 2021 but recognized Skattekredit in Denmark (NOK 285,720) and RDTI in Australia (NOK 1,516,270). These grants are recognized as a reduction in operating expenses incurred in 2021, see note 7. The Company received a payment of NOK 1.3 million from SkatteFUNN (Norway) in 2021 for approved costs in 2020. This had no effect on profit & loss in 2021 as the grant was recognized as a reduction of operating expenses in 2020.

Note 4 - Segments

The Company had no revenue from customers in 2021. Serodus ASA invoiced Serodus (AUS) Pty Ltd for capsules imported to Australia for the ongoing study (SER150 CI-009) at the amount of AUD 290,521.00 (NOK 1,8 M). This resulted in an income for the parent company, which is eliminated in the Group financial statements.

The Group is regarded as a single unit, and there are therefore no separate segments.

Note 5 - Salaries and allowances

NOK

Group			Serodus ASA	
Dec. 31, 2021	Dec. 31, 2020		Dec. 31, 2021	Dec. 31, 2020
2,622,271	3,102,204	Salaries and directors' fees	2,622,271	3,102,204
84,600	72,600	Social security tax	84,600	72,600
-	(1,184)	Pensions	-	(1,184)
-	1,757,491	Option-based remuneration	-	1,757,491
367	3,741	Other salary-related payments	367	3,741
-	(206,416)	Refunds from SkatteFUNN (see note 3)	-	(206,416)
2,707,238	4,728,435	Total	2,707,238	4,728,435

From 2019, all employees are Danish citizens. The Company is not obliged to pay pensions for Danish citizens.

Total remuneration of directors and management team

Recipient	Role	Description of the remuneration	Dec. 31, 2021	Dec. 31, 2020
Eva Steiness	CEO	Total	2,026,663	2,007,412
		- Salary	2,022,271	2,003,020
		- Other payments	4,392	4,392
		- Share-based payment	-	-
Søren Elmann Ingerslev ¹	Chairman	Total	-	-
		- Director's fee	-	-
		- Share-based payment	-	-
Terri B. Sebree	Board member	Total	200,000	200,000
		- Director's fee	200,000	200,000
		- Share-based payment	-	-
Arnstein Endresen	Board member	Total	200,000	200,000
		- Director's fee	200,000	200,000
		- Share-based payment	-	-
Kathrin Christin Kortschak	Board member	Total	200,000	200,000
		- Director's fee	200,000	200,000
		- Share-based payment	-	-
Total			2,626,663	2,607,412

Directors' fees¹

Recipient	Role	Dec. 31, 2021	Dec. 31, 2020
Søren Elmann Ingerslev ¹	Chairman	-	-
Terri B. Sebree	Board member	200,000	200,000
Arnstein Endresen	Board member	200,000	200,000
Kathrin Christin Kortschak	Board member	200,000	200,000

¹ Remuneration to the Chairman of the Board has been paid to Elmann Advokatpartnerselskab; see Note 14.

Share-based payment

Serodus has in 2021 cancelled its share options program with the approval of all the beneficiaries of the program.

The beneficiaries and the number of canceled options in 2021

Name	Number of options	Strike price (NOK)
Søren E. Ingerslev	100,000	Cancelled
Terri Sebree	50,000	Cancelled
Kathrin Kortschack	50,000	Cancelled
Anstein Endresen	50,000	Cancelled
Eva Steiness	97,421	Cancelled
Peter Holm Tygesen	50,000	Cancelled
Henrik Mordhorst	60,000	Cancelled
TOTAL	457,421	

Note 6 - Share option plan

In 2021, the Company canceled its share option program covering certain employees, board members and advisors.

There were no outstanding options on December 31, 2021.

Note 7 - Other operating expenses

NOK

Group		Serodus ASA	
Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
		<u>Project expenses</u>	
8,246,050	18,855,249	1,921,085	1,158,038
		<u>Other operating expenses</u>	
-	136,513	-	136,513
557,601	4,754,843	273,382	4,711,993
5,212,142	4,056,414	3,080,811	3,846,872
421,495	480,839	315,127	309,010
(1,801,321)	(1,077,490)	-	(1,077,490)
12,635,966	27,206,368	5,590,405	9,084,937
<u>Remuneration of auditors</u>			
2021	2020	2021	2020
408,889	268,000	360,000	268,000
45,000		45,000	-
55,832	107,435	26,705	107,435
509,721	375,435	431,705	375,435

¹⁾ A substantial part of the Company's expenses relates to research and development.

Research and development costs are recognized in the income statement in accordance with IFRS.

²⁾ See Note 3 for government grants.

Note 8 - Tax

NOK

Specification of tax expenses:

Group			Serodus ASA	
Dec. 31, 2021	Dec. 31, 2020		Dec. 31, 2021	Dec. 31, 2020
-	-	Taxes payable	-	-
-	(11,000)	Change in deferred tax	-	-
-	(11,000)	Tax	-	-

Specification of temporary differences and deferred tax:

Dec. 31, 2021	Dec. 31, 2020		Dec. 31, 2021	Dec. 31, 2020
(741,666)	(800,970)	Temporary differences	(38,396,575)	(21,014,520)
(226,626,635)	(219,451,188)	Tax loss carryforward	(226,626,635)	(219,451,188)
(227,368,301)	(220,252,158)	Unrecognized deferred tax assets (Norway)	(265,023,210)	(240,465,708)
(28,865,331)	(19,245,653)	Unrecognized temporary differences related to subsidiaries		
-	-	Temporary differences related to patent in Phlogo ApS		
(56,371,399)	(52,689,518)	Unrecognized deferred tax asset (22%)	(58,305,106)	(52,902,456)
-	-	Deferred tax (22%) as a result of patent		

Reconciliation of effective tax rate:

2021	2020		2021	2020
(16,735,822)	(32,341,052)	Result before tax	(24,557,503)	(33,483,151)
(3,681,881)	(7,115,031)	Expected income tax (22%)	(5,402,651)	(7,366,293)
		<i>Adjusted for the tax effect of the following items:</i>		
		Effect of change in tax rate - calculation		
-	21,818	Permanent differences	-	83,860
3,681,881	7,082,213	Change in unrecognized deferred tax assets	5,402,650	7,282,433
-	(11,000)	Tax	-	-

As a result of uncertainty about future utilization of loss carryforwards, the company believes there is no basis for the recognition of deferred tax assets.

Note 9 - Intangible assets

NOK

Serodus ASA	Licenses	Total
Acquisition costs		
Cumulative, Jan. 1, 2020	2,360,875	2,360,875
Additions during the year	-	-
Disposals during the year	-	-
Cumulative, 31 Dec. 2020	2,360,875	2,360,875
Additions during the year	-	-
Disposals during the year	-	-
Cumulative, 31 Dec. 2021	2,360,875	2,360,875
Amortization and impairment		
Cumulative, Jan. 1, 2020	1,772,350	1,772,350
Impairment	-	-
Amortizations for the year	42,038	42,038
Cumulative, 31 Dec. 2020	1,814,387	1,814,387
Impairment	-	-
Amortizations for the year	42,038	42,038
Cumulative, 31 Dec. 2021	1,856,424	1,856,424
Value entered on the balance sheet		
Carrying value as of 31 December 2020	546,488	546,488
Carrying value as of 31 December 2021	504,450	504,450

The carrying value of licences consists of the licence related to SER 150

Group	Licenses	Patents	Total
Acquisition cost			
Cumulative, Jan. 1, 2020	2,360,875	2,396,919	4,757,794
Additions during the year	-	-	-
Disposals during the year	-	-	-
Cumulative, 31 Dec. 2020	2,360,875	2,396,919	4,757,794
Additions during the year	-	-	-
Disposals during the year	-	-	-
Cumulative 31 December 2021	2,360,875	2,396,919	4,757,794
Amortization and impairment			
Cumulative, Jan. 1, 2020	1,772,350	2,396,919	4,169,269
Impairment	-	-	-
Amortizations for the year	42,037	-	42,037
Cumulative, 31 Dec. 2020	1,814,387	2,396,919	4,211,306
Impairment	-	-	-
Amortizations for the year	42,038	-	42,038
Cumulative, 31 Dec. 2021	1,856,424	2,396,919	4,253,344
Value entered on the balance sheet			
Carrying value as of 31 December 2020	546,488	-	546,488
Carrying value as of 31 December 2021	504,450	-	504,450

Agreement with Evolva AG (licenses)

In 2013, Serodus entered into an agreement with Evolva AG regarding rights for licenses. Licenses totaling NOK 840,750 were capitalized.

The carrying amount of licenses consists of licenses related to SER150.

Patents

The Group's patent relates to SER140.

Note 10 - Receivables and prepayments

NOK

Group			Serodus ASA	
Dec. 31, 2021	Dec. 31, 2020		Dec. 31, 2021	Dec. 31, 2020
42,378	23,641	VAT receivables	42,378	23,641
-	429,931	Receivables	-	-
13,926,963	8,515,021	Prepaid costs 1)	7,375,037	8,508,007
-	1,283,906	Government grants	-	1,283,906
-	-	- Receivables from subsidiaries	1,858,434	-
13,969,341	10,252,500	Total other receivables	9,275,849	9,815,554

¹ Prepaid costs represent raw materials and other materials held in inventory until used in studies on SER150. The material is expensed when it is used in clinical tests.

Note 11 - Cash and cash equivalents

NOK

Dec. 31, 2021	Dec. 31, 2020		Dec. 31, 2021	Dec. 31, 2020
42,896,923	34,032,612	Cash and bank deposits - unrestricted	37,262,157	30,108,609
161,986	162,986	Cash - restricted assets related to taxes withheld	161,986	162,986
Cash and cash equivalents in the statement of				
43,058,909	34,195,598	financial position	37,424,143	30,271,595

Note 12 - Share capital

NOK

Share capital:

	31/ des. 2021	31-Dec 2020
Shares, nominal value NOK 1	17,048,396	14,664,053

All shares in the Company have equal voting rights and equal rights to dividends.

The nominal value per share is NOK 1.

Serodus increased the share capital by NOK 2.4 million early in 2021. See statement of changes in equity.

The 20 largest shareholders at December 31, 2021 are:

Shareholder	Number of shares	Percentage of capital
Viggo Harboe 2006 Holding ApS	9,125,080	53.52%
Ursa Minor AS	828,413	4.86%
Beck	787,800	4.62%
Beck-Thomsen	450,000	2.64%
Steiness, Eva	432,145	2.53%
Hansen	376,150	2.21%
Evolva AG	315,000	1.85%
CACEIS Bank	248,604	1.46%
Steiness, Marianne	210,000	1.23%
UBS Switzerland AG	209,438	1.23%
Normann Hansen	181,000	1.06%
ROLFS HOLDING AS	170,900	1.00%
MP PENSJON PK	169,607	0.99%
OLA RUSTAD A.S	146,539	0.86%
SÆRVOLL HOLDING AS	126,634	0.74%
SPAR KAPITAL INVESTOR AS	122,500	0.72%
Steiness, Iben	113,080	0.66%
Skeikampen Invest ApS	93,300	0.55%
ACADIA HOLDING AS	91,324	0.54%
Samssoft ApS	91,093	0.53%
Total for the 20 largest shareholders	14,288,607	83.81%
Other shareholders	2,759,789	16.19%
Total number of shares	17,048,396	100.00%

Shares owned directly or indirectly by management and board members at December 31, 2021.

Name	Role	Number of shares	Percentage of capital
Arnstein Gunnestad Endresen	Board member	828,413	4.86%
Katrin Kortschak (through nominee accounts)	Board member	268,286	1.57%
Eva Steiness	CEO	432,145	2.53%
Henrik Mordhorst	CFO	7,500	0.04%
		1,536,344	9.01%

Note 13 - Other current liabilities

NOK

Group			Serodus ASA	
Dec. 31, 2021	Dec. 31, 2020		Dec. 31, 2021	Dec. 31, 2020
77,327	70,650	Unpaid government charges	69,650	70,650
121,178	-	Accrued costs	75,173	-
255,327	256,754	Other current liabilities	255,327	256,754
453,832	327,404	Total other current liabilities	400,151	327,404

Note 14 - Financial risk management, objectives, and guidelines

NOK

Categories of financial instruments

Category		Serodus ASA			
		Dec. 31, 2021		Dec. 31, 2020	
		Book value	Fair value	Book value	Fair value
Financial assets:					
Trade receivables	Loans and receivables	-	-	-	-
Other receivables ¹	Loans and receivables	-	-	-	-
Cash and cash equivalents	Loans and receivables	37,424,143	37,424,143	30,271,595	30,271,595
Total financial assets		37,424,143	37,424,143	30,271,595	30,271,595
Financial liabilities:					
Trade receivables	Financial liabilities at amortized cost	450,851	450,851	391,748	391,748
Other liabilities ²	Financial liabilities at amortized cost	324,977	324,977	327,404	327,404
Total financial liabilities		775,829	775,829	719,152	719,152

Category		Group			
		2021		2020	
		Book value	Fair value	Book value	Fair value
Financial assets:					
Trade receivables	Loans and receivables	-	-	-	-
Other receivables ¹	Loans and receivables	-	-	-	-
Cash and cash equivalents	Loans and receivables	43,058,909	43,058,909	34,195,598	34,195,598
Total financial assets		43,058,909	43,058,909	34,195,598	34,195,598
Financial liabilities:					
Trade payables	Financial liabilities at amortised cost	465,724	465,724	2,642,465	2,642,465
Other liabilities ²	Financial liabilities at amortised cost	332,654	332,654	327,404	327,404
Total financial liabilities		798,378	798,378	2,969,868	2,969,868

¹ VAT receivables and prepaid expenses are not included, since they are not considered as financial assets.

² Accrued costs are not included, since they are not considered as financial liabilities.

Financial risk management

The financial liabilities of the Company/Group consist primarily of other liabilities such as unpaid government charges and vacation pay due. The financial assets consist primarily of cash.

The Company/Group is exposed to market risk, credit risk and liquidity risk. Serodus ASA's management monitors how these risks are being managed.

Market risk

Market risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate due to changes in market prices. Market prices comprise three types of risks: interest rate risk, currency risk, and commodity price and other price risk. The financial assets and liabilities of the Company/Group have only limited exposure to these risks.

a) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate due to changes in market prices. The Company/Group has no borrowings and is therefore not currently exposed to interest rate risk.

b) Currency risk

Currency risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices. The Company/Group has some currency risks from foreign currency transactions. At year-end 2021, the Company/Group had trade payables in DKK, GBP, USD, SEK and EUR equivalent to NOK 1,848,445. If the respective exchange rates against NOK changed by +/-10%, the profit before tax would change by NOK +/-184,844.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss for the Company. The Company/Group is mainly exposed to credit risk through deposits in banks. There are also receivables from VAT and grants. VAT receivables are included in the table below, even though, in accordance with IFRS 9, they do not represent financial assets.

NOK

The recognised value of financial assets represents the maximum credit exposure. The maximum exposure for credit risk at the reporting date was:

Serodus ASA	Dec. 31, 2021	Dec. 31, 2020
Cash and cash equivalents	37,424,143	30,271,595
Receivables	1,858,434	-
Maximum credit exposure	39,282,577	30,271,595

The receivables are not due on the reporting dates.

Group	Dec. 31, 2021	Dec. 31, 2020
Cash and cash equivalents	43,058,909	34,195,598
Receivables	-	0
Maximum credit exposure	43,058,909	34,195,598

Liquidity

The Company/Group manages the risk of lack of funding by continually monitoring the maturity of financial assets and liabilities and projected cash flows from operations. The possibility of further equity issues is an integral part of these assessments.

At the closing dates, the material financial commitments were trade payables and debt to related parties. At the end of 2020 and 2021, trade payables fell due for payment within three months of the respective reporting dates.

Capital management

An important objective in relation to capital management is ensuring that the Company/Group maintains an adequate capital structure to fund business development. The Company/Group considers its capital structure in light of current and projected cash flow, new business opportunities and the Company's financial obligations. To maintain or adjust the capital structure, the Company can issue new shares or sell assets to reduce its debt.

Market value of financial instruments

The book values of cash and cash equivalents, current financial receivables and trade receivables approximate fair value because of the short maturity.

Note 15 - Related parties

NOK

Services purchased from	Description of the service	Dec. 31, 2021	Dec. 31, 2020
Elmann Advokatpartnerselskab ¹	Legal fees	329,042	327,260

¹ The above amounts include remuneration for the role as Chairman of the Board of Directors. Søren Elmann Ingerslev is a partner in Elmann Advokatselskab .

Note 16 - Financial items

NOK

Group		Total financial income	Serodus ASA	
Dec. 31, 2021	Dec. 31, 2020		Dec. 31, 2021	Dec. 31, 2020
-	31,525	Interest income	601,136	142,380
(42,451)	204,187	Other financial income	53,528	174,513
(42,451)	235,712	Total financial income	654,664	316,893

Group		Total financial expenses	Serodus ASA	
Dec. 31, 2021	Dec. 31, 2020		Dec. 31, 2021	Dec. 31, 2020
17,130	2,281	Interest expenses	-	15
		Impairment of shares in subsidiary	-	-
		Impairment of receivables from subsidi	17,441,359	19,574,497
1,290,999	547,642	Other financial expenses	1,289,562	370,107
1,308,129	549,923	Total financial expenses	18,730,920	19,944,619

Note 17 - Events after the closing date

There have been no significant events since the closing of the accounts on December 31, 2021.

Note 18 - Subsidiaries

NOK

Subsidiary	Country	Voting share	Acquisition		Fair value
			costs	Book value	
Phlogo ApS	Denmark	100.00%	7,647,210	520,860	520,860
Serodus Pty Ltd.	Australia	100.00%	636	636	636

Note 19 - Contingent liabilities

In 2013, Serodus entered into an agreement with Evolva AG regarding rights for licenses. The agreement was amended in 2015. In addition to a non-refundable consideration of EUR 100,000 for licenses, Serodus shall pay Evolva certain milestone payments subject to certain events related to the development and approval of products under the license agreement. The first such event occurred in 2020, and Serodus and Evolva agreed that Serodus would settle its commitments relating to this event by issuing 315,000 shares to Evolva at a price of NOK 13 per share.

The other events that would trigger additional milestone payments (which represent potentially material amounts) are currently not considered to meet the "more likely than not" criteria, and therefore no liabilities were recognized on December 31, 2021.

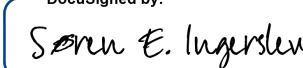
Responsibility statement

We confirm, to the best of our knowledge, that the financial statements for the year 2021 have been prepared in accordance with relevant accounting and reporting standards and give a true and fair view of the assets, liabilities, financial position and results of operations for the entity and the Group as a whole. We also confirm that the Board of Directors' report includes a true and fair review of the development and performance of the business and the position of the Company and the Group, and a description of the main risks and uncertainties facing the Company and the Group.



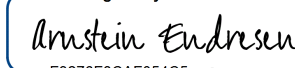
Oslo, May 3, 2022

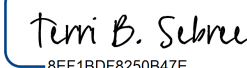
Board of Directors, Serodus ASA

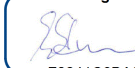
DocuSigned by:

6B800752C3034D9...
Søren Elmann
Chairman of the Board

DocuSigned by:

858029D0F7A0475...
Kathrin Christin Kortschak
Board member

DocuSigned by:

F3276F8CAF05465...
Arnstein Gunnestad
Endresen
Board member

DocuSigned by:

8EF1BDF8250B47E...
Terri Sebree
Board member

DocuSigned by:

F2241C6BA0AC440...
Eva Steiness
CEO