



# SERODUS

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## SERODUS ASA

**Interim report  
Third quarter 2018  
and subsequent events  
(Unaudited)**

October 2018

## Q3-2018 Highlights

- Preparation for next investment round
- SER150 clinical materials for the next clinical study is ongoing
- SER150 clinical study design is planned
- SER150 first clinical data will be presented at the American Society of Nephrology congress
- SER140 development for Newly Diagnosed Type 1 diabetes is planned

The European Medicines Agency (EMA) has accepted prolongation of Serodus SME application for another year. Having SME-status EMA provide regulatory, financial and administrative assistance to small pharmaceutical companies free of charge.

## SER150 for Diabetic Kidney Disease

The first clinical SER150 study in patients suffering from Diabetic Kidney Disease and Type 2 Diabetes, a Phase 2a study, demonstrated no safety or tolerability concerns.

Analysis of pharmacological study data are ongoing.

Capsules for 6-9 months toxicological study will be manufactured after drug substance will be available end 2018. Subsequently, the remaining toxicological program will be initiated.

Next clinical study is expected to be initiated shortly after, by 2<sup>nd</sup>/3<sup>rd</sup> Quarter 2019.

## SER140

Pre-clinical data previously showed that SER140 was able to prevent apoptosis of pancreatic insulin-producing  $\beta$ -cells under diabetic conditions. This resulted in a significant preservation of insulin production compared to placebo-treated controls. The potential effect of SER140 in Newly diagnosed Type 1 Diabetic patients is currently being discussed with various experts.

## Financing

Serodus is preparing private investment round among all shareholders in order to initiate the next stage in development of SER150 and SER140. This will include an organizational strengthening.

## Financials

Financial statement for the third quarter 2018 compared to same quarter 2017.

### Profit & Loss

(All figures in thousand NOK)	Q3 '2018	Q3 '2017	YTD 2018	YTD 2017
<b>Operating income</b>				
Revenue	-	-	58	-
<b>Operating expenses</b>				
Cost of sales	-	-	-	-
Project cost	146	(211)	(5.536)	(3.049)
Personnel expenses	(1.583)	(2.112)	(4.188)	(5.599)
Depreciation and Amortization of assets	(55)	(45)	(166)	(134)
Other Operating Expenses	(522)	(1.329)	(2.771)	(4.430)
<b>Total Operating Expenses</b>	<b>(2.014)</b>	<b>(3.697)</b>	<b>(12.662)</b>	<b>(13.212)</b>
<b>Operating result</b>	<b>(2.014)</b>	<b>(3.697)</b>	<b>(12.603)</b>	<b>(13.212)</b>
<b>Net finance</b>	<b>(15)</b>	<b>(200)</b>	<b>(402)</b>	<b>(252)</b>
<b>Profit/ (loss) before tax</b>	<b>(2.030)</b>	<b>(3.897)</b>	<b>(13.005)</b>	<b>(13.464)</b>

## Balance Sheet

(All figures in thousand NOK)

30.09.2018

30.09.2017

### ASSETS

#### Assets

Intangible assets	2.287	2.359
Goodwill	599	599
<b>Sum intangible assets</b>	<b>2.887</b>	<b>2.958</b>

#### Current assets

Other short term receivables	1.680	2.800
Bank	17.642	9.806
<b>Sum Current assets</b>	<b>19.322</b>	<b>12.606</b>

<b>Sum assets</b>	<b>22.209</b>	<b>15.564</b>
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### EQUITY AND DEBT

Share capital	106.126	57.853
Share premium reserve	50.948	50.948
Other equity	(4.461)	(4.927)
Capital not registered		
Retained earnings	(131.289)	(109.486)
<b>Sum equity</b>	<b>21.324</b>	<b>(5.612)</b>

#### Long term debt

Convertible loan	-	19.935
Deferred tax	392	419
<b>Sum long term debt</b>	<b>392</b>	<b>20.354</b>

#### Short term debt

Accounts payable	19	24
Other short term debt	474	799
<b>Sum short term debt</b>	<b>493</b>	<b>823</b>

<b>Sum equity and debt</b>	<b>22.209</b>	<b>15.564</b>
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## Cash flow

(All figures in thousand NOK)	Q3 '2018	Q3 '2017	YTD 2018	YTD 2017
<b>Cash flow from operating activities</b>				
Ordinary profit/(loss) before tax	(2.030)	(3.164)	(13.005)	(13.464)
Amortization of assets				
Depreciation of assets	55	45	166	134
Placement expenses booked booked directly to equity				
Share based payments				472
Changes in accounts receivables, creditors and inventory	(808)	6	(2.375)	331
Changes in accruals	39	(510)	(4.949)	(3.157)
<b>Net cash flow from operating activities</b>	<b>(2.744)</b>	<b>(3.624)</b>	<b>(20.164)</b>	<b>(15.684)</b>
<b>Cash flow from investing activities</b>				
Investment in assets	-	-	-	-
<b>net cash flow from investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flow from financing activities</b>				
Proceeds from issue of share capital	-	-	45.148	-
Capital not registered				
Convertible loan	-	10.000	(21.574)	19.935
Emmision acquisition of shares Phlogo				
Issue expences recognized directly in equity				
Repayment of loans				
<b>Net cash flow from financing activities</b>	<b>-</b>	<b>10.000</b>	<b>23.573</b>	<b>19.935</b>
<b>Net changes in cash and cash equivalents</b>	<b>(2.744)</b>	<b>6.376</b>	<b>3.410</b>	<b>4.251</b>
Cash and cash equivalents at the beginning of the period	20.386	3.430	14.233	5.555
<b>Cash and cash equivalents at the end of the period</b>	<b>17.642</b>	<b>9.806</b>	<b>17.642</b>	<b>9.806</b>

**YTD 2018**

(All figures in thousand NOK)	Share capital	Share premium reserve	Other paid inn equity	Retained earnings	Total equity
Equity 01.01.2018	57.853	50.948	(1.336)	(118.326)	(10.860)
- Profit/(loss) for the period				(13.005)	(13.005)
- Other revenue/expenses				-	-
<i>Total comprehensive income</i>	-	-	-	(13.005)	(13.005)
<i>Transaction costs</i>					-
Sharebased payments					-
Conversion of debt	25.229				25.229
Capital not registered					-
Issue of shares	23.044	-	(3.126)		19.918
Foreign exchange change Equity				42	42
Capital reduction					-
<b>Equity 30.09.2018</b>	<b>106.126</b>	<b>50.948</b>	<b>(4.461)</b>	<b>(131.289)</b>	<b>21.324</b>

**Key Figures**

(All figures in thousand NOK)	Q3 '2018	Q3 '2017	YTD 2018	YTD 2017
Total operating revenue	-	-	58	-
Net operating expenses	(2.014)	(3.697)	(12.662)	(13.212)
<b>Operating profit (loss)</b>	<b>(2.014)</b>	<b>(3.697)</b>	<b>(12.603)</b>	<b>(13.212)</b>
<b>Total comprehensive income(loss) for the period</b>	<b>(2.030)</b>	<b>(3.897)</b>	<b>(13.005)</b>	<b>(13.464)</b>
<b>Diluted earnings (loss) per share</b>	<b>(0,02)</b>	<b>(0,09)</b>	<b>(0,16)</b>	<b>(0,30)</b>
<b>Number of employees</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>4</b>
<b>Cash and equivalents at end of period</b>	<b>17.642</b>	<b>9.806</b>	<b>17.642</b>	<b>9.806</b>

Board of Directors and CEO  
 October 2018  
 Serodus ASA