



# Interim Report

January – March 2024



LIDS™

# LIDDS AB (publ) Interim Report January – March 2024

## First quarter 2024 (the Group)

- Net sales amounted to 0 TSEK
- The operating result for the period was -1 TSEK
- The net result was -5 TSEK corresponding to earnings per share of SEK -0.00004
- Cash flow from operating activities amounted to -64 TSEK
- Cash and cash equivalents amounted to 10,947 TSEK

## Significant events January – March 2024

- On the Extraordinary General Meeting of shareholders on the 9 January 2024 Daniel Lifveredson, Torbjörn Browall and Lars-Inge Sjöqvist were elected new members of the Board.
- In January it was announced that an agreement to acquire Noviga Research AB had been signed.

## Significant events after the reporting period

- In May, Mats Wiking was appointed new CEO from 1 September 2024.

## Financial overview LIDDS AB

KSEK	1 January - 31 March 2024	1 January - 31 March 2023	1 January - 31 December 2023
Net sales	0	0	0
Operating result	-2 470	-9 561	-40 654
Net result	-2 444	-9 617	-40 204
Cash and cash equivalents by the end of the period	10 847	29 809	13 479

## LIDDS in Brief

LIDDS is a Swedish pharmaceutical company focused on the development of oncology drugs. LIDDS has a proprietary drug delivery technology, NanoZolid®, on which several projects are based and NOV202. With NanoZolid, LIDDS can formulate drugs for local/intratatumoral administration, with a maintained and controlled release for up to six months. LIDDS offers the NanoZolid technology to partners and has its own pipeline focused on oncology, where the technology enables delivery of a local and high drug dose, administered over time with very limited side effects. NOV202 is a small molecule developed for treatment of advanced cancer. NOV202 is in preclinical development. The company is listed on Nasdaq First North Growth market.

## CEO statement

**The beginning of 2024 has been a period of change. A new board was elected at the beginning of January and shortly afterwards the new board presented the acquisition of Noviga Research. The acquisition was approved by the general meeting on February 27 and the acquisition was completed in March.**

The acquisition of Noviga Research has been in focus during the first quarter of 2024. An acquisition of such a scope in relation to existing operations involves a lot of administration, but with this report we are soon on target with the work that needs to be carried out. At the same time, preparations have been made for the regulatory toxicological and safety pharmacology studies that need to be carried out before the drug candidate NOV202 is ready for clinical studies, i.e. study in humans. NOV202 has shown good results in other pre-clinical studies in combination with PARP inhibitors, for the treatment of ovarian, pancreatic and prostate cancer.

We had also hoped to present a path forward for Nanodotax and the DTX-002 clinical trial, but the conduct is still not ensured. We continue to work on a solution.

The work to reduce the company's running costs has also continued. The major savings were initiated already in 2023, but we have done what we can to make further cost reductions. As part of this, we have switched from reporting according to IFRS to K3. The conversion means no changes in our reported results, but means that we can spend a little less time and money on administration for our accounting. We have also reviewed our patent portfolio. It was also done a year ago when we abandoned a patent family. This year, adjustments have been made in two older patent families in particular. We have made the assessment that the patents we abandon provide less comprehensive protection and, in addition, their terms are short compared to the other patents in our portfolio. Patent fees increase in cost the older the patents are. As we announced in the annual report, the acquisition of Noviga has been classified as a reverse acquisition for accounting purposes, which means that Noviga is considered the parent company in the group accounting. This means that in this report we show figures that many shareholders do not fully recognize. To show the effects of the savings made, the development in LIDDS AB is commented on under Financial information.

A couple of weeks ago it was also announced that I am moving on to new challenges. Mats Wiking will take over as CEO and CFO of LIDDS. The board has found an excellent solution for the company and the change will not take place until after the next interim report. In other words, we have plenty of time to carry out an orderly handover.



Jenni Björnulfson  
CEO and CFO

## Overview of activities

LIDDS is a Swedish pharmaceutical company focused on the development of oncology drugs. LIDDS has developed a proprietary drug delivery technology for local administration of drugs, NanoZolid. Several projects in the portfolio are based on the technology. In the portfolio there is also NOV202. The NanoZolid technology improves drug efficiency by allowing a more optimal dosage locally and at the same time reducing side effects, which is of great benefit to both patients and payers. LIDDS' technology can be used across different drug classes. LIDDS offers the NanoZolid technology to partners but has also done development within the oncology area. LIDDS' leading project is Liproca Depot, which has shown good effect in Phase IIb in treating prostate cancer patients. NOV202 is a pre-clinical asset which has been developed for advanced cancer. NOV202 has shown promising synergistic anti-tumour effect together with PARP inhibitors in several tumour models. Examples of preclinical cancer models used are models for ovarian-, pancreatic- and prostate cancer. The aim has been to secure licensing deals for internally developed projects and for the technology as such.

### *NanoZolid improves efficacy and reduces side-effects*

NanoZolid addresses some of the challenges that conventional drugs face, such as systemic side effects and limited efficacy. The NanoZolid-formulated drug is delivered locally through an injection and forms a solid and safe depot that releases the active drug over a period of up to six months. The controlled release of drug compounds can be tailored to specific needs and the drugs being used. This results in a more precise treatment with fewer side effects.

### *LIDDS' portfolio is focused on oncology where the benefits of the technology are obvious*

LIDDS' own development has been focused on the oncology therapeutic area, where the benefits of the NanoZolid technology are obvious: a local and high drug dose that is administered over time with very limited side effects. Liproca Depot has shown good effect in Phase IIb on prostate cancer patients. The company has also developed Nanodotax, a NanoZolid formulated cytotoxic drug (docetaxel), and Nanoimod, a combination therapy with checkpoint inhibitors. Both projects are in pre-clinical phase.

### *Enables lower development costs for partners*

NanoZolid drug delivery technology offers benefits for potential partners. There is an opportunity to extend the commercial life of already existing products and to improve efficacy and reduce side-effects. A reformulation of an existing drug also means lower development costs and risks and shorter time to market.

## LIDDS oncology pipeline

### *Liproca Depot*

Liproca Depot is NanoZolid-formulated 2-hydroxyflutamide (2-HOF) which is an anti-androgen drug that binds and blocks androgen receptors. The product has been investigated in over 100 patients in several clinical studies including three Phase II studies. Liproca Depot has been shown to be well tolerated and safe with observed effects on tumor tissue, prostate volume and the prostate-specific antigen PSA. The product has been prepared for Phase III and LIDDS has received guidance from the European Medical Agency, EMA. LIDDS' aim has been to out-license Liproca Depot to a company with the competence and financial resources to implement a clinical Phase III program, with a launch globally or in major markets.

### *Nanodotax*

Nanodotax is NanoZolid-formulated docetaxel which is a commonly used chemotherapeutic drug that has been approved for several oncological conditions and on the market since 1996. Nanodotax has shown to be safe and well tolerated in a Phase I study where adverse events were shown to be mild and local. Furthermore, there was an observed effect on systemic immunological biomarkers indicating that the immune system was responding positively and specifically to the drug. The project is Phase Ib ready on prostate cancer patients.

### *Nanoimod*

Nanoimod is the toll-like receptor 9 (TLR9) agonist agatolimod formulated in NanoZolid. The project is in preclinical development and has been prepared for a Phase Ib clinical study in malign melanoma in addition to treatment with Checkpoint inhibitors.

### *NOV202*

NOV202 is a small molecule developed for treatment of advanced cancer. NOV202 is in pre-clinical development and is being prepared for 28-day regulatory toxicity study and safety pharmacology study.

## Significant events during the reporting period

### *New Board of Directors elected*

At the Extraordinary General Meeting in January 2024 Daniel Lifveredson was elected Chairman of the Board and Torbjörn Browall and Lars-Inge Sjöqvist were elected Board members.

### *Acquisition of Noviga*

In January 2024 the company announced that an agreement to acquire Noviga Research AB, a Swedish biotechnology company focused on the development of new cancer drugs, had been signed. Noviga's lead candidate NOV202 is in pre-clinical phase, with a final study planned for 2024 before the candidate is deemed ready for clinical studies. The acquisition was approved by the general meeting of LIDDS on 27 February 2024. LIDDS acquired 100 percent of the shares in Noviga. The purchase price consists of newly issued shares in LIDDS in a ratio of 1:1, which means that the number of shares in LIDDS after the transaction amounts to 136,463,326, a dilution of 50%.

## Significant events after the reporting period

### *Mats Wiking new CEO*

In May 2024 the company announced that Mats Wiking is appointed new CEO and CFO starting 1 September 2024. Mats Wiking has long financial has long financial experience as finance director, controller and business developer. Current CEO and CFO Jenni Björnulfson will assume a position in another company but will continue in her roles until 1 September to ensure a smooth transition to Mats Wiking.

## Financial information

### *Acquisition of Noviga Research AB*

LIDDS acquired all shares in Noviga Research AB through an issue in kind. The acquisition has been classified as a reverse takeover, which means the former owners of Noviga Research AB has the controlling influence on LIDDS. The purchase price was 10.3 MSEK, corresponding to 68,231,663 shares in LIDDS. The accounting effect is a negative goodwill. The classification also means that Noviga Research will be parent company in the group and comparative figures are missing for the group. The comments to sales and result below is for the legal parent company LIDDS AB.

### *Net sales and result for the first quarter 2024*

In the first quarter 2024 net sales amounted to 0 (0) MSEK.

Other external costs amounted to 1.3 (5.9) MSEK in the first quarter 2024. The decrease is explained by the decision in 2023 to pause investments in the development projects. Reductions have also been made in administrative costs. The personnel costs amounted to 0.6 (3.5) MSEK in the first quarter 2024. The decrease is explained mainly by fewer employees.

Depreciations and amortizations of material and immaterial assets amounted to 0.6 (0.1) MSEK in the first quarter 2024. The increase is due to the abandonment of certain older patents with higher annual fees and short remaining term.

The operating result the first quarter 2024 for LIDDS AB was -2.5 (9.6) MSEK. The net result for the same period was -2.4 (-9.6) MSEK.

### *Financial position for the group*

On 31 March 2024 the equity asset ratio for the group was 75 per cent and equity 10.2 MSEK.

During 2023 cost and personnel reductions were done, which will have full effect in 2024. The work with decreasing operating costs has continued in 2024. The Board of Directors' assessment is that company's cash is sufficient for 2024 if the company's operations are at current level. Should costs increase in 2024, there is a risk for the company's continued operations, unless further financing can be secured.

## Auxiliary information

### *LIDDS share*

LIDDS share is listed on Nasdaq First North Growth Market in Stockholm since 2014 with ticker LIDDS and ISIN code SE0001958612. The number of shares as of 1 January 2024 was 68,231,663 (34,739,791) and of 31 March 2024 136,463,326 (68,231,663). The average number of shares in the first quarter 2024 was 77,784,096 (53,572,805).

## The company's largest shareholders on 31 March 2024

Shareholders	Number of shares	Share of capital and votes (%)
Daniel Lifveredson, incl shares owned through companies	27 679 909	20,3
Ove Högberg	8 562 191	6,3
Marita Högberg	6 851 116	5,0
Avanza Pension, Stockholm	6 831 287	5,0
Stefan Rehnmark	6 632 971	4,9
Wikow Invest AB	6 196 517	4,5
Torbjörn Browall, incl shares owned through companies	4 750 000	3,5
Jan Törmell, incl shares owned through companies	3 959 160	2,9
Jan Törmell, inkl aktier ägda via bolag	3 446 395	2,5
Skyshire AB	3 129 017	2,3
Anders Bjartell	2 605 389	1,9
Other	55 819 374	40,9
<b>Total</b>	<b>136 463 326</b>	<b>100,0</b>

LIDDS resolved in 2021 to set up an incentive program for senior executives. In total, 146,000 warrants were subscribed for by the CEO and key employees in the company. The warrants can be exercised to subscribe for shares between 15 and 30 June 2024. The subscription price is 22.07 SEK.

*Personnel and organization*

LIDDS' organization has undergone a change following the cost containment measures the company decided on to maximize the runway to reach a licensing agreement without the need for further financing. The decision means that any further investments in clinical development are held back and staff reductions have been done. At the end of March 2024, the number of employees was one.

*Financial calendar*

Interim Report January – June 2024	28 August 2024
Interim Report January – September 2024	21 November 2024
Year-end Report 2024	20 February 2025

*Transactions with related parties*

The company has not had any transactions with related parties in the first quarter 2024 other than decided fees and remuneration for the board and management.

*Significant risks and uncertainties*

Apart from general uncertainties related to research and development activities, including delayed initiation and execution of clinical studies and financing and capital raises for the business, there are no known tendencies, uncertainties, potential liabilities and obligations, commitments or events that can be expected to have a significant impact on the company's future prospects.

*Parent company*

The operations in the parent company correspond the operations in the group and the comments for the group are therefore also applicable for the parent company.

*Review by auditor*

This report has not been reviewed by the company's auditor.

*Assurance by the Board of Directors*

The Board of Directors and the CEO affirm that this interim report provides a fair view of the operations, financial position and results for the parent company and the group and describes the significant risks and uncertainties that the company and the companies in the group are exposed to.

Göteborg 30 May 2024

LIDDS Board of Directors and CEO for the reporting period



## Group Income statement

KSEK	First quarter 2024
<b>Operating income</b>	
Net sales	0
Activated work for own account	23
Other operating income	903
<b>Total</b>	<b>926</b>
<b>Operating expenses</b>	0
External operating expenses	-215
Personnel costs	-112
Depreciation and impairment of fixed assets	-600
Other operating costs	0
<b>Total</b>	<b>-927</b>
<b>Operating result</b>	<b>-1</b>
Financial income	0
Financial expenses	-4
<b>Total</b>	<b>-4</b>
<b>Result after financial items</b>	<b>-5</b>
<b>Result before tax</b>	<b>-5</b>
<b>Result for the period</b>	<b>-5</b>

## Group Balance sheet

KSEK	31 March 2024
<b>ASSETS</b>	
<b>Fixed assets</b>	
Intangible assets	
Capitalized development expenditure	0
Patents	1 204
<b>Total</b>	<b>1 204</b>
<b>Tangible assets</b>	
Property, plan and equipment	
<b>Total</b>	<b>25</b>
Financial assets	
Accrued tax receivables	254
<b>Total</b>	<b>254</b>
<b>Total non-current assets</b>	<b>1 482</b>
<b>Current assets</b>	
<b>Current receivables</b>	
Trade receivables	
	0
Tax receivables	368
Other current receivables	274
Prepaid expenses and accrued income	593
<b>Total</b>	<b>1 235</b>
Cash and cash equivalents	10 947
<b>Total current assets</b>	<b>12 182</b>
<b>TOTAL ASSETS</b>	<b>13 665</b>

## Group Balance sheet

KSEK	31 March 2024
<b>EQUITY AND LIABILITIES</b>	
<b>Equity</b>	
Share capital	7 233
Additional paid-in capital	3 629
Retained earnings (including loss for the period)	-677
<b>Total equity attributable to Parent Company shareholders</b>	<b>10 185</b>
<b>Long-term liabilities</b>	
Other liabilities	900
<b>Total</b>	<b>900</b>
<b>Current liabilities</b>	
Other liabilities to credit institutions	0
Advance payments from customers	0
Trade payables	1 072
Other current liabilities	113
Accrued expenses and deferred income	1 395
<b>Total</b>	<b>2 580</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>13 665</b>

## Consolidated statement of changes in equity

KSEK	Attributable to the Parent Company shareholders			Total equity
	Share capital	Other contributed capital	Retained earnings, incl compr income for the period	
Opening balance 1 January, 2024	100	784	-671	213
<b>Transactions with shareholders</b>				
Share issue	3 616	6 361		9 977
Effect from reverse takeover	3 516	-3 516		0
Net result for the period			-5	-5
<b>Total transactions with shareholders</b>	<b>7 132</b>	<b>2 844</b>	<b>-5</b>	<b>9 972</b>
<b>Closing balance 31 March, 2024</b>	<b>7 233</b>	<b>3 629</b>	<b>-677</b>	<b>10 185</b>

## Group Cash flow statement

KSEK	First quarter 2024
<b>Operating activities</b>	
Operating profit/loss before financial items	-1
Interest received	0
Interest paid	-4
<i>Adjustments for non-cash items</i>	0
Depreciation and Impairment of intangible and tangible assets/accrued tax recoverable negative goodwill	-302
<b>Cash flow from operating activities before changes in working capital</b>	<b>-308</b>
<b>Cash flow from changes in working capital</b>	
Change in operating receivables	88
Change in operating liabilities	156
<b>Cash flow from operating activities</b>	<b>-64</b>
<b>Investing activities</b>	
Acquisition of intangible assets	-23
Acquisition of tangible assets	0
<b>Cash flow from investing activities</b>	<b>-23</b>
<b>Financing activities</b>	
Share issue	0
Issuance costs	-280
Subscription warrants	0
Net borrowings	0
Payment loan	0
<b>Cash flow from financing activities</b>	<b>-280</b>
<b>Net cash flow for the period</b>	<b>-367</b>
Cash and cash equivalents at the beginning of the period	191
Cash in acquired subsidiary	11 124
<b>Cash and cash equivalents at the end of the period</b>	<b>10 947</b>

## Income statement Parent company

KSEK	1 January - 31 March 2024	1 January - 31 March 2023	1 January 31 December 2023
<b>Operating income</b>			
Net sales	0	0	0
Activated work for own account	36	0	0
Other operating income	0	0	0
<b>Total</b>	<b>36</b>	<b>0</b>	<b>0</b>
<b>Operating expenses</b>			
External operating expenses	-1 281	-5 912	-13 728
Personnel costs	-626	-3 531	-10 553
Depreciation and impairment of fixed assets	-598	-118	-15 688
Other operating costs	0	0	-686
<b>Total</b>	<b>-2 505</b>	<b>-9 561</b>	<b>-40 654</b>
<b>Operating result</b>	<b>-2 470</b>	<b>-9 561</b>	<b>-40 654</b>
Impairment shares in subsidiary	0	0	-18
Financial income	27	0	529
Financial expenses	-1	-56	-61
<b>Total</b>	<b>25</b>	<b>-56</b>	<b>450</b>
<b>Result after financial items</b>	<b>-2 444</b>	<b>-9 617</b>	<b>-40 204</b>
<b>Result before tax</b>	<b>-2 444</b>	<b>-9 617</b>	<b>-40 204</b>
<b>Result for the period</b>	<b>-2 444</b>	<b>-9 617</b>	<b>-40 204</b>

## Balance sheet parent company

KSEK	31 March 2024	31 March 2023	31 December 2023
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible assets			
Capitalized development expenditure	0	15 097	0
Patents	1 231	1 776	1 793
<b>Total</b>	<b>1 231</b>	<b>16 874</b>	<b>1 793</b>
<b>Tangible assets</b>			
Property, plan and equipment	5	945	5
<b>Total</b>	<b>5</b>	<b>945</b>	<b>5</b>
<b>Financial assets</b>			
Shares in group companies	10 307	50	50
<b>Total</b>	<b>10 307</b>	<b>50</b>	<b>50</b>
<b>Total non-current assets</b>	<b>11 543</b>	<b>17 869</b>	<b>1 848</b>
<b>Current assets</b>			
<b>Current receivables</b>			
Trade receivables	0	0	0
Receivables group companies	45	0	0
Current tax receivables	368	0	0
Other current receivables	274	1 177	1 871
Prepaid expenses and accrued income	593	1 606	473
<b>Total</b>	<b>1 280</b>	<b>2 783</b>	<b>2 344</b>
Cash and cash equivalents	10 847	29 809	13 479
<b>Total current assets</b>	<b>12 128</b>	<b>32 593</b>	<b>15 824</b>
<b>TOTAL ASSETS</b>	<b>23 670</b>	<b>50 461</b>	<b>17 672</b>

## Balance sheet parent company

KSEK	31 March 2024	31 March 2023	31 December 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital	7 233	3 616	3 616
Statutory reserve	15 223	15 223	15 223
Fund for development expenditure	0	15 097	0
<b>Total</b>	<b>22 456</b>	<b>33 937</b>	<b>18 839</b>
<b>Unrestricted equity</b>			
Share premium reserve	356 502	335 118	350 215
Retained earnings (including result for the period)	-357 599	-324 568	-355 155
<b>Total</b>	<b>-1 098</b>	<b>10 550</b>	<b>-4 940</b>
<b>Total equity</b>	<b>21 358</b>	<b>44 487</b>	<b>13 899</b>
<b>Longterm liabilities</b>			
Other liabilities	0	0	0
	0	0	0
<b>Current liabilities</b>			
Other liabilities to credit institutions			
Trade payables	821	1 940	1 351
Liabilities group companies	26	0	0
Other current liabilities	109	736	218
Accrued expenses and deferred income	1 356	3 275	2 204
<b>Total</b>	<b>2 312</b>	<b>5 974</b>	<b>3 773</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>23 670</b>	<b>50 461</b>	<b>17 672</b>



## Notes

### Accounting principles

From 1 January 2024 LIDDS apply K3 as accounting principle. The change from IFRS to K3 has not had any significant effects on the group's equity, reporting forms or disclosures.

### Acquisition analysis

In January 2024, it was announced that an agreement had been signed to acquire Noviga Research AB. The acquisition was approved at an extraordinary general meeting of LIDDS on 27 February 2024. LIDDS acquired all shares in Noviga Research AB through a issue in kind. The acquisition has been classified as a reverse acquisition, which means that the former owners of Noviga Research AB gain the controlling influence over LIDDS. Through the reverse acquisition Noviga Research AB is considered to be the acquirer and also the parent company in the group for accounting purposes. The purchase price amounted to 10.5 MSEK, corresponding to 68,231,663 shares in LIDDS. The negative goodwill that arises as an effect of the acquisition amounts to 912,000 SEK has been reported as other operating income. Due to the fact that Noviga Research AB was not a parent company in the group before the acquisition of LIDDS, there are no comparison periods for the group. The group was formed on March 7, 2024, and results and cash flow are calculated in the group as of this date. Earnings per share is calculated as the group's net profit divided by the average number of shares during the period March 7 – March 31, 136,463,326.

KSEK	
<b>Acquired equity</b>	
Share capital	3 616
Restricted equity	15 223
Unrestricted equity	-5 014
Result for the period	-1 679
Accrued tax receivable	254
<b>Total</b>	<b>12 400</b>
Patents undervalue	1 231
Negativ goodwill	912
Purchase price	10 257
<b>Total</b>	<b>12 400</b>

### Proforma accounting

Since the group was formed on March 7, 2024, results and cash flow are not representative. In addition, the result is affected by the negative goodwill that arises. A pro forma income statement is presented below, where the acquisition is assumed to have been made as of January 1, 2024, where the negative goodwill is not taken into account.

KSEK	1 January - 31 March 2024
<b>Operating income</b>	
Net sales	0
Activated work for own account	36
Other operating income	0
<b>Total</b>	<b>36</b>
<b>Operating expenses</b>	
External operating expenses	-1 397
Personnel costs	-626
Depreciation and impairment of fixed assets	-631
Other operating costs	0
<b>Total</b>	<b>-2 654</b>
<b>Operating result</b>	<b>-2 618</b>
<b>Financial items</b>	
Financial income	27
Financial expenses	-5
<b>Total</b>	<b>21</b>
<b>Result after financial items</b>	<b>-2 596</b>
<b>Result before tax</b>	<b>-2 596</b>
<b>Result for the period</b>	<b>-2 596</b>

## For further information, please contact

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