



SERODUS

SERODUS ASA

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

August 2019

Q2-2019 Highlights

- Preparing for the next financing round has continued
- SER150 long-term toxicological testing in 2 animal species ongoing
- Participated in BIO International Partnering Conference

SER150 for Diabetic Kidney Disease

Analysis of the inflammatory data from SER150 and placebo-treated diabetic animals has continued and may be the background for another a use patent.

Toxicological long-term studies in two species were initiated early first quarter 2019 and are still running successfully with weekly updates. Time schedule is kept, and the first data from a 6 months dosing is expected early Q4.

Next clinical study in patients with Type 2 Diabetes and fast renal decline is in the planning phase. Contacts to various Clinical Contract Houses have been initiated and detailed planning will continue in Q3 as well as decision about choosing CRO for the clinical trial.

A development plan for SER150 Type 2 Diabetes patients with fast decline of renal function is prepared as background for the new financing.

Other projects

Nothing to report.

Financing

Serodus has signed a contract with an external consultant company to assist in the next larger financing of the next SER150 clinical development program. Meetings with investors are expected to be in Q4 2019.

Financials

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

Profit & Loss

(All figures in thousand NOK)

	Q2 '2019	Q2 '2018	YTD 2019	YTD 2018
Operating income				
Revenue	-	-	-	-
Operating expenses				
Cost of sales	-	-	-	-
Project cost	(1.834)	(5.393)	(10.276)	(5.682)
Personnel expenses	(933)	(654)	(2.630)	(2.605)
Depreciation and Amortization of assets	(45)	(55)	(90)	(111)
Other Operating Expenses	(1.345)	(1.506)	(2.288)	(2.308)
Total Operating Expenses	(4.157)	(7.609)	(15.283)	(10.706)
Operating result	(4.157)	(7.609)	(15.283)	(10.706)
Net finance	(22)	187	(145)	(386)
Profit/ (loss) before tax	(4.179)	(7.422)	(15.428)	(11.092)
Tax	-	-	-	-
Profit/ (loss) after tax	(4.179)	(7.422)	(15.428)	(11.092)

Balance Sheet

(All figures in thousand NOK)

30.06.2019

30.06.2018

ASSETS

Assets

Intangible assets	2.164	2.343
Goodwill	599	599
Sum intangible assets	2.763	2.942

Current assets

Inventories	4.298	-
Other short term receivables	134	1.692
Bank	22.316	20.386
Sum Current assets	26.749	22.078

Sum assets	29.512	25.020
-------------------	---------------	---------------

EQUITY AND DEBT

Share capital	135.921	106.126
Share premium reserve	50.948	50.948
Other equity	(4.461)	(4.461)
Capital not registered		
Retained earnings	(154.762)	(129.377)
Sum equity	27.646	23.236

Long term debt

Convertible loan	-	-
Deferred tax	362	392
Sum long term debt	362	392

Short term debt

Accounts payable	1.261	829
Other short term debt	244	564
Sum short term debt	1.504	1.392

Sum equity and debt	29.512	25.020
----------------------------	---------------	---------------

Cash flow

(All figures in thousand NOK)	Q2 '2019	Q2 '2018	YTD 2019	YTD 2018
Cash flow from operating activities				
Ordinary profit/(loss) before tax	(4.179)	(7.422)	(15.428)	(11.092)
Amortization of assets				
Depreciation of assets	45	55	90	111
Placement expenses booked booked directly to equity				
Share based payments				
Changes in accounts receivables, creditors and inventory	(3.663)	128	(8.328)	(1.567)
Changes in accruals	(884)	(1.762)	(648)	(4.872)
Net cash flow from operating activities	(8.680)	(9.002)	(24.315)	(17.420)
Cash flow from investing activities				
Investment in assets	-	-	-	-
net cash flow from investing activities	-	-	-	-
Cash flow from financing activities				
Proceeds from issue of share capital	2.124	2.696	29.502	45.148
Capital not registered				
Convertible loan	-	(2.551)	-	(21.574)
Emmision acquisition of shares Phlogo				
Issue expences recognized directly in equity				
Repayment of loans				
Net cash flow from financing activities	2.124	145	29.502	23.573
Net changes in cash and cash equivalents	(6.556)	(8.856)	5.187	6.153
Cash and cash equivalents at the beginning of the period	28.872	29.242	17.129	14.233
Cash and cash equivalents at the end of the period	22.316	20.386	22.316	20.386

YTD 2019

(All figures in thousand NOK)	Share capital	Share premium reserve	Other paid inn equity	Retained earnings	Total equity
Equity 01.01.2019	106.418	50.948	(4.461)	(139.310)	13.595
- Profit/(loss) for the period				(15.428)	(15.428)
- Other revenue/expenses				-	-
<i>Total comprehensive income</i>	-	-	-	(15.428)	(15.428)
<i>Transaction costs</i>					-
Sharebased payments					-
Conversion of debt					-
Capital not registered	-				-
Issue of shares	29.502	-	-		29.502
Foreign exchange change Equity				(23)	(23)
Capital reduction					-
Equity 30.06.2019	135.921	50.948	(4.461)	(154.762)	27.646

Key Figures

(All figures in thousand NOK)	Q2 '2019	Q2 '2018	YTD 2019	YTD 2018
Total operating revenue	-	-	-	-
Net operating expenses	(4.157)	(7.609)	(15.283)	(10.706)
Operating profit (loss)	(4.157)	(7.609)	(15.283)	(10.706)
Total comprehensive income(loss) for the period	(4.179)	(7.422)	(15.428)	(11.092)
Diluted earnings (loss) per share	(0,04)	(0,09)	(0,14)	(0,14)
Number of employees	3	3	3	3
Cash and equivalents at end of period	22.316	20.386	22.316	20.386

Board of Directors and CEO

August 2019

Serodus ASA