PROSPECTUS

(Norwegian: registreringsprospekt)

Serodus ASA

(a public limited liability company organized under the laws of the Kingdom of Norway with business registration number 992 249 897)

The Private Placement of up to 4,770,300 Offer Shares in Serodus ASA at a Subscription Price of NOK 13.00 per share and with a Subscription Period from 10 March 2020 to 23 March 2020 at 16:30 CET

Serodus ASA ("**Serodus**" or the "**Company**") is offering up to 4,770,300 new shares in the Company each with a par value of NOK 13.00 (the "**Offer Shares**") to all existing shareholders of the Company raising gross proceeds of maximum NOK 62,013,900 (the "**Private Placement**").

The Offer Shares will when issued be registered in the Norwegian Central Securities Depository (the "**VPS**") in book-entry form. The Company's shares (the "**Shares**") are not subject to public trading. The Offer Shares will have equal rights and rank pari passu with the Company's existing Shares.

Investing in the Company's Shares, including the Offer Shares involves a high degree of risk. See Section 7 "Risk Factors".

*This Prospectus is a national prospectus (Norwegian: registreringsprospekt) and has been registered with the Norwegian Register of Business Enterprises in accordance with Section 7-8 of the Norwegian Securities Trading Act for reasons of public verifiability, but neither the Financial Supervisory Authority of Norway (Norwegian: Finanstilsynet) (the "**Norwegian FSA**") nor any other public authority has carried out any form of review, control or approval of the Prospectus. This Prospectus does not constitute an EEA-prospectus, as defined in Section 7-7 of the Norwegian Securities Trading Act.*

IMPORTANT INFORMATION

This prospectus dated 5 March 2020 (the "**Prospectus**") has been prepared by Serodus ASA in connection with the Private Placement. The Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "**Norwegian Securities Trading Act**") Section 7-7 and related legislation and regulations. The Prospectus has been prepared in the English language. The Prospectus has not been approved by the Norwegian FSA or any other public authority but has been registered with the Norwegian Register of Business Enterprises for reasons of public verifiability, pursuant to the Norwegian Securities Trading Act Section 7-8. The Prospectus is not subject to and has not been prepared to comply with the EU Prospectus Directive (Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003) and related legislation.

Prospective investors are expressly advised that an investment in the Offer Shares entails a high degree of financial and legal risks and that they should therefore read this Prospectus in its entirety, including but not limited to Section 7 "Risk Factors", when considering an investment in the Offer Shares. The contents of this Prospectus are not to be construed as legal, financial or tax advice. Each reader should consult his, her or its own legal advisor, independent financial advisor or tax advisor for legal, financial or tax advice.

None of the Company or any of their respective representatives or advisors is making any representation to any offeree, applicant or subscriber of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree, applicant or subscriber under the laws applicable to such offeree, applicant or subscriber.

Prospective investors should assume that the information appearing in the Prospectus is accurate only as at the date on the front cover of the Prospectus, regardless of the time of delivery of the Prospectus or the Offer Shares. The business, financial condition, results of operations and prospects of the Company could have changed materially since that date. The Company expressly disclaims any duty to update this Prospectus except as required by applicable law. Neither the delivery of this Prospectus nor any sale made hereunder shall under any circumstances imply that there has been no change in the Company's affairs or that the information set forth in this Prospectus is correct as at any date subsequent to the date hereof.

All inquiries relating to this Prospectus must be directed to the Company. No other person is authorized to give information, or to make any representation, in connection with the Private Placement or this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company or their advisors.

No action has been, or will be, taken in any jurisdiction other than Norway by the Company that would permit an offering of the Offer Shares, or the possession or distribution of any documents relating thereto, or any amendment or supplement thereto, in any country or jurisdiction where specific action for such purpose is required. Accordingly, this Prospectus may not be used for the purpose of, and does not constitute, an offer to sell or issue, or a solicitation of an offer to buy or apply for, any securities in any jurisdiction in any circumstances

in which such offer or solicitation is not lawful or authorized. Persons into whose possession this Prospectus may come are required by the Company to inform themselves about and to observe such restrictions. The Company shall not be responsible or liable for any violation of such restrictions by prospective investors.

The securities described herein have not been and will not be registered under the US Securities Act of 1933 as amended (the "**US Securities Act**"), or with any securities authority of any state of the United States. Accordingly, the securities described herein may not be offered, pledged, sold, resold, granted, delivered, allotted, taken up, or otherwise transferred, as applicable, in the United States, except in transactions that are exempt from, or in transactions not subject to, registration under the US Securities Act and in compliance with any applicable state securities laws.

The Prospectus and the Private Placement are subject to Norwegian Law. Any dispute arising in respect of or in connection with this Prospectus or the Private Placement is subject to the exclusive jurisdiction of the Norwegian courts with Oslo District Court as legal venue in the first instance.

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1. STATEMENTS

1.1 Responsibility for the Prospectus

This Prospectus has been prepared by the Company. To the best knowledge of the Company, the information contained in this Prospectus is presented in accordance with the facts and contains no omissions likely to affect its projects.

1.2 Third party information

In certain Sections of this Prospectus information sourced from third parties has been reproduced. To the best knowledge of the Company, such third-party information has been accurately reproduced. As far as the Company is aware and able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

1.3 Forward-looking information

This Prospectus contains forward-looking statements relating to, among other things, the business, strategy, the potential benefits of the Company's product, future operations, future progress and timing of development and commercialization activities, future size and characteristics of the markets that could be addressed by the Company's product, expectations related to the use of proceeds from the Private Placement, future financial performance and results, projected costs, prospects, plans and objectives of the Company and/or the industry in which it operates.

Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "intends", "anticipates", "targets", and similar expressions. The forward-looking statements contained in this Prospectus, including assumptions, opinions and views of the Company or cited from third party sources are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development.

Neither the Company nor any of its subsidiary undertakings or any such person's officers or employees provide any assurance that the assumptions underlying such forward-looking statements are free from errors nor does any of them accept any responsibility for the future accuracy of the opinions expressed in this Prospectus or the actual occurrence of the forecasted developments. The Company assumes no obligation, except as required by law, to update any forward-looking statements or to conform these forward-looking statements to our actual results.

2. DESCRIPTION OF THE PRIVATE PLACEMENT

2.1 Background for the Private Placement

On 5th March 2020, the Board of Directors of the Company resolved to complete a Private Placement (the "**Private Placement**") of up to 4,770,300 new shares (the "**Offer Shares**") at a subscription price per share of NOK 13.00 (the "**Subscription Price**").

The Private Placement will result in a gross proceed to the Company of up to NOK 62,013,900.

The purpose of the Private Placement is to obtain funding for the Company's operations and future development during 2020 to 2022-Q1. The Company has successfully finalized the regulatory required safety and tolerability studies, and production of SER150 capsules are soon ready to be used. Consequently, with further financial funding, the Company is ready to launch a very important clinical study that hopefully will confirm the positive clinical data previously seen with SER150 treatment in stopping the progression of loss of kidney function in diabetic patients with kidney disease.

2.2 Resolution on the Private Placement

On 20 June 2019, the General Meeting of the Company resolved to assign the Board with power of attorney to increase the share capital with up to NOK 4,770,300 through one or more capital increases, in connection with placements and issuances of shares to eligible investors to obtain more capital for the Company.

In accordance with the assigned power of attorney to the Board of Directors 31 March to increase the share capital, registered in the Register of Business Enterprises on 29 June 2019, the Board of Directors resolved on 5th March 2020 to adopt the following resolution:

a) "*The board of directors resolved to increase the Company's share capital by minimum NOK 3,461,538 and maximum NOK 4,770,300 from NOK 10,455,442 to minimum NOK 13,916,980 and maximum NOK 15,225,742 by the issue of minimum 3,461,538 and maximum 4,770,300 new shares, each with a nominal value of NOK 1, at a subscription rate of NOK 13.00 per share, and a total subscription amount of up to NOK 62,013,900.*

b) *The existing shareholders of the Company as of 5th March 2020 (and being registered as such in the Norwegian Central Securities Depository ("**VPS**")) on 5th March 2020 shall have a preferential right to subscribe the shares in proportion to their current shareholding in the Company in accordance with the provisions in Section 10-4 of the Public Limited Liability Companies Act. The shares of the Company shall be traded exclusive of the subscription right from 31 March 2020.*

c) *The Company will issue non-transferable subscription rights that will be registered in the VPS and that, subject to certain limitations based on applicable laws and regulations, provide preferential rights to subscribe for, and be allocated, shares at the subscription price. Oversubscription and subscription without subscription rights is permitted.*

d) *The new shares shall be allocated by the Board. The following allocation criteria shall apply:*

(i) Allocation of shares to subscribers will be made in accordance with granted subscription rights, which have been validly exercised during the subscription period. Each subscription right will give to holder the right to subscribe for and be allocated (1) new share.

(ii) If not all subscription rights are validly exercised, subscribers having exercised their subscription rights and who have over-subscribed, will be allocated additional new shares on a pro rata basis based on the number of subscription rights exercised by each such subscriber. To the extent that pro rata allocation is not possible, the Company will determine the allocation by the drawing of lots.

(iii) New shares not allocated pursuant to (i) and (ii) above will be allocated to subscribers not holding subscription rights. Allocation will be sought made on pro rata basis based on the relevant subscription amounts.

e) The subscription shall take place on a separate subscription form on or about 23 March 2020.

f) The subscription period commences at 09:00 hours (CET) on 10th March2020 and expires on 23 March 2020 at 16:30 CET.

g) The share consideration shall be paid within 31 March 2020.

h) The new shares will give the subscribers right to dividend resolved after registration of the Private Placement with the Norwegian Register of Business Enterprises. Other shareholder rights will also be valid from such registration.

i) The costs related to the Private Placement are estimated to NOK150,000 and shall be covered by the Company.

j) The Company's articles of association section 4 shall be amended as to reflect the share capital and the number of shares subsequent to the Private Placement."

2.3 Subscription of Offer Shares

The subscription of the Offer Shares is made on the terms set out in this Prospectus and the Subscription Form.

2.4 Timetable

The timetable set out below provides key dates for the Private Placement:

Event	Date
Start of Subscription period	10 March 2020
End of Subscription Period	23 March 2020
Allocation of Offer Shares	on or about 26 March 2020
Payment date for the Offer Shares	between 27 March and 2 April 2020
Registration of share capital increase	on or about 7 April 2020
Delivery of the Offer Shares in VPS	on or about 8 April 2020

The above dates are indicative and subject to change.

2.5 Number of Offer Shares to be issued

Up to 4,770,300 Shares will be issued in the Private Placement based on the number of subscriptions received by the Company during the Subscription Period.

Applicants applying for Offer Shares in the Private Placement will be notified by the Company of the number of Offer Shares to be issued following expiry of the Subscription Period.

2.6 Participants in the Private Placement

The shareholders of the Company as of 5 March 2020 (and being registered as such in the Norwegian Central Securities Depository (the "**VPS**") on 5 March 2020 (the "**Record Date**") (the "**Existing Shareholders**"), will be granted non-transferable subscription rights (the "**Subscription Rights**") in the Private Placement that, subject to certain limitations based on applicable laws and regulations, provide preferential rights to subscribe for, and be allocated, Offer Shares at the Subscription Price based on their pro rata ownership stake in the Company as of the Record Date, in accordance with Section 10-4 of the Norwegian Public Limited Liability Companies Act.

Provided that the delivery of traded shares is made with ordinary T+2 settlement in the VPS, shares that were acquired until and including 3 March 2020 will give the right to receive Subscription Rights, whereas shares that are acquired after 3 March 2020 will not give the right to receive Subscription Rights.

Each Existing Shareholder will be granted 1 non-transferable Subscription Rights for every existing share in the Company registered as held by such Existing Shareholder on the Record Date. The number of Subscription Rights granted to each Existing Shareholder will be rounded down to the nearest whole Subscription Right. The Subscription Rights will be registered on each Existing Shareholder's account in the VPS. Each Subscription Right will, subject to certain limitations based on applicable laws and regulations, give the right to subscribe for, and be allocated, one Offer Share in the Private Placement. Over-subscription and subscription without Subscription Rights will be permitted. Holders of Subscription Rights may subscribe for a higher number of Offer Shares than they hold Subscription Rights for.

Subscription Rights will not be issued in respect of any existing shares held in treasury by the Company.

The principles for allocation of the Offer Shares in the case of oversubscription are described in section 2.8 below.

2.7 Application Period

The Subscription Period commences at 09:00 hours (CET) on 10 March 2020 and expires on 23 March 2020 at 16:30 CET. The Company may at its own discretion extend or shorten the Subscription Period at any time and for any reason, on short notice. If the Subscription Period is shortened or extended the other dates referred to herein may be amended accordingly.

Subscription Rights that are not used to subscribe for Offer Shares before the expiry of the Subscription Period before 23 March 2020 at 16:30 hours (CET) will have no value and will lapse without compensation to the holder.

Subscription of Subscription Offer Shares shall be made by correctly completing and signing a subscription form (the "**Subscription Form**"), attached hereto as Appendix 1, and delivering the same to Nordea No, nis@Nordea.com with a copy to eva.steiness@serodus.com.

The applicant is responsible for the correctness of the information contained in the Subscription Form. Subscription Forms received after the end of the Subscription Period and/or incomplete or incorrectly completed Subscription Forms may be disregarded at the sole discretion of the Company. The Company shall not be held responsible for unavailable internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all by the Company.

2.8 Allocation

Allocation of the Offer Shares is expected to take place on or about 26 March 2020.

In the event that the Subscription Rights are not fully utilised, the remaining Offer Shares will first be allocated to investors who have subscribed for more Offer Shares than they hold Subscription Rights. The remaining Offer Shares will as far as possible be allocated among such investors in proportion to the number of Subscription Rights each of them has used, cf. the pro rata principle in accordance with Section 10-4 third paragraph of the Public Limited Liability Companies Act, and otherwise based on the Board's discretion. Any Offer Shares remaining after allocation to subscribers holding Subscription Rights, including any Offer Shares allocated as a result of an over-subscription, will be allocated to other investors relative to their subscribed amount.

Notifications of allocations of Offer Shares are expected to be issued by the Board of Directors on or about 26 March 2020.

2.9 Payment date for the Offer Shares

The total subscription amount (i.e. the allocated Offer Shares multiplied with the Subscription Price) in the Private Placement, shall be paid by the applicant on the date set forth in the allocation letter. The allocation letter with confirmation of the number of Allocated Shares together with payment instructions will be distributed on or about 26 March 2020.

2.10 VPS registration

The Company is incorporated under the laws of Norway and the Company's Shares will be registered in book-entry form with the VPS. The Company's registrar is Nordea Bank ASA, Verdipapirservice, Essendropsgate 7, NO-0107 Oslo, Norway. The Company's ISIN code is NO0010549801.

In order to apply for Offer Shares, the applicant must have a VPS account (an account with the VPS) either by a personal VPS account in the name of the applicant or through a nominee. VPS accounts can be established with authorized VPS registrars, which can be Norwegian banks, authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. Establishment of VPS account requires verification of identity before the VPS registrar in accordance with the Anti-Money Laundering Legislation.

2.11 Delivery of the Offer Shares

The allocated Offer Shares will be delivered to the applicant's VPS account on or about the same date as the registration of the share capital increase with the Norwegian Register of Business Enterprises, which is expected to be on or about 8 April 2020. Upon registration of the share capital increase, the allocated Offer Shares will be registered with the same ISIN as the existing shares of the Company.

2.12 Shareholders' rights attached to the Offer Shares

The Offer Shares will be ordinary Shares in the Company, each having a par value of NOK 1. The rights attached to the Offer Shares will be the same as those attached to the Company's existing Shares and will rank pari passu with existing Shares in all respects from such time as the share capital increase in connection with the Private Placement is registered with the Norwegian Register of Business Enterprises.

The holders of the Offer Shares will have a right to dividend from the time the share capital increase is registered in the Norwegian Register of Business Enterprises.

2.13 Selling and transfer restrictions

After the completion of the registration of the Offer Shares in the VPS, there are no general selling or transfer restrictions related to the Offer Shares.

However, no action has or will be taken in any jurisdiction (other than Norway) that would permit the possession or distribution of any documents relating to the Offer Shares or Private

Placement, or, to permit a public offer of the Company's Shares where specific action for that purpose is required.

3. PRESENTATION OF THE COMPANY AND ITS BUSINESS

3.1 About Serodus ASA

Serodus is a Norwegian biotechnology company, headquartered in Oslo, Norway.

The Company's legal and commercial name is Serodus ASA, and the Company has its registered address at c/o Borgersen & Partners, Akersgata 45, NO-0158 Oslo, Norway. Serodus was incorporated on 21 January 2008 and is a Norwegian public limited liability company (*Norwegian: allmennaksjeselskap (ASA))* incorporated under the laws of Norway with business registration number 992 249 897.

The object of the Company is development, production and sale of bio-medicinal and pharmaceutical products and also activities in connection to this, including participation in and cooperation with other companies.

3.2 Overview of the Company's business areas

3.2.1 General

Serodus is a Norwegian drug development company founded on 21 January 2008. Since 2012, Serodus has focused on developing new treatments for unmet clinical needs, i.e. treatments for stopping progression of diabetic complications.
All drug candidates are covered by extensive intellectual property (patents and patent applications) held by or licensed to Serodus.

3.2.2 Background

After acquiring Phlogo ApS, and with the in-licensing of SER150 from Evolva SA, the product pipeline focuses on the following four diseases:

- Diabetic kidney disease – reducing urinary loss of albumin and preserve kidney function in type 2 (T2D) diabetic patients suffering from diabetic kidney disease (SER150);
- An anti-inflammatory proprietary peptide with positive effect in an animal model for diabetes but with propensity to diminish the inflammatory processes involved in diabetic kidney disease (SER140);
- Diabetic retinopathy – stopping progression of retina damage (SER130); and
- Treatment Resistant diabetic foot ulcers in T1D and T2D – improve healing and preventing spreading of ulcer (SER190).

Serodus has a 100% ownership of Phlogo ApS which is a Danish limited liability company organized under the laws of Denmark (governed by the Danish Companies Act) with organization number 31888263.

3.2.3 Market

Diabetes is a disease affecting more than 415 million people worldwide (International Diabetes Federation 2016) – a number expected to grow to 642 million by 2040. Approximately 90% of these patients have type 2 diabetes (T2D), and approximately 75% of all patients with T2D and type 1 diabetes (T1D) develop complications in different organs such as the eye, the heart, the brain, the kidney and foot (ulcer and amputations).

T2D is a multifactorial metabolic disorder of epidemic proportions and leads to serious debilitating and fatal complications, such as diabetic kidney disease (SER150), diabetic retinopathy (SER130) and diabetic foot ulcer (SER190).

All currently available treatments for T2D are initially effective at reducing blood glucose and keep blood pressure within normal levels and thereby delay onset of complications. However, they lack ability to halt the systemic inflammation driving the pathophysiological processes of diabetes and its low-grade inflammation induced complications.

The increased prevalence of diabetes has led to an increase in the number of micro-vascular complications of diabetes.

Whilst SER150 is the primary development focus, Serodus also has three other development programs. The other diabetes related drugs are:

- SER140 – an anti-inflammatory proprietary peptide with positive effect in an animal model for diabetes but with propensity to diminish the inflammatory processes involve in diabetic kidney disease;
- SER130 – which has the potential of stopping progression of diabetic retinopathy, a major cause of blindness; and
- SER190 – which has the potential of improving treatment resistant foot ulcers in patients with diabetes.

3.2.4 The Company's products

Serodus' interesting, innovative pipeline consists of clinical (SER150) and pre-clinical programs (SER130, SER140, and SER190), all focusing on diabetic complications.

All diabetic complications have involvements of multifactorial metabolic components dominated by proinflammatory agents. T2D is of epidemic proportions and both T1D and T2D lead to serious debilitating and fatal complications, such as diabetic kidney disease (SER150), diabetic retinopathy (SER130) and diabetic foot ulcer (SER190).

Whilst SER150 is the current lead project, Serodus' three other development programs are SER140, an anti-inflammatory proprietary peptide with positive effect in an animal model for T1D diabetes but with propensity to diminish the inflammatory processes involve in diabetic kidney disease, SER130 which may delay or stop progression of changes in retina and preserve vision in both T1D and T2D patients and SER190 with the potential of improving healing of foot ulcer in patients with diabetes.

Below is a more detailed description of the Company's products.

SER150 Diabetic Kidney Disease
SER150 was acquired from Evolva SA with data from a small Phase 2a clinical study in diabetic patients with normal kidney function.

Subsequently, Serodus sponsored the first Phase 2 study in patients with diabetic kidney disease, using 15mg or 30mg twice daily. This study showed statically significant decrease in loss of albumin in urine, a significant sign of efficacy after only 4 weeks treatment and, importantly, SER150 was well tolerated with no safety signals at all.

SER150 targets a large, growing, and poorly treated market segment
The diabetic kidney disease market opportunity is significant with a large and growing patient population. WHO estimates that the global number of diabetics has increased from 108 million patients in 1980 to 442 million patients in 2014, with adult prevalence rising from 4.7% to 8.5% in the same period (WHO Diabetes Key Facts, 2018). Diabetic kidney disease is one of the more important complications; whilst its understanding may have changed in recent years, it is still expected to affect around a third of diabetic patients.

The Global Data estimate that approximately 1/3 of diabetic patients develop diabetic kidney disease, a first stage on the kidney deterioration to dialysis and kidney transplantation, and there will be approximately 145 million patients with diabetic kidney disease by 2018 in USA, Europe and Asia.

Currently, the standard of care involves treatment in addition to antidiabetics controlling blood glucose also addition of an angiotensin converting enzyme inhibitor (ACE) or an angiotensin II receptor blocker (ARB). None of these drugs address the underlying inflammatory cause of the renal damage but merely delay time to dialysis.

The immuno-modulator, SER150, is an oral, anti-inflammatory molecule with a novel dual mode of action that inhibits thromboxane synthase and blocks the thromboxane receptor and the circulating endogenous pro-inflammatory components are reduced. SER150 is believed to specifically inhibit inflammatory processes leading to the damage of the glomerular filtration barrier and significantly decrease the urinary content of proteins such as albumin. Thus, SER150 has the potential to stop the loss of kidney function (progression of renal impairment) typically seen in patients with diabetic kidney disease.

A glomerulus is the filtration unit of a kidney; its major function is to filter the blood and produce pre-urine. The filtration takes place through a two-cell layer membrane with endothelial cells covering the vascular site and podocytes covering the pre-urine site after filtration. The podocytes are the most sensitive cells in the kidney since they cannot replicate as many other cell types.

Podocyte injury is an important cause for diabetic kidney disease progression. The podocytes have a unique architecture composed of a cell body and many arms communicating with the neighbouring podocyte arms which all together create a sieve allowing water with soluble molecules to pass and retain larger molecules like albumin in the bloodstream.

The pathogenesis behind the progression of diabetic kidney disease is still not fully understood, with complex signalling between many different classes of cells believed to result in abnormal local inflammatory responses. Thromboxane is a pro-inflammatory mediator and its circulating blood concentration is increased in patients with T1D and T2D. SER150 is thought to reduce the effect of thromboxane by its dual blockade of the thromboxane synthase and the thromboxane receptor. This novel mode of action reduces the inflammation in all glomerular cells.

Serodus' first clinical Phase 2 study with SER150

Top-line results from the Serodus' Phase 2 study, dosing 72 patients with diabetic kidney disease evaluating two dose strengths (15mg or 30mg, twice daily) for one month, were announced in January 2017.

These data showed a statistically significant reduction of albumin excretion in the urine after treatment with SER150 for only 4 weeks. Urinary albumin is a good biomarker of kidney damage in patients with diabetes. No safety issues, biochemical abnormalities or bleeding tendencies were identified. The adverse events, all classified as mild or moderate, were distributed evenly between the placebo and SER150-treated groups.

Serodus has discussed these results with many international experts. In addition, Serodus had a pre-IND meeting with the FDA, the US regulatory authority, in September 2017 to discuss the development strategy for SER150 in diabetic kidney disease. This meeting provided valuable input to the next clinical study in these patients.

In addition, Serodus had a teleconference with FDA December 2019 where FDA members indicated that they will see a reduction of urinary albumin >30% or slope of loss of kidney function as relevant biomarkers for change of kidney function in patients with diabetic kidney disease. However, the size and safety drug database (i.e. number of patients treated with SER150) need to support the drug development. This is in accordance with a recent Editorial note in the high-rated American Journal of Kidney Disease by the deputy director of Division of Cardiovascular and Renal, FDA, US regulatory authority.

Serodus is planning to have an advisory meeting with FDA in second half of 2020 or early 2021 with the aim of discussing the continued development strategy and a conditional market approval followed by a post market surveillance long-term clinical study.

The preparatory work (including the manufacturing of clinical samples) for the next clinical studies in patients with T2D is ongoing and the submission of an application (CTA) either in Europe or Australia (or both) is planned within first half of 2020.

SER140 in Type 1 Diabetes with residual beta cell activity
SER140 has previously shown marked anti-inflammatory effects in animal models. The mechanism of action is different from SER150 and Serodus is currently considering whether SER140 will be a value-added compound to the treatment of patients with diabetic kidney disease.

SER130 delaying progression of diabetic retinopathy
The analysts from Global Data estimate that USA's number of diabetic retinopathy patients amount to 3 million in 2018.

Diabetic retinopathy occurs in both T1D and T2D patients in the age group of 20 – 60 years when patients should have several working and social years left. The first stage has often no symptoms or warnings. The only way to identify this early stage is by fundus photography, in which microangiopathy can be seen. The symptoms are blurred vision and darkened or distorted images. The changes are followed by abnormal new blood vessels which can burst and bleed and blur the vision and finally induce blindness.

SER130 is a small peptide that is an anti-inflammatory IL-4 receptor agonist. It mimics the response of endogenous human IL-4 and so inhibits a cascade of pro-inflammatory responses to various inflammatory stimuli.

SER190 for treatment of therapy resistant Diabetic Foot Ulcer
SER190 is in the concept stage for diabetic wound healing.

3.2.5 Intellectual Property (IP) Company Strategy
Crucial for the value of a project is the protection of the IP to bar competitors from commercially exploiting a product before the originator has had the chance to (fully) profit from the investments made and to ensure that other IP rights do not limit the envisaged development.

While patenting is the main route to exclusivity, the duration is only 1+20 years counted from the priority date (PD). This period sometimes does not leave sufficient time for a reasonable return of the extensive investments made.

Serodus Program	Priority Date (Patent)
SER150	2008; new use patents filed both in 2019 and 2020
SER140	2012; new use patent filed 2015
SER130	2009;
SER190	Covered by the SER140 patent

When planning the exclusivity strategy, it is therefore important to consider additional exclusivity strategies like patent term extensions and Supplementary Protection Certificate,

and various types of data exclusivity such as orphan drug exclusivity and paediatric exclusivity, in addition to conventional IP rights like patents, trademarks and design.

Serodus continuously optimizes the strength of its patent portfolio and to secure barriers to protect the intellectual property and to exclude other companies/individuals from preparing, using or selling Serodus' proprietary compounds.

3.2.6 Use of Proceed

Serodus will use this financing to cover the following activities:

- The next clinical study of SER150 in patients with Diabetic Kidney Disease. The patient will have significant more albumin in urine, 300 mg/g creatinine so called macroalbuminuria at baseline. In the previous phase 2 study urinary albumin was >30 mg/g creatinine at baseline;
- Preparing for an advisory meeting with FDA second half of 2020 / early 2021.
- General and Administrative (G&A) costs in a period 2020 to 2022 (Q1).

3.3 Business Model

Serodus' business model is to in-license drug candidates at an early stage from universities and biotech companies and mature them further. After having demonstrated clinical effects in humans during "the proof of concept" stage typical clinical phase 2. Serodus may out-license or partner with international pharmaceutical companies ahead of the later, more expensive clinical development stages.

Through a combination of acquisitions and licensing, Serodus has created an interesting, innovative pipeline of clinical (SER150) and pre-clinical programs (SER130, SER140 and SER190), predominantly focusing on diabetic complications.

The value proposition of Serodus' business model is to:

- Utilize its expertise and proprietary know-how to develop drug candidates from pre-clinical stage through clinical phase 2;
- Pursue partnering agreements with pharmaceutical or biotech companies upon having established positive clinical outcomes for its products. Alternatively, Serodus will partner at an earlier stage if such collaborations could advance the development of the drug candidates;
- Continue to use its experiences to identify drug candidates covering significant unmet clinical needs and commercial potential within the diabetic area; and
- Continue to extend its product portfolio when found opportune by in-licensing selected drug candidates meeting the above criteria.

The product pipeline addresses significant markets with substantial unmet clinical needs, and potential revenue from partnering agreements is estimated to be significant.

3.4 Description of important events the last two years, and planned investments for the next 12 months

- In late 2017, Serodus signed an agreement with a highly qualified and experienced US chemistry manufacturer.
- SER150 GMP (Good Manufacturing Practice) substance was synthesized during 2018 and has been used for the regulatory required toxicological and safety studies in rats and dogs. The studies will be finalized in early 2020.
- This GMP batch is also used for GMP capsule production to be used in Serodus next clinical study in patients with type 2 diabetes and macroalbuminuria.

3.5 Description of related party transactions the last two years

Party	Position	Year	Type	Transaction
Eva Steiness	CEO	2018	Directly	Converted NOK 1,000,000 + interest from convertible loan to shares at NOK 1.30 per share (pre reverse split price)
Eva Steiness	CEO	2019	Directly	Exercised 225,000 options at NOK 1.30 per share (pre reverse split price)
Arnstein Endresen	Board member	2018	Indirectly	Converted NOK 2,500,000 + interest from convertible loan to shares at NOK 1.30 per share (pre reverse split price)
Arnstein Endresen	Board member	2019	Indirectly	Bought for NOK 1,950,000 at NOK 1.30 per share, 1,500,000 shares (pre reverse split)
Kathryn Kortschak	Board member	2018	Indirectly	Converted NOK 1,100,000 + interest from convertible loan to shares at NOK 1.30 per share (pre reverse split price)

3.6 Description of material agreements

Serodus in-licensed SER150 from Evolva AG (EV-0077) on 31 December 2013.
The licensing agreement gave Serodus all SER150 knowhow and the exclusive rights for development, production, licensing and marketing of SER150.

4. ORGANIZATION, COMPANY MANAGEMENT AND BOARD OF DIRECTORS

4.1 Organization

Serodus manages the business processes through an extensive network of contract organizations and consultants. The company operates as a virtual organization with the headquarter located in Oslo. The management team combines experience of research, clinical development, business development and financing. Serodus utilize its Big Pharma experience combined with the agility of biotech decision making and action to develop drug candidates through “the proof of concept” stage typical clinical phase 2, to pursue partnering agreement

with pharmaceutical or biotech companies upon having established positive clinical outcomes for its products.

4.2 Management

The Company's management comprises the following members:

Name	Current position
Eva Steiness	CEO (Chief Executive Officer)
Henrik Mordhorst	CFO (Chief Financial Officer)
Torben Skarsfeldt	COO (Chief Operating Officer)

The following sets out a brief introduction to each of the members of the Company's management:

Dr. Eva Steiness, Chief Executive Officer

Prof. Steiness, who holds an MD and a DSc in Medicine from the University of Copenhagen became the first female biotech entrepreneur in Denmark when she founded Zealand Pharma A/S.

With 20 years in academia, and hands on knowledge from the Danish hospital system, a doctorate in Digoxin-clinical Pharmacology, and professor in clinical pharmacology, Eva Steiness had the deep understanding of medicine that it took to revitalize Lundbeck's R&D organization as Senior VP and later deputy CEO.

In her decade at Lundbeck AS, Professor Steiness created a broad discovery and clinical pipeline most importantly registering and launching Cipramil® (citalopram an SSRI), an antidepressant drug, that reached blockbuster status. Registration file was also approved by FDA (US). She also cherry picked Serdolect® (sertindole, an atypical neuroleptic drug) from drug discovery in Lundbeck and managed it in collaboration with Abbott Laboratories and colleagues at Lundbeck through development to approval in all European markets and approvable letter from FDA.

Prof. Steiness' accomplishments at Lundbeck resulted in a successful IPO in 1999 and the company is among the top 20 listed on the Danish stock exchange today.

She founded Zealand Pharma A/S in 1998 and for a decade was its CEO. Under Prof. Steiness' leadership, a once-daily prandial GLP-1 agonist (lixisenatide) for the treatment of

Type 2 diabetes was developed and licensed to Aventis Pharma (today Sanofi S.A.) in 2003. Lyxumia® (lixisenatide) was first launched into the European market in 2013. Today Zealand Pharma A/S is one of the most successful biotech companies and listed on the Danish Stock Exchange.

She became Chief Executive Officer of Serodus in 2011, and listed Serodus on the Oslo Stock Exchange in 2013 and delisted Serodus in 2017.

Prof. Steiness has held a string of leadership positions among others: Chairman of the Board of Genmab A/S, Member of the Board in several of Lundbeck's affiliates, Member of the Board of Directors of the Oticon Foundation, Member of the Medical Research Council and Chairman of the Danish Governmental Advisory Board on Research Politics.

Mr. Henrik Mordhorst, Senior VP, CFO

Mr. Mordhorst holds a M.Sc. (economics) from Copenhagen Business School. He has worked for 30 years in financial positions within real estate, investment banking, project financing, portfolio management and start-ups.

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

After the expiry of the US contract he went to Switzerland where he settled for 15 years working for UBS as client advisor and for a single-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 specialising in the acquisition of danish farms (farmland and buildings only), and then select 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 SME's. Since 2016, he has worked as CFO in a number of start-ups and the Caladanian Group of companies in the UK.

Mr. Mordhorst joined Serodus in 2019.

Dr. Torben Skarsfeldt, Senior VP, COO

Dr. Skarsfeldt is M.Sc. in Biology and holds a Doctor of Science (D.Sc.) degree in neurobiology from University of Copenhagen. He worked 17 years in Research and Development at Lundbeck and is co-inventor of Serdolect® (sertindole), an approved antipsychotic drug. In Lundbeck, he continued as Licensing Manager and Director Business Opportunities in Copenhagen and he was based in New York for three years.

After returning to Copenhagen he became Project Director heading global core teams within depression, Alzheimer's disease, and stroke. In parallel, he was employee elected member of Lundbeck's Supervisory Board for 16 years when the company grew from a Scandinavian company with 800 employees to an international pharmaceutical company with affiliates in all European countries and with more than 5000 employees.

For three years he was successfully supporting NuPathe Inc. US as Project Director to develop novel proprietary formulations. Previously, he was CEO of Phlogo ApS and became VP drug development in Serodus in 2013 and COO in 2017.

4.3 Board of Directors

The members of the Board of Directors of Serodus have extensive experience in financing, entrepreneurship, business development and commercialization.

The Board of Directors consists of the following persons:

Name	Current position
Søren Elmann Ingerslev	Chairman. Elected as member of the Board in 2013 and as Chairman in 2017.
Terrie Sebree	Board member. Elected as member of the Board in 2016.
Kathrin Kortschak	Board member. Elected as member of the Board in 2018.
Arnstein Endresen	Board member. Elected as member of the Board in 2017.

The address of the Company's Board of Directors is C/O Borgersen & Partners, Akersgata 45, NO-0158 Oslo, Norway.

The following sets out a brief introduction to each of the members of the Company's Board of Directors:

Søren Elmann Ingerslev, Chairman

Mr. Elmann Ingerslev was elected as an independent member of the Board in 2013 and elected as Chairman in 2017.

Mr. Ingerslev is an attorney at law and partner in the Danish law firm Elmann Advokatpartnerselskab.

Mr. Ingerslev 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

Ms. Sebree was elected as an independent member of the Board in 2016. 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, USA. She co-founded NuPathe Inc. (Nasdaq: PATH) and served as President from February 2005 to March 2014. Prior to NuPathe, Ms. Sebree served as Senior Vice President, Development of Auxilium Pharmaceuticals (Nasdaq: AUXL) from January 2000 to January 2005.

Prior to joining Auxilium, Ms. Sebree served as Executive Vice President, United States Operations at IBAH, Inc., a contract research organization. Previously, Ms. Sebree served in a variety of management roles with Abbott Laboratories for over nine years including its development head for psychopharmacology products. Ms. Sebree holds a BS from Texas A&M University.

Kathrin Kortshack, Board member

Ms. Kortschak was elected as member of the Board in 2018.

Ms. Kortschak is Director at Hestia Investments Ltd., an early-stage biotechnology investment company, as well as co-founder of EB Europe Ltd. a Lifestyle Drinks Manufacturing start-up.

Prior to joining Hestia in 2012 Kathrin worked as a Technology Consultant at FimpactT GMBH in Switzerland. Kathrin has a BA in History & French Literature from the University of Oxford, UK.

Hestia Investments Ltd. is a significant shareholder in Serodus ASA.

Arnstein Endresen, Board member

Mr. Endresen was elected as member of the Board in 2017.

Mr. Endresen has had a long career in Norwegian and international finance and investment activities. He has 10 years of banking experience in Den norske Creditbank as VP in International Finance and Petroleum Credit departments, later as Senior VP in Kjøbmandsbanken.

He has served as CFO of Media Vision and Aspelin Stormbull, and he has headed a family office investing in health-related companies, notably Volvat Medisinske Senter (private hospital) and a med-tech development company, and other sectors. Mr. Endresen is a board member in several private companies, and he is the chairman of Nelea AS, which is a significant shareholder in Serodus ASA.

5. FINANCIAL INFORMATION

5.1 General

The following tables present selected financial information from the Company's **un-audited** Q4 2019 report.

The **audited** annual 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.

5.2 Statement of income (NOK) for the financial year ended 31 December 2019

In NOK

Profit & Loss

(All figures in thousand NOK)	Q4 '2019	Q4 '2018	YTD 2019	YTD 2018
Operating income				
Revenue	-	-	-	58
Operating expenses				
Cost of sales	-	-	-	-
Project cost	(3,924)	(523)	(16,412)	(6,059)
Personnel expenses	(1,248)	(1,523)	(5,723)	(5,712)
Depreciation and Amortization of assets	(45)	(45)	(179)	(179)
Other Operating Expenses	(1,187)	(825)	(4,272)	(3,596)
Total Operating Expenses	**(6,404)**	**(2,916)**	**(26,585)**	**(15,546)**
Operating result	**(6,404)**	**(2,916)**	**(26,585)**	**(15,488)**
Net finance	**(57)**	**2**	**(312)**	**(400)**
Profit/ (loss) before tax	**(6,461)**	**(2,914)**	**(26,897)**	**(15,888)**
Tax	-	-	-	-
Profit/ (loss) after tax	**(6,461)**	**(2,914)**	**(26,897)**	**(15,888)**

Balance Sheet

(All figures in thousand NOK)	31.12.2019	31.12.2018
ASSETS		
Assets		
Intangible assets	2,053	2,274
Goodwill	599	599
Sum intangible assets	**2,652**	**2,873**
Current assets		
Inventories	5,096	-
Other short term receivables	1,346	66
Bank	12,095	17,132
Sum Current assets	**18,537**	**17,198**
Sum assets	**21,189**	**20,071**
EQUITY AND DEBT		
Share capital	10,455	106,126
Share premium reserve	()	50,948
Other equity	34,614	(4,461)
Capital not registered		
Retained earnings	(28,844)	(139,418)
Sum equity	**16,226**	**13,194**
Long term debt		
Convertible loan	-	-
Deferred tax	362	362
Sum long term debt	362	362
Short term debt		
Accounts payable	3,341	5,715
Other short term debt	1,261	801
Sum short term debt	**4,601**	**6,515**
Sum equity and debt	**21,189**	**20,071**

5.3 Statement of Cash Flow (NOK) as of 31 December 2019

Cash flow

(All figures in thousand NOK)	Q4 '2019	Q4 '2018	YTD 2019	YTD 2018
Cash flow from operating activities				
Ordinary profit/(loss) before tax	(6,461)	(2,914)	(26,897)	(15,888)
Amortization of assets				
Depreciation of assets	45	45	179	179
Placement expenses booked booked directly to equity				
Share based payments				
Changes in accounts receivables, creditors and inventory	2,148	240	(7,092)	(2,135)
Changes in accruals	(374)	1,819	(864)	(3,131)
Net cash flow from operating activities	**(4,642)**	**(811)**	**(34,675)**	**(20,975)**
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	134	293	29,636	45,440
Capital not registered				
Convertible loan	-	-	-	(21,574)
Emmision acquision of shares Phlogo				
Issue expences recognized directly in equity				
Repayment of loans				
Net cash flow from financing activities	**134**	**293**	**29,636**	**23,866**
Net changes in cash and cash equivalents	**(4,508)**	**(519)**	**(5,038)**	**2,891**
Cash and cash equivalents at the beginning of the period	16,604	17,650	17,134	14,240
Cash and cash equivalents at the end of the period	12,095	17,132	12,095	17,132

5.4 Significant events after 31 December 2019

There are no Company-related or financial significant events to report after 31 December 2019.

6. SHARES, SHARE CAPITAL AND TAX

6.1 Ownership in subsidiaries

Serodus has a 100% ownership of Phlogo ApS which is a Danish limited liability company organized under the laws of Denmark (governed by the Danish Companies Act) with organization number 31888263. Phlogo ApS was acquired in 2013.

6.2 Description of the Shares and the share capital

The share capital of the Company at the date of this Prospectus is NOK 10,455,442 divided into 10,455,442 Shares, each with a par value of NOK 1.00.

Equity

YTD 2019

(All figures in thousand NOK)	Share capital	Share premium reserve	Other paid inn equity	Retained earnings	Total equity
Equity 01.01.2019	64,763	50,948	(4,461)	(139,418)	(28,168)
- Profit/(loss) for the period				(26,897)	(26,897)
- Other revenue/expenses				-	-
Total comprehensive income	-	-	-	*(26,897)*	*(26,897)*
Transaction costs					-
Sharebased payments			134		134
Convertion of debt					-
Capital not registered	-				-
Issue of shares	71,157				71,157
Foreign exchange change Equity					
Capital reduction	(125,465)	(50,948)	38,942	137,472	-
Equity 31.12.2019	**10,455**	**-**	**34,614**	**(28,844)**	**16,226**

6.3 Authorization to acquire own Shares (treasury shares)

The Company currently does not have any registered authorizations granted by the Company's General Meeting to the Board of Directors to acquire own Shares (treasury shares).

6.4 VPS

The Company's Shares are registered in book-entry form with the VPS. The Company's ISIN code is NO0010549801.

6.5 Norwegian withholding tax

Set out below is a summary of certain Norwegian withholding tax matters related to an investment in the Company. The summary regarding Norwegian taxation are based on the laws in force in Norway as of the date of this Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis. Please note that for the summary below, a reference to a non-Norwegian shareholder refers to the shareholders tax residency rather than the nationality of the shareholder.

Dividends distributed to shareholders who are individuals, not resident in Norway for tax purposes, or to shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes, are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to shareholders who are limited liability companies (and certain other entities) resident within the EEA for tax purposes, are exempt from Norwegian withholding tax provided that the shareholder is the beneficial owner of the shares, and that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

Shareholders who are individuals and resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to a calculated tax-free allowance on each individual share. However, deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25%, less the tax-free allowance.

Non-Norwegian shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Nominee registered shares will be subject to withholding tax at a rate of 25% unless the nominee has obtained approval from the Norwegian Tax Directorate for the dividend to be subject to a lower withholding tax rate. To obtain such approval the nominee is required to file a summary to the tax authorities including all beneficial owners that are subject to withholding tax at a reduced rate.

The withholding obligation in respect of dividends distributed to non-Norwegian shareholders and on nominee registered shares lies with the company distributing the dividends and the Company assumes this obligation.

Please note that as of 1 January 2019, new rules concerning the application of a lower withholding tax rate than 25% will apply on dividend distributions from Norwegian companies to foreign shareholders. For shares registered on a nominee account in VPS, shares registered

on segregated accounts in VPS, and for shares not registered in VPS, certain documentation requirements apply prior to the application of a reduced or zero withholding tax rate on dividends. If the required documentation has not been provided by the shareholder, so that the Norwegian dividend-paying company does not know the identity or tax status of the actual dividend recipient, the Norwegian company shall withhold tax of 25% in the dividend.

Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisors. Non-Norwegian shareholders, shareholders who are carrying on business activities in Norway and holds the shares in connection with such activities, and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisors with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

7. RISK FACTORS

7.1 Overview

An investment in the Company's Shares, including the Offer Shares, should be considered as a high-risk investment. Below is a summary of certain risk factors relating to the Company and the Private Placement which the Company deems most significant as at the date of this Prospectus. The risks discussed below are not the only ones facing the Company. Additional risks not presently known to the Company or which the Company currently deem immaterial may also adversely affect the Company. If any of the risks facing the Company should actually occur, individually or together with other circumstances, the Company's business, prospects, financial position, and operating results could be materially and adversely affected, which may cause a decline in the value of the Shares that could result in a loss of all or part of any investment in the Shares.

Prospective investors should carefully consider the risks relating to the Company, and should consult his or her own expert advisors as to the suitability of an investment in the Offer Shares. The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance. These risks should also be considered in connection with the cautionary statement regarding forward-looking statements set forth in Section 1.3 "Forward-looking information" above.

Certain parts of the information below are related to the pharmaceutical sector. A potential investor should make note that other specific risk factors will apply to applications that could be developed for other sectors at a later stage.

7.2 Operational and commercial risks

7.2.1 The Company's products and technology may not gain sufficient market acceptance

The Company's success will depend upon the ability to develop technology and products that are accepted by the pharmaceutical companies and other industry players within the

healthcare sector, including the medical community. Such acceptance may depend upon the extent to which the pharmaceutical companies and medical community perceive the Company's products as more effective, safer or more cost-competitive than other similar products. Ultimately, for the Company's products to gain general market acceptance, it is necessary for the Company to develop partners or viable commercial strategies for the development, approval, commercialization and distribution of the Company's products and technology. There can be no assurance that the Company's products and technology will achieve market acceptance on a timely basis, or at all. Failure of some or all of our future products to achieve market acceptance could have a material adverse effect on the Company's business, financial condition, and results of operations.

7.2.2 The Company may be unable to secure long-term commitment from third parties for the development and commercialization of the Company's products

To commercialize the Company's products, the Company is dependent on entering into partnership agreements with leading participants within the health care sector who will be responsible for the further development, application and commercialization of the Company's products. There can be no assurance that the Company will be able to identify and enter into agreements with such partners. The failure to establish strategic partnerships for the development, marketing and distribution of Serodus' products on acceptable terms and within the Company's planned timeframes could have a material adverse effect on the Company's business, financial condition, and results of operations.

Further, partners or contractual parties of the Company may not be capable of:

(i) Utilizing the Company's products to develop final products that can be sold to the healthcare market;

(ii) Obtaining the necessary regulatory approvals for the products e.g. because of lack of safety or tolerance when using a final product, or finalizing required clinical trials; and

(iii) Generating sufficient demand for the products.

If Serodus is unable to establish partnership and/or the partnerships are unable to develop and sell the products, the Company may not be able to generate revenue and may not become profitable.

7.2.3 The Company may not be successful in its efforts to finalize its clinical trials

An important part of the Company's business strategy is to finalize the clinical Phase 2 development of its lead candidate. Significant additional research and development and financial resources will be required to continue the development of Serodus' lead candidate into a potential candidate for partnering. Serodus cannot assure that its development efforts will be successful or that it will be completed within the anticipated timelines, and that the

Company will be able to raise sufficient capital to continue a successful development of a viable product for partnering.

7.2.4 Substantial competition could materially affect the Company's financial performance

The Company competes with many companies, including large pharmaceutical companies. Many of these companies have substantially greater financial resources, larger research and development staffs, more extensive marketing and manufacturing organizations, and more experience in the regulatory process, than Serodus. The Company also competes with academic institutions, government agencies, and other research organizations that may be involved in research, development, and commercialization of technologies and products similar to those of Serodus. The successful partnering of a particular product will depend in part upon Serodus' ability to develop safe and efficacious products with a distinct profile prior to its competitor. There can be no assurance that Serodus will be able to compete against current or future competitors or that competition will not have a material adverse effect on the Company's business, financial condition, and results of operations.

7.2.5 The Company's future success depends on its ability to retain its key personnel

The Company is highly dependent on its key personnel. Although the Company has formal employment agreements with, or consultancy agreements in respect of, its key personnel, these agreements do not prevent such persons from terminating their employment or consultancy arrangement with the Company. The loss of the services of any of key personnel could impede the achievement of the Company's research, development and commercialization objectives.

7.3 Legal risks

7.3.1 The Company could become subject to product liability claims

The testing, marketing, and sale of human healthcare products entail an inherent risk of allegations of product liability, and there can be no assurance that substantial product liability claims will not be asserted against the Company. There can be no assurance that material claims will not arise in the future. Any product liability claim, if successful, could have a material adverse effect on the Company's business, financial condition, and results of operations.

7.3.2 The Company may not be able to obtain and/or maintain adequate patent protection for its technology or technology to be used by the Company

The Company's current patent portfolio consists of granted patents in some jurisdictions and patent applications that are pending in other jurisdictions. If the Company is unable to obtain and/or maintain patent protection for its technology, or if the scope of any patent protection obtained is not sufficiently broad, the Company's competitors could develop and commercialize products similar or identical to that of the Company, and the Company's ability to successfully partner its products may be adversely affected. Further, if the Company or inventors of the technology subject to the Company's patents or patent applications have by

error or for other reasons disclosed the technology prior to such patent being granted, that could adversely affect the Company's patent protection or, as the case may be, prospects for such patent protection. Also, already granted patents and any patents granted in the future, may be subject to post-grant amendments narrowing the scope of the patent protection. In addition, the Company may become subject to claims by inventors and others who have contributed to the invention of a technology subject to a patent or patent application by the Company, which may involve claims for entitlement to the invention or compensation from the Company for their contributions thereto. The Company cannot assure you that its current or future patent protection will not be adversely affected by any of the above. The patent position of biotechnology and pharmaceutical companies generally is inherently uncertain, involves complex legal and factual questions, and has in recent years been the subject of much litigation.

7.3.3 The Company may become involved in lawsuits to protect or enforce its patents

Competitors may infringe the Company's patents. To counter such infringement or unauthorized use, the Company may be required to file infringement claims against third parties, which can be expensive and time consuming.

7.3.4 Third parties may initiate legal proceedings alleging that the Company is infringing their intellectual property rights

Third parties may initiate legal proceedings alleging that the Company is infringing their intellectual property rights, the outcome of which would be uncertain and could have a material adverse effect on the success of the Company's business.

7.3.5 Shareholders not participating in future offerings of Shares or other equity investments may be diluted

Shareholders not participating in future offerings of Shares or other equity instruments may be diluted. Unless otherwise resolved or authorised by the general meeting of the Company, shareholders in Norwegian public companies such as the Company have pre-emptive rights proportionate to the aggregate amount of the Shares they hold with respect to new Shares and other equity investments issued by the Company. Shareholders in the United States, however, may be unable to exercise any such rights to subscribe for new shares unless a registration statement under the U.S. Securities Act is in effect in respect of such rights and shares or pursuant to an exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act and other applicable securities laws. Shareholders in other jurisdictions outside Norway may be similarly affected if the rights and the new shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. The Company has not filed a registration statement under the U.S. Securities Act or sought approvals under the laws of any other jurisdiction outside Norway in respect of any pre-emptive rights or the Shares, does not intend to do so and doing so in the future may be impractical and costly. To the extent that the Company's shareholders are not able, or choose

not, to exercise their rights to subscribe for new shares, their proportional ownership and voting interests in the Company will be reduced.

7.3.6 The transfer of Shares is subject to restrictions under the securities laws of the United States and other jurisdictions

The Company has not registered the Shares under the US Securities Act or the securities laws of other jurisdictions than Norway and the Company does not expect to do so in the future. The Shares may not be offered or sold in the United States, nor may they be offered or sold in any other jurisdiction in which the registration of the Shares is required but has not taken place, unless an exemption from the applicable registration requirement is available, or the offer or sale of the Shares occurs in connection with a transaction that is not subject to these provisions. In addition, there can be no assurances that shareholders residing or domiciled in the United States will be able to participate in future capital increases or exercise subscription rights.

7.3.7 Investors may be unable to recover losses in civil proceedings in jurisdictions other than Norway

The Company and each investor agree in this Prospectus and the SubscriptionForm that the courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute that may arise out of or in connection with the Private Placement or this Prospectus. Consequently, it may not be possible for investors to sue the Company in any other court in relation to the Private Placement or this Prospectus.

The Company is a public limited liability company organized under the laws of Norway. As a result, in relation to any claim not related to the Private Placement or this Prospectus it may not be possible for investors to effect service of process in other jurisdictions upon persons or the Company, to enforce against persons or the Company judgments obtained in non-Norwegian courts, or to enforce judgments on persons or the Company in other jurisdictions.

7.3.8 Norwegian law may limit shareholders' ability to bring an action against the Company

The rights of holders of the Shares are governed by Norwegian law and by the Articles of Association. These rights may differ from the rights of shareholders in other jurisdictions. In addition, it may be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in jurisdictions other than Norway.

7.3.9 Pre-emptive rights may not be available to U.S. or other shareholders

Under Norwegian law, existing shareholders will have pre-emptive rights to participate on the basis of their existing share ownership in the issuance of any new Shares for cash consideration, unless those rights are waived by a resolution of the shareholder at a General Meeting or the Shares are issued on the basis of an authorization to the Board of Directors under which the Board may waive the pre-emptive rights. Shareholders in the United States, however, may be unable to exercise any such rights to subscribe for new Shares unless a

registration statement under the US Securities Act is in effect in respect of such rights and Shares or an exemption from the registration requirements under the US Securities Act is available. Shareholders in other jurisdictions outside Norway may be similarly affected if the rights and the Offer Shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. The Company is under no obligation to file a registration statement under the US Securities Act or seek similar approvals under the laws of any other jurisdiction outside Norway in respect of any such rights and the Shares. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new Shares, their proportional interests in the Company will be reduced and they may be financially diluted.

7.4 Financial risks

7.4.1 The Company expects that it will need to raise substantial additional funding, which may not be available on favourable terms or at all

The Company is still at a relatively early stage in relation to its product and clinical development. The Company expects that it will need to raise substantial additional funding to fund its business operations and pursue its business plan. This additional financing may not be available on favourable terms and/or on a timely basis, or at all. Failure to obtain this necessary capital when needed may force the Company to significantly curtail, delay, or discontinue its product development efforts. Moreover, the terms of any financing may adversely affect the holdings or the rights of the Company's shareholders.

7.4.2 There is no market for trading in the Company's Shares

Serodus is not listed on the Norwegian stock exchange, consequently, there is currently no public market for trading in the Company's Shares. Hence, among other things, the Company will not be subject to the regulations that apply to publicly traded shares, such as with respect to disclosure of material information about the Company's business.

7.4.3 Investors may not be able to exercise their voting rights for Shares registered in a nominee account

Beneficial owners of the Shares that are registered in a nominee account (e.g., through brokers, dealers or other third parties) may not be able to vote such Shares unless their ownership is re-registered in their names with the VPS prior to the Company's General Meetings. The Company cannot guarantee that beneficial owners of the Shares will receive the notice for a General Meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote their Shares in the manner desired by such beneficial owners.

8. ADDITIONAL INFORMATION

Copies of the following documents will be available for inspection at the Company's business address at c/o Borgersen & Partners, Akersgata 45, NO-0158 Oslo, Norway for a period of twelve months from the date of this Prospectus.

- The Company's Articles of Association and Certificate of Incorporation
- Audited financial statements for Serodus for the years ended 31 December 2018 and 2017

9. DEFINITIONS

Board of Directors	The board of directors of the Company.
Company or Serodus	Serodus ASA.
Offer Shares	Up 4,770,300 new shares to be issued by the Company in the Private Placement.
Prospectus	This prospectus with appendices.
Private Placement	The Private Placement of the Offer Shares at the Offer Price.
Shares	The Company's shares.
Subscription Period	The subscription period in the Private Placement commencing on 10 March 2020 and expiring on 23 March 2020 at 16:30 CET.
Subscription Price	The subscription price per share of NOK 13.00.

APPENDIX 1 [SUBSCRIPTION FORM SUBJECT TO FURTHER UPDATES

Serodus ASA
Subscription Form
Private Placement, 5 March 2020

Subscriptions to be submitted to:
nis@nordea.com
cc to eva.steiness@serodus.com

THE OFFER

The board of directors of Serodus ASA (the "**Company**"), a public limited liability company incorporated under the laws of Norway with registration number 992 249 897, intends to complete a rights offering (the "**Private Placement**") of up to 4,770,300 new shares (the "**Offer Shares**") at a subscription price of NOK 13.00 per Offer Share (the "**Subscription Price**"), raising a maximum of NOK 62,013,900 in gross proceeds. The Private Placement is made on terms set out in the registration prospectus (the "**Prospectus**") and this subscription form (the "**Subscription Form**"). Capitalised Terms and phrases used herein but not otherwise defined shall have the same meanings as given to them in the Prospectus.

Allocation of the Offer Shares will be made at the sole discretion of the Board. Allocation of the Offer Shares will take place on or about 26 March 2020.

SUBSCRIPTION PROCEDURE

The Subscription period will commence on 10th March 2020 and close on 23 March 2020 at 16:00 hours (CET) (the "**Subscription Period**"). The Company may at any time extend or reduce the Subscription Period at its discretion. If the Subscription Period is extended or reduced, the other dates referred to herein may be amended accordingly. Subscriptions for Offer Shares shall be made by returning this Subscription Form to Serodus ASA within the end of the Subscription Period, in completed and signed form, by e-mail to: nis@Nordea.com with a copy to eva.steiness@serodus.com. Oversubscription is permitted.

Subscription Forms received after the end of the Subscription Period, and/or incomplete or incorrect Subscription Forms, may be disregarded at the sole discretion of the Company. Any Subscription Forms received by the Company becomes legally binding at the end of the Subscription Period and may not be withdrawn or amended after such time.

By executing and submitting this Subscription Form, the Applicant irrevocably confirms the Applicant's request to subscribe for up to the number of Offer Shares at or up to the Subscription Amount specified by such Applicant at the Subscription Price, and irrevocably authorizes and instructs the Chairman of the Board of the Company, or such person the Chairman may authorize, to subscribe for the number of Offer Shares allocated to the Applicant in the Private Placement (the "**Allocated Shares**") on behalf of the Applicant and cause their delivery in the VPS account indicated by the Applicant, limited up to the maximum number of Offer Shares set out below.

SPECIFICATION OF SUBSCRIPTION

Applicant's VPS account number: _____	_____	Number of Offer Shares the Applicant wishes to subscribe for (incl. oversubscription): ✔

Price per share ("**Subscription Price"**) **NOK 13.00**	Total amount to pay ("**Subscription Amount"**): = NOK _____

Subscription place and date

Binding signature. The Applicant must be of age. When signing per procura, company certificate or power of attorney must be enclosed.

_____ _____

ADDITIONAL INFORMATION REQUIREMENTS FOR NOMINEE REGISTERED SHARES

Name of deposit bank:	Deposit account number:

DETAILS OF APPLICANT

Applicant name/Company name:	Date of birth and national ID number/Company organization no.:
Street address/Postal code/city/state/country etc.:	Telephone (day time) and telefax:
Contact person with Applicant:	E-mail:

ALLOTMENT AND SETTLEMENT

The Board will decide on the number of Offer Shares to be allocated to each subscriber, limited up to the maximum number of Offer Shares applied for, based on the criteria set out above (the **"Allocated Shares**"). The confirmation of the number of Allocated Shares together with payment instructions will

be distributed on or about 26 March 2020. The Allocated Shares will be delivered to the Applicant's VPS account as soon as practicable after full payment has been received. For late payment, interest on the amount due will accrue at a rate equal to the prevailing interest rate under the Norwegian Act on Interest on Overdue Payments of 17 December 1976 No. 100. If payment for the Allocated Shares is not received when due, the Board reserves the right, at the risk and cost of the Applicant, to cancel the subscription, to sell or otherwise dispose the Offer Shares and hold the Applicant liable for any loss, cost or expenses suffered or incurred in connection therewith. The Board may also without further notice procure that a third party takes over or sells the shares three days after due date. The original Applicant remains liable for payment of the entire amount due, including interest, costs, charges and expenses accrued, and the managers of the Company may enforce payment of any such amount outstanding.

CONDITIONS TO THE RIGHTS OFFERING

Completion of the Private Placement is subject to the Board resolving to complete the Private Placement and approving the issuance of the Offer Shares.

VPS REGISTRATION AND DELIVERY OF ALLOTTED SHARES

When the share capital increase of the Company becomes effective (i.e. when the Company has received payment for all allotted shares and the share capital increase pertaining to the Private Placement has been registered with the Norwegian Register of Business Enterprises), the Offer Shares will be issued by the Company and delivered through the VPS to the subscribers in accordance with the allocation after registration of the Offer Shares in the VPS.

GOVERNING LAW

This Subscription Form and the Private Placement shall be governed by Norwegian law. Any disputes regarding the Subscription Form and the Private Placement which cannot be solved amicably, shall be referred to the ordinary courts of Norway with Oslo District Court as exclusive legal venue.

Serodus ASA
C/O Borgersen & Partners
Akersgata 45
NO-0158 Oslo, Norway
E-mail: post@serodus.com