



# SERODUS

## ANNUAL REPORT 2023

SER150

CLINICAL STUDY  
APPROVED BY  
THE REGULATORY  
AND ETHICAL  
AUTHORITIES IN  
NEW ZEALAND

PATIENTS  
RANDOMIZED IN  
AUSTRALIA

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

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

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## Serodus in brief

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Serodus AS is a Norwegian private biotech company. Serodus is based in Oslo, Norway, and has two wholly owned subsidiaries: Serodus ApS (previously Phlogo ApS) in Copenhagen, Denmark, and Serodus (AUS) Pty Ltd in Melbourne, Australia.

Serodus AS has outsourced all management of its activities to Serodus ApS.

From an early stage of the disease, patients with diabetes develop non-infectious low-grade inflammatory processes in many organs of the body, including the kidneys. The increased blood glucose concentrations found in patients with diabetes induce several different pro-inflammatory activities.

Patients well treated with antidiabetic drugs who have normal fasting blood glucose concentrations may have hyperglycemic spikes of abnormal blood glucose concentrations during the day. Pro-inflammatory processes are activated whenever blood glucose spikes are observed. A series of pro-inflammatory actors, such as thromboxane and different interleukins, are involved in the low-grade inflammation seen in patients with diabetes. SER150 not only inhibits the synthesis of thromboxane but also blocks the receptor through which thromboxane stimulates low-grade inflammatory processes. Interleukins are either pro-inflammatory or anti-inflammatory compounds which, together with elevated thromboxane, bring about low-grade inflammation.

SER150 is Serodus's lead compound and is currently being tested in the second clinical study in patients with type 2 diabetes. This study involves well-controlled diabetic patients with high concentrations of albumin in their urine and reduced kidney function. The study is being carried out in Australia and New Zealand.

SER130 is an anti-inflammatory compound and SER140 a pro-inflammatory compound. Both have mechanisms of actions that differ from SER150.

Serodus operates in a lean management structure. As of 1 January 2023, a part-time CEO in Norway is the sole employee of Serodus AS. All management activities are outsourced to the wholly owned subsidiary Serodus ApS in Denmark, which has a full-time CEO and two part-time consultants: one is the CFO and the other is involved in documentation and business development.

Serodus has decided to convert the clinical study in Australia to a pilot study and put the pipeline up for sale.

## Pipeline

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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 referred to as 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. 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 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. Thromboxane and TNF $\alpha$  receptors are two important non-infectious pro-inflammatory agents, alongside various interleukins. These agents increase during the development of diabetes.

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 the third, SER130, inhibits inflammation indirectly by stimulating the body's own production of an anti-inflammatory protein.

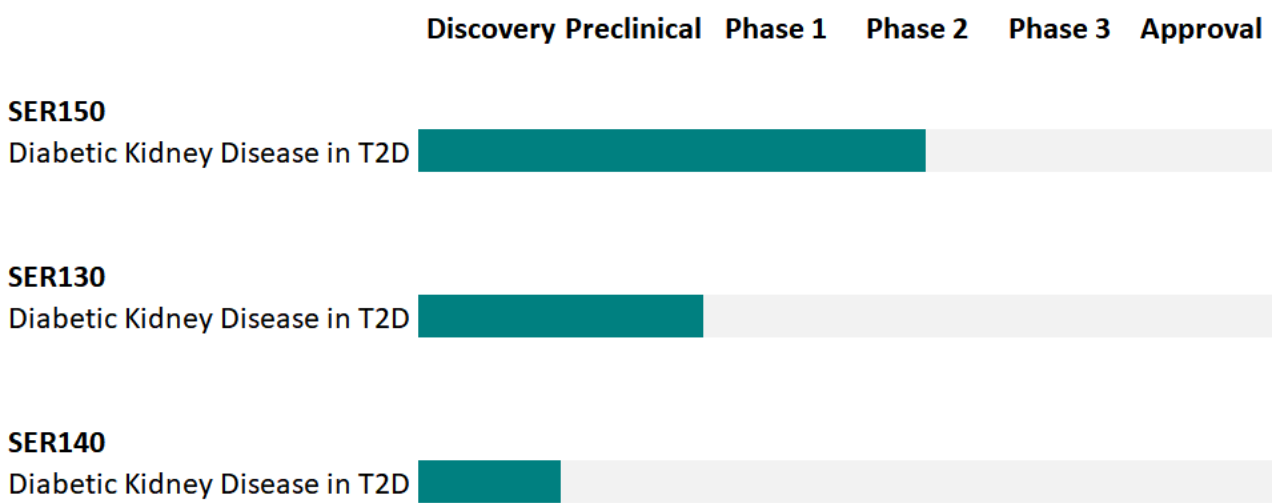
Serodus's compounds act as low-grade anti-inflammatory entities and will re-establish the balance between pro- and anti-inflammatory endogenous processes. This addresses the lack of a treatment triumvirate - antidiabetic, antihypertensive and anti-inflammatory drugs - needed for the optimal treatment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

All currently available treatment options for diabetic patients are effective at reducing blood glucose and controlling blood pressure, and some of these drugs have demonstrated a certain decrease in loss of kidney function, thereby delaying the onset of chronic dialysis. However, none of them has a direct effect on the low-grade systemic inflammation driving the pathophysiological processes of diabetes and its complications.

## Serodus's pipeline compounds

Serodus's pipeline compounds target a large, growing and insufficiently treated market segment.

Three different molecules - three different development stages



### SER150 and diabetic kidney disease

Serodus demonstrated proof of clinical concept in the first clinical study. The amount of albumin in urine was significantly reduced after only four weeks of treatment with SER150 compared to the placebo effect. No safety or tolerability concerns were identified.

SER150 significantly reduced other key biomarkers of kidney disease.

The ongoing clinical study focuses on patients with well-controlled diabetes, severe albuminuria and reduced kidney function.

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

The ongoing clinical study was planned in detail during 2020 and, thanks to favorable public science funding in Australia, was submitted to and approved by the Australian authorities during 2021. The study was delayed because of the Covid-19 pandemic, when Australia locked down. In 2022, clinical activities very slowly increased. It was decided to shift from a large international clinical research organization to a small, local Australian organization, and the decision was also made to include clinical centers in New Zealand.

The CEO of Serodus ApS visited all the clinical centers in Australia and New Zealand during 2023 and discussed difficulties with recruiting patients to the study as well as the pharmacology results from early studies with SER150.

### **SER150 targets a large, growing and poorly treated market segment**

The diabetic kidney disease market is large, with significant unmet clinical needs and a growing patient population worldwide. About 1 in 11 adults worldwide now have diabetes, 90% of whom have T2D. Asia is a major area in the rapidly emerging T2D global epidemic, with China and India being the top two epicenters.

Approximately 160 million patients have 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.

Diabetic kidney disease causes a progressive loss of kidney 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 until 85-90% of renal function is lost, i.e., end-stage kidney disease. Many patients may therefore not know that they have developed diabetic kidney disease until it is too late to intervene.

The annual treatment cost of dialysis and concomitant medical treatment for a patient with end-stage kidney disease is approximately EUR 90,000, 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 that is increased in patients with T2D. SER150 reduces the effect of thromboxane through its dual blockade of thromboxane synthase and the thromboxane competitive receptor non-acting binding. 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.

## Clinical study

The SER150 clinical study is targeting patients with T2D, macroalbuminuria and reduced kidney function. The study is a randomized, placebo-controlled pilot study. 20 patients will be treated for six months, with the effect on urinary albumin excretion, kidney function estimated as creatinine clearance, safety and tolerability monitored monthly during the treatment. The study is being carried out in Australia and New Zealand. Serodus has decided to convert the clinical study in Australia to a pilot study.

## What is SER140?

SER140 is an IL-1 receptor antagonistic peptide with anti-inflammatory properties and a novel mode of action for the treatment of diabetic kidney disease.

Inflammatory activities in the kidney, such as glomeruli and tubular cells, are expected to decrease. In pharmacological studies in diabetic experimental models, SER140 reduces the urinary content of albuminuria in a dose-dependent manner compared to the albumin content before treatment with SER140.

SER140 is consequently expected to reduce the progression of renal impairment in patients with diabetes.

## What is SER130?

SER130 is an IL-4 receptor agonistic peptide compound with a novel mode of action for the treatment of diabetic kidney disease.

SER130 stimulates endogenous anti-inflammatory processes, and specifically reduces inflammatory processes.

In an experimental diabetic model, pharmacological studies show that SER130 reduces the urinary content of albuminuria compared to the albumin content in urine before treatment with SER130. Treatment with SER130 is expected to delay the progression or even prevent the development of diabetic kidney disease.



## Corporate strategy

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Serodus's strategy is to sell the pipeline.

The Company has a dedicated focus on the treatment of patients with T2D and diabetic kidney disease and has a broad, chemically diversified basket of compounds.

Serodus has strived for risk mitigation by ensuring:

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

Serodus's strategy has been to collaborate with contract research organizations, contract manufacturing organizations and consultants to keep operational costs as low as possible.

## Board of Directors

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**Søren Elmann Ingerslev**  
*Chairman*

Elected 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 privately held companies.



**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 was President of Zynerva Pharmaceuticals (Nasdaq: ZYNE) based in Devon, PA, US until this was acquired by Harmony Biosciences in October 2023. 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. Before 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.

**Viggo Gunnersen Harboe***Board member*

Elected as a Board member  
in 2022

Mr Harboe joined DAKO A/S (now part of Agilent Technologies, Inc.) in 1972. In 1980, he founded DAKO's first subsidiary in the US and served as CEO in the US until 2002. He also founded DAKO's subsidiaries in Japan, Australia and Canada and served on the boards of these subsidiaries. He was a member of the board of directors of DAKO from 2002 until 2007, when the company was sold, and served as chairman of the Harboe Foundation from 2002 to 2019.

## Executive Management

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**Arnstein Gunnestad  
Endresen**

*CEO, Serodus AS*

Mr 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 in Serodus.



**Eva Steiness**

*CEO, Serodus ApS*

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<sup>®</sup> (citalopram), an antidepressant drug that reached blockbuster status, and Serdolect<sup>®</sup> (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<sup>®</sup> (lixisenatide) was first launched on the European market in 2013.

She was CEO of Serodus from 2011 to 2023.

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, Consultant*

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.

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 Caladanian Group of companies in the UK.

Henrik Mordhorst joined Serodus in 2019.



**Daniel Capion**  
*Business Development  
& Documentation,  
Consultant*

Mr Capion holds a MSc in Pharmacy, an Executive MBA from Copenhagen Business School and a Diploma in Managing Medicinal Product Innovation from Scandinavian International Management Institute.

He was part of the early days of Genmab and developed during a 10 year period the Global Regulatory Operations unit responsible for compliant R&D documentation, processes and systems. During the Genmab time he also supported a substantial number of Due Diligence activities on the seller side, preparing and coordinating documentation needed for the DD process with large-pharma companies.

During the past 25 years, Daniel Capion has held various managerial positions in the life-science industry including companies such as Ferring, LEP Pharma and Genmab. In addition he was the primary lead in the initiation and realization of LEO Pharma's R&D Data Strategy program as well as the initiator of Ferring's initiative to utilize Machine Learning algorithms for computerized assessment of Blastocyst selection during IVF treatment.

In 2021 Daniel Capion founded Documizer ApS - a specialist consulting and software company focusing on small and mid-sized biotech and pharm companies, specifically within R&D documentation.

Daniel Capion joined Serodus in late 2021.

## Board of Directors' report

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### 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 SER150 candidate and subsequently enter into partnerships for the remaining development, regulatory market approvals and global marketing.

In 2022 the company received approval for the next SER150 clinical study from the New Zealand authorities in addition to the ongoing approval in Australia.

In 2023 the company changed from a public limited company (ASA) to a private limited company (AS).

In 2023 the company also decided to outsource management of its study activities to the wholly owned subsidiary Serodus ApS.

### Outlook

During 2024, Serodus - together with the contract research organization - will manage the SER150 clinical study in patients with T2D, severe albuminuria and reduced kidney function.

Serodus will continue its efforts to outlicense the individual compounds (SER130, SER140 and SER150) in the pipeline to the pharmaceutical industry through team or one-to-one meetings. Serodus will explore the possibility of selling the pipeline or elements of it. Serodus has decided to convert the clinical study in Australia to a pilot study.

### 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 2023, the Company employs one man, the CEO of Serodus AS, and one woman, the CEO of the Danish subsidiary, Serodus ApS.

The Board of Serodus AS is made up of one woman and two men.

### Environment

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

## Financial review

### Income statement

Serodus did not have any revenue from external customers in 2023.

In October 2023 the Company raised NOK 17.3 million through a private placement.

The Group's operating expenses for 2023 amounted to NOK 27.2 million for the full year, compared to NOK 20.1 million for 2022. The net loss for the Group in 2023 was NOK 22.0 million, compared to a net loss of NOK 19.1 million in 2022.

Serodus AS (the Parent Company) posted a net loss of NOK 16.8 million in 2023, compared to a net loss of NOK 27.6 million in 2022.

### Cash flow and statement of financial position

At December 31, 2023, the Serodus Group had total assets of NOK 29.8 million, compared to NOK 39.5 million at year-end 2022. For Serodus AS, total assets at December 31, 2023, were NOK 22.5 million, compared to NOK 21.9 million at year-end 2022.

Serodus increased the share capital by NOK 1.3 million in 2023.

At December 31, 2023, total equity for the Group was NOK 28.0 million, compared to NOK 37.2 million at year-end 2022. The registered share capital of Serodus AS at December 31, 2023, was NOK 18,401,996, divided into 17,073,396 A shares and 1,328,600 B shares, each with a nominal value of NOK 1.

The unrestricted cash balance at December 31, 2023, was NOK 23.4 million, compared to NOK 21.9 million at year-end 2022.

### Going concern assumption

The Group plans to finance the SER150 CL-009 clinical pilot study and general and administrative (G&A) costs through 2024. The management is in the process of selling the pipeline.

At December 31, 2023, the Group had NOK 23.4 million in unrestricted cash. Two share capital increases were carried out in Q1 2024, increasing cash by NOK 4.6 million. Further, the Group received payments from government grants of approx. NOK 0.9 million in April 2024 and expects to receive an additional 5.0 million during 2024 related to R&D activities performed in 2023. The amount that is not yet received is contingent on approval from an external party but expected to be approved and paid to Serodus in September 2024. If the Group, for some reason, do not receive this grant as expected, the Board will take appropriate actions to down-scale further activities to ensure that all contractual obligations can be met. Based on these circumstances, the going concern assumption is assumed to be fulfilled, and the financial statements have been prepared on this basis.

## 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 global market fluctuations. The general economic situation may affect the progress of projects but is not expected to impact the overall need for the product candidates developed by Serodus. The market risk is thus considered limited.

## Significant events after year-end

There have been no other significant events since the closing of the accounts on December 31, 2023 other than two capital increases in February and March generating proceeds of NOK 4.6 million.



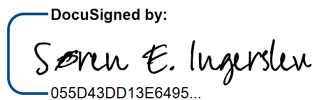
## Allocation of the net result for the year

The Serodus Group generated a net loss for the 2023 financial year of NOK 21,227,603 while the Parent Company's loss for the year was NOK 16,796,787. The Board proposes the following allocation of the net result for the year for Serodus AS:

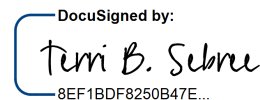
Net loss	NOK 16,796,787
Transferred from other equity	NOK 16,796,787

Oslo, May 31, 2024

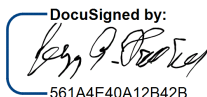
Board of Directors, Serodus AS

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Søren Elmann Ingerslev  
Chairman of the Board

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Terri Sebree  
Board member

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Viggo Gunnarsen Harboe  
Board member

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Arnstein Gunnestad  
Endresen  
CEO

## Statement of income and comprehensive income

NOK

Group		Note	Note	Serodus AS	
2023	2022			2023	2022
<b>Operating income</b>					
-	-	4	4	5,221,928	3,494,744
-	-			<b>5,221,928</b>	<b>3,494,744</b>
<b>Operating expenses</b>					
11,349,058	12,120,327	5	5	6,048,943	3,690,680
2,805,336	2,682,962	6	6	885,191	2,680,946
-	504,450	7	7	-	504,450
9,311,047	4,748,538	5	5	6,831,897	4,096,792
<b>23,465,441</b>	<b>20,056,277</b>			<b>13,766,032</b>	<b>10,972,868</b>
<b>(23,465,441)</b>	<b>(20,056,277)</b>			<b>(8,544,104)</b>	<b>(7,478,123)</b>
<b>Financial income</b>					
41,283	10,243	8	8	2,897,649	2,494,591
1,463,376	988,085	8	8	1,770,132	657,356
<b>1,504,658</b>	<b>998,328</b>			<b>4,667,781</b>	<b>3,151,947</b>
<b>Financial expenses</b>					
7	18,789	8	8	-	-
73,607	65,826	8	8	12,920,464	23,256,018
<b>73,614</b>	<b>84,615</b>			<b>12,920,464</b>	<b>23,256,018</b>
<b>1,431,045</b>	<b>913,713</b>			<b>(8,252,682)</b>	<b>(20,104,071)</b>
<b>(22,034,396)</b>	<b>(19,142,564)</b>			<b>(16,796,787)</b>	<b>(27,582,195)</b>
<b>Profit (loss) before tax</b>					
-	-	9	9	-	-
<b>(22,034,396)</b>	<b>(19,142,564)</b>			<b>(16,796,787)</b>	<b>(27,582,195)</b>
<b>Profit (loss) after tax</b>					
261,793	58,202				
<b>(21,772,603)</b>	<b>(19,084,361)</b>			<b>(16,796,787)</b>	<b>(27,582,195)</b>
<b>Total comprehensive income</b>					

## Statement of financial position

NOK

Group				Serodus AS	
2023	2022	Note	Note	2023	2022
<b>ASSETS</b>					
<i>Fixed assets</i>					
-	-	7	7	-	-
-	-	10	10	636	3,000,636
<b>Total fixed assets</b>				<b>636</b>	<b>3,000,636</b>
<i>Current assets</i>					
6,421,639	17,692,967	11	11	2,924,423	6,889,849
23,416,465	21,854,274	12	12	19,600,188	12,034,998
<b>Total current assets</b>				<b>22,524,611</b>	<b>18,924,848</b>
<b>Total assets</b>				<b>22,525,247</b>	<b>21,925,484</b>
<b>EQUITY AND LIABILITIES</b>					
<i>EQUITY</i>					
18,401,996	17,073,396	13	13	18,401,996	17,073,396
9,597,816	20,095,800			1,690,759	2,544,346
<b>Total equity</b>				<b>20,092,755</b>	<b>19,617,742</b>
<i>Current liabilities</i>					
879,502	1,662,227	14, 15	14, 15	1,758,062	1,764,291
958,791	715,817	16	16	674,431	543,452
<b>Total current liabilities</b>				<b>2,432,492</b>	<b>2,307,742</b>
<b>Total equity and liabilities</b>				<b>22,525,247</b>	<b>21,925,484</b>

## Statement of changes in equity

NOK

2023	Share capital	Other paid-in capital	Retained earnings	Total equity
<b>Serodus AS</b>				
Equity at Jan. 1, 2023	17,073,396	2,544,345	-	19,617,741
- Total comprehensive income 2023	-	(16,796,787)	-	(16,796,787)
- Other income/expenses	-	-	-	-
<b>Total comprehensive income:</b>	-	<b>(16,796,787)</b>	-	<b>(16,796,787)</b>
Share-based compensation	-	-	-	-
Issues from convertible loan	-	-	-	-
Issues from cash contributions	1,328,600	15,943,200	-	17,271,800
Issues (not registered)	-	-	-	-
Used to cover previous years' uncovered loss	-	-	-	-
Capital reduction	-	-	-	-
<b>Equity at Dec. 31, 2023</b>	<b>18,401,996</b>	<b>1,690,759</b>	-	<b>20,092,755</b>
<b>Group</b>				
Equity at Jan. 1, 2023	17,073,396	20,095,800	-	37,169,197
- Total comprehensive income 2023	-	(22,034,396)	-	(22,034,396)
- Exchange differences	-	261,793	-	261,793
<b>Total comprehensive income:</b>	-	<b>(21,772,603)</b>	-	<b>(21,772,603)</b>
Share-based compensation	-	-	-	-
Issues from convertible loan	-	-	-	-
Issues from cash contributions <sup>1</sup>	1,328,600	15,943,200	-	17,271,800
Issues (unregistered)	-	-	-	-
Issue expenses	-	-	-	-
Used to cover previous years' uncovered loss	-	-	-	-
Capital reduction	-	-	-	-
Other changes	-	(4,668,581)	-	(4,668,581)
<b>Equity at Dec. 31, 2023</b>	<b>18,401,996</b>	<b>9,597,816</b>	-	<b>27,999,813</b>
<b>2022</b>				
<b>Serodus ASA</b>				
Equity at Jan. 1, 2022	17,048,396	29,826,540	-	46,874,936
- Total comprehensive income 2022	-	(27,582,195)	-	(27,582,195)
<b>Total comprehensive income:</b>	-	<b>(27,582,195)</b>	-	<b>(27,582,195)</b>
Issues from cash contributions	25,000	300,000	-	325,000
<b>Equity at Dec. 31, 2022</b>	<b>17,073,396</b>	<b>2,544,345</b>	-	<b>19,617,742</b>
<b>Group</b>				
Equity at Jan. 1, 2022	17,048,396	39,564,749	-	56,613,146
- Total comprehensive income 2022	-	(19,142,564)	-	(19,142,564)
- Exchange differences	-	58,202	-	58,202
<b>Total comprehensive income:</b>	-	<b>(19,084,361)</b>	-	<b>(19,084,361)</b>
Issues from cash contributions <sup>2</sup>	25,000	300,000	-	325,000
Other changes	-	(684,589)	-	(684,589)
<b>Equity at Dec. 31, 2022</b>	<b>17,073,396</b>	<b>20,095,800</b>	-	<b>37,169,196</b>

<sup>1</sup> Issues from cash contributions registered on Dec. 14, 2023.

<sup>2</sup> Issues from cash contributions registered on Dec. 3, 2022.

## Statement of cash flows

NOK

Group		Note	Serodus AS	
2023	2022		2023	2022
<b>Cash flow from operating activities</b>				
(22,034,396)	(19,142,564)		(16,796,787)	(27,582,195)
-	-		3,000,000	5,244,677
-	504,451	7	9,846,856	-
(782,727)	1,196,502		1	504,451
7,107,512	(4,088,028)		(6,230)	1,313,438
<u>7,107,512</u>	<u>(4,088,028)</u>		<u>4,096,405</u>	<u>670,866</u>
<b>(15,709,610)</b>	<b>(21,529,637)</b>		<b>140,245</b>	<b>(19,848,762)</b>
<b>Cash flow from investment activities</b>				
-	-		(9,846,856)	(5,865,383)
<u>-</u>	<u>-</u>		<u>(9,846,856)</u>	<u>(5,865,383)</u>
<b>Cash flow from financing activities</b>				
17,271,801	325,001	13	17,271,800	325,000
-	-		-	-
<u>17,271,801</u>	<u>325,001</u>		<u>17,271,800</u>	<u>325,000</u>
<b>1,562,191</b>	<b>(21,204,636)</b>		<b>7,565,189</b>	<b>(25,389,145)</b>
21,854,274	43,058,909	12	12,034,998	37,424,143
<u>23,416,465</u>	<u>21,854,274</u>	12	<u>19,600,188</u>	<u>12,034,998</u>

## Notes to the financial statements

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### Note 1 - General information

Serodus AS (the Company) is a private company incorporated and domiciled in Norway. On June 2, 2023, the Company changed from a public limited company (ASA) to a private limited company (AS). 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 22, 2024.

The Company has two subsidiaries:

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

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

In February 2023, the Company restructured its organization. Eva Steiness remained as CEO in Serodus ApS, and Arnstein Gunnestad Endresen took up the position of CEO in Serodus AS. Serodus AS has subsequently outsourced management of R&D activities and financial administration to Serodus ApS.

### Note 2 - Summary of significant accounting principles

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

#### 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.

#### Going concern

The Group plans to finance the SER150 CL-009 clinical pilot study and general and administrative (G&A) costs through 2024. The management is in the process of selling the pipeline.

At December 31, 2023, the Group had NOK 23.4 million in unrestricted cash. Two share capital increases were carried out in Q1 2024, increasing cash by NOK 4.6 million. Further, the Group received payments from government grants of approx. NOK 0.9 million in April 2024 and expects to receive an additional 5.0 million during 2024 related to R&D activities performed in 2023. The amount that is not yet received is contingent on approval from an external party but expected to be approved and paid to Serodus in September 2024. If the Group, for some reason, do not receive this grant as expected, the Board will take appropriate actions to down-scale further activities to ensure that all contractual obligations can be met. Based on these circumstances, the going concern assumption is assumed to be fulfilled, and the financial statements have been prepared on this basis

### Consolidation principles

The financial statements include Serodus AS and the companies over which Serodus AS 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 is capable of exercising 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 the consideration and the capitalized value of non-controlling ownership interests is offset against the controlling owner's 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.

## Foreign currency

The functional currency of the Company is NOK. The functional currencies for the subsidiaries are DKK for Serodus ApS (formerly Phlogo ApS) and AUD for Serodus (AUS) Pty Ltd. Financial assets and liabilities in other currencies are converted at the exchange rates at 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 Serodus ApS and Serodus (AUS) Pty Ltd are translated at the exchange rates at period-end. Income statement items are translated using the average exchange rates for the period.

## 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 they are 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 asset and use or sell it
- it will be possible to use or sell the asset
- the 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 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, 2023.

## 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 value in use. To calculate the value in use, 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.

### **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.

### **Government grants**

Government grants, e.g., “SkatteFUNN” in Norway, “Skattekredit” and “Patent Voucher” in Denmark and “RDTI” in Australia, are recognized on a systematic basis in the period in which the Company recognizes the costs that the grant is intended to compensate. However, a government grant is not recognized until there is reasonable assurance that the entity will comply with the conditions attached to it and that the grant will be received. Grants are presented as part of other operating expenses, i.e., netted against the associated costs.

### **Revenue**

Serodus AS 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 2023 or 2022.

### **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 enacted or substantially enacted 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.

### **Provisions**

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events, it is likely that the obligation will 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 expenditure 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.

### **Contingent liabilities**

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

### **Segment reporting**

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

### **Cost of equity transactions**

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

### **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 relate to conditions that have arisen after the closing date. Such events are disclosed in a note if they are material.

### **Statement of cash flows**

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

### **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 value in use of the asset or the cash-generating unit. Calculation of value in use requires management to make estimates of future cash flows and 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.

### New standards effective for periods beginning on or after January 1, 2023

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a significant impact on Serodus's financial statements.

## Note 3 - Government grants

NOK

Group			Serodus ASA	
2023	2022		2023	2022
5,056,666	4,577,838	Government grants	-	-
-	-	SkatteFUNN	-	-
<b>5,056,666</b>	<b>4,577,838</b>	<b>Total grants</b>	<b>-</b>	<b>-</b>

In 2022 and 2023 the Group applied to the Research Council of Norway for a grant under the "SkatteFUNN" scheme. The main objectives of the projects that were the subject of the grant application are the development of novel treatments for patients with diabetic kidney disease.

The Group received and recognized a payment of AUD 745,205 (NOK 5,056,666) in 2023 from the 2022 RDTI scheme in Australia. A SkatteFUNN payment (NOK 990 thousand) in Norway has been received in 2024. The payment concerns an application for 2022 but will not be recognized until 2024. An application for 2023 is expected to be recognized in 2024 as well.

Government grants are not recognized until they are received because of the uncertainty as to whether the Company's application will be fully approved.

## Note 4 - Segments

The Group had no revenue from external customers in 2023. Serodus AS sold a batch of capsules to Serodus (AUS) Pty Ltd at cost. The transaction has been eliminated in the consolidated financial statements.

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

## Note 5 - Other operating expenses

NOK

Group			Serodus AS	
2023	2022		2023	2022
		<u>Project costs</u>		
16,405,724	16,698,165	Research and development <sup>1</sup>	6,048,943	3,690,680
(5,056,666)	(4,577,838)	SkatteFUNN - government grants <sup>2</sup>	-	-
<b>11,349,058</b>	<b>12,120,327</b>		<b>6,048,943</b>	<b>3,690,680</b>
		<u>Other operating expenses</u>		
165,648	24,444	Travel expenses	51,057	24,444
417,767	206,613	Patents and licenses	417,767	206,613
8,121,293	3,830,747	Consultants	5,996,906	3,492,025
606,339	686,734	Other costs	366,168	373,709
<b>9,311,047</b>	<b>4,748,538</b>	<b>Total other operating expenses</b>	<b>6,831,897</b>	<b>4,096,792</b>
		<u>Remuneration of auditors</u>		
2023	2022		2023	2022
387,891	385,923	Audit	316,850	351,875
40,500	34,000	Certifications	40,500	34,000
17,867	5,214	Other services	17,867	5,214
<b>446,258</b>	<b>425,137</b>	<b>Total, excl. VAT</b>	<b>375,217</b>	<b>391,089</b>

<sup>1</sup> A substantial part of the Company's costs relate to research and development. Research and development costs have been recognized in the income statement in accordance with IFRS.

<sup>2</sup> See Note 3 for government grants.

## Note 6 - Salaries and allowances

NOK

Group			Serodus AS	
2023	2022		2023	2022
2,763,198	2,622,406	Salaries and directors' fees	848,774	2,622,271
36,417	56,400	Social security tax	36,417	56,400
4,571	-	Pensions	-	-
-	-	Option-based remuneration	-	-
1,150	4,155	Other salary-related payments	-	2,275
-	-	Refunds from SkatteFUNN (see Note 3)	-	-
<b>2,805,336</b>	<b>2,682,962</b>	<b>Total</b>	<b>885,191</b>	<b>2,680,946</b>

The Company has one Norwegian employee but no obligation to pay pension contributions for this employee. Pension contributions have been paid for Danish citizens employed in the Group.

### Total remuneration of directors and management team

Recipient	Role	Description of the remuneration	2023	2022
Eva Steiness	CEO of Serodus ApS	Total		2,026,663
		- Salary		2,022,271
		- Other payments		4,392
Søren Elmann Ingerslev <sup>1</sup>	Chairman	Total		
		- Director's fee		
Arnstein Gunnestad Endresen <sup>2</sup>	Board member	Total	225,962	100,000
		- Salary	225,962	
		- Director's fee	-	100,000
Terri B. Sebree	Board member	Total	200,000	200,000
		- Director's fee	200,000	200,000
Viggo Gunnersen Harboe <sup>3</sup>	Board member	Total	200,000	100,000
		- Director's fee	200,000	100,000
Kathrin Christin Kortschak <sup>4</sup>	Board member	Total	-	100,000
		- Director's fee	-	100,000
<b>Total</b>			<b>625,962</b>	<b>2,526,663</b>

### Directors' fees

Recipient	Role	2023	2022
Søren Elmann Ingerslev <sup>1</sup>	Chairman	-	-
Terri B. Sebree	Board member	200,000	200,000
Viggo Gunnersen Harboe <sup>3</sup>	Board member	200,000	100,000
Arnstein Gunnestad Endresen <sup>2</sup>	Board member		100,000
Kathrin Christin Kortschak <sup>4</sup>	Board member		100,000

<sup>1</sup> Remuneration for the Chairman of the Board has been paid to Elmann Advokatpartnerselskab; see Note 15.

<sup>2</sup> Board member until June 29, 2022. CEO from Jan. 12, 2023.

<sup>3</sup> Board member from June 29, 2022.

<sup>4</sup> Board member until June 29, 2022.

## Note 7 - Intangible assets

### NOK

Serodus AS	Licenses	Total
<b>Acquisition cost</b>		
Cumulative Jan. 1, 2022	2,360,875	2,360,875
Additions during the year	-	-
Disposals during the year	-	-
Cumulative Dec. 31, 2022	2,360,875	2,360,875
Additions during the year	-	-
Disposals during the year	-	-
Cumulative Dec. 31, 2023	2,360,875	2,360,875
<b>Amortization and impairment</b>		
Cumulative Jan. 1, 2022	1,856,424	1,856,424
Impairment	462,413	462,413
Amortization for the year	42,037	42,037
Cumulative Dec. 31, 2022	2,360,873	2,360,873
Impairment	-	-
Amortization for the year	-	-
Cumulative Dec. 31, 2023	2,360,873	2,360,873
Carrying amount at Dec. 31, 2022	-	-
Carrying amount at Dec. 31, 2023	-	-

Licenses related to SER150 were written down to zero at December 31, 2022.

Group	Licenses	Patents	Total
<b>Acquisition cost</b>			
Cumulative Jan. 1, 2022	2,360,875	2,396,919	4,757,794
Additions during the year	-	-	-
Disposals during the year	-	-	-
Cumulative Dec. 31, 2022	2,360,875	2,396,919	4,757,794
Additions during the year	-	-	-
Disposals during the year	-	-	-
Cumulative Dec. 31, 2023	2,360,875	2,396,919	4,757,794
<b>Amortization and impairment</b>			
Cumulative Jan. 1, 2021	1,856,424	2,396,919	4,253,343
Impairment	462,413	-	462,413
Amortization for the year	42,037	-	42,037
Cumulative Dec. 31, 2021	2,360,875	2,396,919	4,757,794
Impairment	-	-	-
Amortization for the year	-	-	-
Cumulative Dec. 31, 2022	2,360,874	2,396,919	4,757,794
Carrying amount at Dec. 31, 2022	-	-	-
Carrying amount at Dec. 31, 2023	-	-	-

Licenses related to SER150 were written down to zero at December 31, 2022.

#### Agreement with Evolva AG

In 2013, Serodus entered into an agreement with Evolva AG regarding rights for licenses. For further information regarding the license agreement with Evolva AG, please see Note 17.

## Note 8 - Financial items

### NOK

Group		Total financial income	Serodus AS	
2023	2022		2023	2022
41,283	10,243	Interest income	2,897,649	2,494,591
1,463,376	988,085	Other financial income	1,770,132	657,356
<b>1,504,658</b>	<b>998,328</b>	<b>Total financial income</b>	<b>4,667,781</b>	<b>3,151,947</b>

Group		Total financial expenses	Serodus AS	
2023	2022		2023	2022
7	18,789	Interest expenses	-	-
		Impairment of shares in subsidiary	3,000,000	5,244,677
		Impairment of receivables from subsidiary	9,846,856	17,945,727
73,607	65,826	Other financial expenses	73,607	65,614
<b>73,614</b>	<b>84,615</b>	<b>Total financial expenses</b>	<b>12,920,464</b>	<b>23,256,018</b>

The Parent Company has financed operations in Serodus (AUS) Pty Ltd by granting a loan to the Company in 2023 and 2022. This loan was written down by NOK 9,846,856 in 2023 and by NOK 17,945,727 in 2022 to zero, as Serodus Pty Ltd is currently unable to repay the loan.



## Note 9 - Tax

### NOK

Group			Serodus AS	
2023	2022		2023	2022
-	-	Taxes payable	-	-
-	-	Taxes SkatteFUNN	-	-
-	-	Change in deferred tax	-	-
-	-	Tax	-	-
<b>Specification of temporary differences and deferred tax:</b>				
<b>2023</b>	<b>2022</b>		<b>2023</b>	<b>2022</b>
(1,043,433)	(1,144,775)	Temporary differences	(66,490,926)	(56,745,412)
(234,663,373)	(230,612,101)	Tax loss carryforwards	(234,663,373)	(230,612,101)
(235,706,806)	(231,756,876)	Unrecognized deferred tax assets (Norway)	(301,154,299)	(287,357,513)
(61,700,569)	(43,616,104)	Unrecognized temporary differences related to subsidiaries		
(65,429,622)	(60,582,056)	Unrecognized deferred tax asset (22%)	(66,253,946)	(63,218,653)
<b>Reconciliation of effective tax rate:</b>				
<b>2023</b>	<b>2022</b>		<b>2023</b>	<b>2022</b>
(22,034,396)	(19,142,564)	Result before tax	(16,796,787)	(27,582,195)
(4,847,567)	(4,211,364)	Expected income tax (22%)	(3,695,293)	(6,068,083)
<i>Adjusted for the tax effect of the following items:</i>				
		Change in tax rate - calculation		
660,000	445	Permanent differences	660,000	708
4,847,567	4,210,919	Change in unrecognized deferred tax assets	3,035,293	6,067,375
660,000	-	Tax	-	-

The Company believes there is no basis for the recognition of deferred tax assets because of uncertainty about future utilization of tax loss carryforwards.

## Note 10 - Subsidiaries

### NOK

Subsidiary	Country	Voting share	Acquisition cost	Book value	Fair value
Serodus ApS	Denmark	100.00%	15,371,027	-	-
Serodus Pty Ltd.	Australia	100.00%	636	636	636

The equity in Serodus ApS (formerly Phlogo ApS) was increased by NOK 7,723,817 by debt conversion in 2022. The book value of the shares was subsequently written down by NOK 5,244,677 to reflect the book value of the Company's equity at Dec. 31, 2022.

At Dec. 31, 2023, the book value of the shares was written down to zero.

## Note 11 - Receivables and prepayments

### NOK

Group			Serodus AS	
2023	2022		2023	2022
158,444	57,873	VAT receivables	158,444	57,873
-	-	SkatteFUNN receivables	-	-
6,263,195	17,635,094	Prepaid costs <sup>1</sup>	2,765,979	6,831,976
-	-	Receivables from subsidiaries	-	-
<b>6,421,639</b>	<b>17,692,967</b>	<b>Total other receivables</b>	<b>2,924,423</b>	<b>6,889,849</b>

<sup>1</sup> Prepaid costs represent prepayments and raw materials and other materials held in inventory until used in studies of SER150. The materials are expensed when they are used in clinical trials.

## Note 12 - Cash and cash equivalents

### NOK

Group			Serodus AS	
2023	2022		2023	2022
23,302,979	21,740,788	Cash and bank deposits - unrestricted	19,486,702	11,921,512
113,486	113,486	Cash - restricted assets related to taxes withheld	113,486	113,486
<b>23,416,465</b>	<b>21,854,274</b>	<b>Cash and cash equivalents in the statement of financial position</b>	<b>19,600,188</b>	<b>12,034,998</b>

## Note 13 - Share capital

### NOK

#### Share capital:

	2023	2022
A shares, nominal value NOK 1	17,073,396	17,073,396
B shares, nominal value NOK 1	1,328,600	
Total shares, nominal value NOK 1	18,401,996	17,073,396

All shares in the Company have equal voting rights.

In the case of any exit or recapitalization with distribution to shareholders, dividend distribution or other value distributed from the Company to shareholders, the amount raised through the B shares shall be repaid first. In all other respects, the class A shares and class B shares have equal rights.

In October 2023 the Company raised NOK 17.3 million through a private placement of B shares.

This was followed by a subsequent offering of B shares in February/March 2024, which raised NOK 4,6 million.

#### The 20 largest shareholders at Dec. 31, 2023 are:

Shareholders	Number of		Percentage of capital
	A shares	B shares	
Viggo Harboe 2006 Holding ApS	9,125,080	830,000	54.10%
Beck	787,800	240,000	5.59%
Ursa Minor AS	828,413		4.50%
Beck-Thomsen	450,000	50,000	2.72%
Steiness	432,145	23,100	2.47%
Hansen	376,150	60,000	2.37%
Evolva AG	315,000		1.71%
Steiness	210,000	40,000	1.36%
CACEIS Bank	248,604		1.35%
UBS Switzerland AG	209,438		1.14%
ROLFS HOLDING AS	170,900		0.93%
MP PENSJON PK	169,607		0.92%
OLA RUSTAD A.S	146,539		0.80%
SÆRVOLL HOLDING AS	126,634		0.69%
SPAR KAPITAL INVESTOR AS	122,500		0.67%
Steiness	113,080		0.61%
Normann Hansen	100,000		0.54%
Skeikampen Invest ApS	93,300		0.51%
ACADIA HOLDING AS	91,324		0.50%
Samsøft ApS	91,093		0.50%
Total for the 20 largest shareholders	14,207,607	1,243,100	93.56%
Other shareholders	2,865,789	85,500	6.44%
<b>Total number of shares</b>	<b>17,073,396</b>	<b>1,328,600</b>	<b>100.00%</b>

#### Shares owned directly or indirectly by Board and management as of Dec. 31, 2023:

Name	Role	Number of shares	Percentage of capital
Arnstein Gunnestad Endresen <sup>1</sup>	CEO	828,413	4.50%
Viggo G. Harboe	Board member	9,955,080	54.10%
Eva Steiness <sup>2</sup>	CEO	455,245	2.47%
Henrik Mordhorst	CFO	7,500	0.04%
Daniel Capion	Business Dev.	25,000	0.14%
		<b>11,271,238</b>	<b>61.11%</b>

<sup>1</sup> Arnstein Gunnestad Endresen was appointed CEO of Serodus AS as of January 2023.

<sup>2</sup> Eva Steiness was CEO of Serodus AS in 2022. In January 2023 she changed position to CEO of Serodus ApS.

Financial management and management of all R&D activities were subsequently outsourced to Serodus ApS.

## Note 14 - Financial risk management, objectives and guidelines

### Categories of financial instruments

Category		Serodus AS			
		2023		2022	
		Book value	Fair value	Book value	Fair value
<b>Financial assets:</b>					
Trade accounts receivable	Loans and receivables	-	-	-	-
Other accounts receivable <sup>1</sup>	Loans and receivables	-	-	-	-
Cash and cash equivalents	Loans and receivables	19,600,188	19,600,188	12,034,998	12,034,998
<b>Total financial assets</b>		<b>19,600,188</b>	<b>19,600,188</b>	<b>12,034,998</b>	<b>12,034,998</b>
<b>Financial liabilities:</b>					
Accounts payable	Financial liabilities at amortized cost	1,758,062	1,758,062	1,764,291	1,764,291
Other liabilities <sup>2</sup>	Financial liabilities at amortized cost	69,875	69,875	464,703	464,703
<b>Total financial liabilities</b>		<b>1,827,936</b>	<b>1,827,936</b>	<b>2,228,994</b>	<b>2,228,994</b>

Category		Group			
		2023		2022	
		Book value	Fair value	Book value	Fair value
<b>Financial assets:</b>					
Trade accounts receivable	Loans and receivables	-	-	-	-
Other accounts receivable <sup>1</sup>	Loans and receivables	-	-	-	-
Cash and cash equivalents	Loans and receivables	23,416,465	23,416,465	21,854,274	21,854,274
<b>Total financial assets</b>		<b>23,416,465</b>	<b>23,416,465</b>	<b>21,854,274</b>	<b>21,854,274</b>
<b>Financial liabilities:</b>					
Accounts payable	Financial liabilities at amortized cost	879,502	879,502	1,662,227	1,662,227
Other liabilities <sup>2</sup>	Financial liabilities at amortized cost	236,030	236,030	464,703	464,703
<b>Total financial liabilities</b>		<b>1,115,532</b>	<b>1,115,532</b>	<b>2,126,930</b>	<b>2,126,930</b>

<sup>1</sup> VAT receivables and prepaid expenses are not included, as they are not considered financial assets.

<sup>2</sup> Accrued costs are not included, as they are not considered 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 AS'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 risk comprises 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 of future cash flows from a financial instrument will fluctuate due to changes in market prices. The Company/Group has some currency risks arising from foreign currency transactions. At year-end 2023, the Company/Group had trade payables in DKK, USD, SEK and EUR equivalent to NOK 1,957,780. If the respective exchange rates against NOK changed by +/-10%, the profit before tax would change by NOK +/-195,778.

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

Company financial statements	2023	2022
Cash and cash equivalents	19,600,188	12,034,998
Receivables	-	-
<b>Maximum credit exposure</b>	<b>19,600,188</b>	<b>12,034,998</b>

The receivables were not due on the reporting dates.

Consolidated financial statements	2023	2022
Cash and cash equivalents	23,416,465	21,854,274
Receivables	-	-
<b>Maximum credit exposure</b>	<b>23,416,465</b>	<b>21,854,274</b>

The receivables were not due on the reporting dates.

### **Liquidity risk**

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 2022 and 2023, 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	2023	2022
Elmann Advokatpartnerselskap <sup>1</sup>	Legal fees	298,556	300,385

<sup>1</sup> The amounts above include remuneration for the role as Chairman of the Board.  
Søren Elmann Ingerslev is a partner in Elmann Advokatpartnerselskab.

## Note 16 - Other current liabilities

NOK

Group			Serodus AS	
2023	2022		2023	2022
203,717	7,050	Unpaid government charges	37,562	7,050
722,761	251,113	Accrued costs	604,556	78,749
32,313	457,653	Other current liabilities	32,313	457,653
<b>958,791</b>	<b>715,817</b>	<b>Total other current liabilities</b>	<b>674,431</b>	<b>543,452</b>

## Note 17 - Contingent liabilities

In 2013, Serodus entered into an agreement with Evolva AG regarding rights for licenses. The agreement was amended in 2015 and 2023. Serodus shall pay Evolva royalties only in the event that Serodus receives qualified business income. This event is currently not considered to be more likely than not and therefore no liabilities were recognized at December 31, 2023.

## Note 18 - Events after the closing date

There have been no other significant events since the closing of the accounts on December 31, 2023 other than two capital increases in February and March, which generated proceeds of NOK 4.6 million.

## Responsibility statement

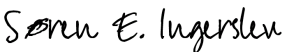
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We confirm, to the best of our knowledge, that the financial statements for the year 2023 have been prepared in accordance with relevant accounting and reporting standards, and give a true and fair view of the assets, liabilities, financial position and results of operations for the Company 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, 31 May, 2024

Board of Directors, Serodus AS

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Søren Elmann Ingerslev  
Chairman of the Board

DocuSigned by:



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Terri Sebree  
Board member

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Viggo Gunnarsen Harboe  
Board member

DocuSigned by:



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Arnstein Gunnestad  
Endresen  
CEO