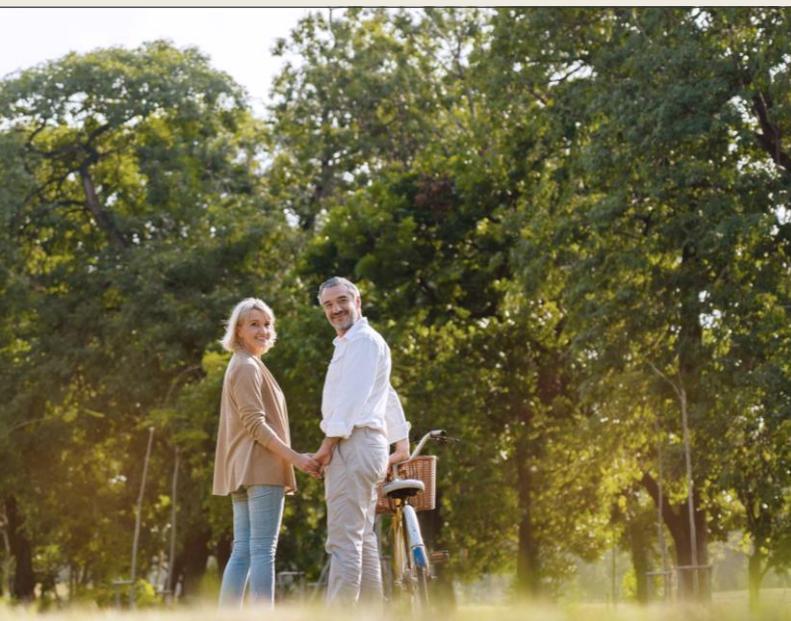




Interim Report

January – June 2022



LIDS™

LIDDS AB (publ) Interim Report January – June 2022

April – June

- Net sales amounted to 0.3 (0.1) MSEK
- The operating result for the period was -9.9 (-9.8) MSEK
- The net result was -9.9 (-9.8) MSEK corresponding to earnings per share of SEK -0.29 (-0.32)
- Cash flow from operating activities amounted to -12.0 (-11.8) MSEK
- Cash and cash equivalents amounted to 19.7 (54.1) MSEK

January – June

- Net sales amounted to 0.8 (0.8) MSEK
- The operating result for the period was -19.7 (-20.1) MSEK
- The net result was -19.7 (-20.1) MSEK corresponding to earnings per share of SEK -0.58 (-0.68)
- Cash flow from operating activities amounted to -18.1 (-23.5) MSEK

Significant events January – June

- The R&D project with J&J has moved into the next phase.
- A financing agreement of up to 40.8 MSEK signed with Nice & Green
- Max Mitteregger and Johan Lund were elected as new members of LIDDS' Board of Directors. Max Mitteregger acquired in connection with the appointment to LIDDS' Board of Directors shares at a total value of 4.5 MSEK through a directed share issue of 750,000 shares at a subscription price of 6 SEK, which corresponded to LIDDS' share price at Nasdaq First North Growth Market at the time for a binding commitment to subscribe for the shares.

Significant events after the reporting period

- Anders Månsson succeeds Nina Herne as CEO of LIDDS on 1 September 2022

“The fact that Johan and Max have chosen to be part of LIDDS' board is proof of the strength of our concept. We got another proof of that when attending US BIO in June. US BIO is the world's largest meeting place for companies in the sector and we had many constructive meetings with both potential partners and investors.”

Nina Herne, CEO LIDDS

Financial Overview

KSEK	1 April - 30 June 2022	1 April - 30 June 2021	1 January - 30 June 2022	1 January - 30 June 2021	1 January - 31 December 2021
Net sales	255	149	813	755	3 554
Operating result	-9 910	-9 764	-19 662	-20 550	-37 269
Net result	-9 910	-9 764	-19 662	-20 551	-37 270
Earnings per share, SEK	-0,29	-0,32	-0,58	-0,68	-1,16
Cash flow from operating activities	-12 043	-11 807	-18 152	-23 488	-42 641
Cash and cash equivalents by the end of the period	19 714	54 096	19 714	54 096	34 003

LIDDS in brief:

LIDDS is a Swedish drug delivery company based on the proprietary technology NanoZolid®. With NanoZolid®, LIDDS can formulate drugs for local administration, with a maintained and controlled release for up to six months. The technology is versatile, can be used across different drug classes and solve problems within many indication areas. LIDDS offers the NanoZolid® technology to partners and has developed 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. LIDDS has a broad pipeline with several projects in clinical development, both in early and late-stage clinical phase, and projects about to enter clinical development. The company is listed on Nasdaq First North Growth market.

CEO comment

The second quarter of 2022 has been characterized by intensive work to move both our clinical and preclinical projects forward. We are in the midst of preparations for the next clinical study with nanodotax where we will conduct a shorter clinical study with the aim to understand whether the primary mechanism of action is immunological or cytotoxic. The study that was completed last year indicated that local treatment with nanodotax stimulates key systemic inflammatory biomarkers that have the potential to turn a tumor from cold to hot. This is important as a hot tumor can generate a specific immune response with the potential to recognize both the primary tumor and metastases and thereby make the body's immune system contributing to a more effective treatment. The study outcome will be an important base for deciding how to continue the further development in terms of indication and patients.

We are also working intensively on taking our first immuno-oncology project nanoimod into clinical development. To do this in an optimal way, we need to determine the dose and prepare a study protocol. In the protocol, the choice of indication and which patient population to treat are important steps, and we also need to have access to nanoimod. In addition to this, our collaboration with Johnson & Johnson is progressing according to plan and the hope is to be able to finish the project during the autumn. We of course hope that Johnson & Johnson will exercise the exclusive option they have to sign a global license agreement, but the decision is entirely in their hands.

We have strengthened the protection around our most recent patent family through patent approvals in Japan, South Korea and Israel for our NanoZolid manufacturing process until 2037. In addition to the protection of the manufacturing process, the patents also provide protection for all drugs manufactured using this process. Establishing patent protection in these markets is an important step in the strategic work to strengthen our commercial position in connection with discussions with potential partners.

Alongside the development on the clinical side, all the necessary preparations for a move from First North to Nasdaq's main market have been completed, but the current assessment is to wait with the relisting until the market conditions are more favorable. I also want to take the opportunity to welcome the new CEO Anders to LIDDS, a fantastic company that has a technology that in the long run really can change patients' lives. Anders has a strong background from business development and marketing in both small and larger companies in the biotechnology sector as well as larger multinational pharmaceutical companies and I am convinced that LIDDS' future is in good hands.

In addition to the company getting a new CEO in September, we have strengthened the company in terms of competence through a couple of more important recruitments, which were also announced in July. We have recruited Annette Møldrup as Chief Business Development Officer (CBDO). Annette has a PhD and extensive experience working with business development and licensing deals, partly at Novo Nordisk for 21 years and most recently at Ferring Pharmaceuticals. Her experience of leading in-licensing projects at large pharmaceutical companies is especially valuable in our dialogues with potential licensees. With the recruitment of Annette, the new management team is now fully staffed. Kia Bengtsson will take over as the new Head of Clinical Development in the autumn. Kia comes most recently from the corresponding role at Vivesto and before that she was Director of Drug Development at Nanologica with responsibility for preclinical and clinical development. During the past 20 years, Kia has worked at several leading pharmaceutical and biotech companies with the development of innovative treatments and held leading positions in drug development and clinical operations at Ipsen, AstraZeneca and Eurocine Vaccines.

The board was also strengthened with important competence in connection with the annual general meeting when Johan Lund and Max Mitteregger were elected as new board members. Johan has extensive experience from global pharmaceutical companies such as AstraZeneca, Pfizer and Biogen. In his role, he will contribute with a wide network of contacts in the industry and a scientific know-how that is valuable in our work to find new collaborations and drive our



research and development forward. Max has solid experience from the financial market, most recently as manager of the hedge fund Gladiator, and will contribute with great expertise in this area as well as an important network of investors. Max has acquired 750,000 shares in LIDDS, which makes him one of the largest owners in the company. The fact that Johan and Max have chosen to be part of LIDDS' board is proof of the strength of our concept. We got another proof of that when attending US BIO in June. US BIO is the world's largest meeting place for companies in the sector and we had many constructive meetings with both potential partners and investors. To continue to accelerate business dialogues, we intend to attend both NLS Days in September and BIO Europe later in October. During these talks, our new CBDO Annette will have an important role to play.

Overall, we strengthened our position further during the quarter. Looking ahead, we have an exciting autumn ahead of us with several important milestones to reach. We are working hard to secure these milestones and to realize the vision we set out a year ago, which is to offer the preferred solution for elegant and optimal drug delivery – to enable better health.

Thank you for your continued support!

Uppsala, August 2022

Nina Herne, CEO

Overview of activities

LIDDS is a Swedish drug delivery company whose aim is to develop and commercialize the proprietary technology NanoZolid. With NanoZolid, LIDDS can formulate drugs for local administration, with a maintained and controlled release for up to six months. The technology is versatile, can be used across different drug classes and solve problems within many indication areas. LIDDS offers the NanoZolid technology to partners and has a pipeline focused on the large oncology therapeutic area. LIDDS' leading project Liproca Depot for treating prostate cancer is currently being prepared for a Phase III trial. The company also has two projects being prepared for Phase II and Phase I clinical trial, respectively.

Through a small, efficient and highly specialized organization, LIDDS will develop better and safer treatments with high value. This will be accomplished through continued development of the NanoZolid technology and its IP protection, together with a strong and diversified portfolio of proprietary oncology products. The aim is to secure licensing deals for internally developed projects, no later than after Proof of Concept in humans, as well as for the technology. LIDDS can also seek R&D collaborations or joint ventures to utilize its technology and know-how. The vision is to be the preferred solution for elegant and optimal drug delivery – thus enabling better health.

NanoZolid improves efficacy and reduces toxic side-effects

NanoZolid addresses some of the main challenges that conventional drugs face, such as systemic side effects and limited efficacy resulting in many patients not being treated early enough or not at all. LIDDS' flexible technology is compatible with small to more complex molecules and has a comprehensive patent protection in all major markets until 2037. 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 – longer than any other technology either in development or available on the market. The controlled release of drug compounds can be tailored to the specific needs of the patients, the disease, and/or the drugs being used, resulting in a more precise treatment with fewer side effects. LIDDS' clinical trials have shown lower systemic drug exposure, improved local drug efficacy and signs of immune activation when treating with NanoZolid-formulated drugs.

LIDDS own portfolio is focused on oncology where the benefits of the technology are obvious and where the need for improved treatments is still high

LIDDS is developing its portfolio within 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. In total, LIDDS has three clinical-stage projects: Liproca Depot, a NanoZolid formulated nonsteroidal antiandrogen (2-hydroxyflutamide), which is being prepared for a clinical Phase III study in prostate cancer, nanodotax, a NanoZolid formulated cytotoxic drug (Docetaxel), which is being prepared for a clinical Phase II trial in both prostate cancer and in a non-disclosed indication, and nanoimod/nanoxan, a combination therapy which is being prepared for a clinical Phase I study. In addition, the company works with and evaluates several pre-clinical projects.

Large addressable markets with lower development costs and risks

The benefits of using the NanoZolid drug delivery technology are numerous for both potential partners and LIDDS. When reformulating existing drugs, the time to market is shorter with lower development costs and risks. For potential partners, this is an excellent opportunity to extend the commercial life of already existing products and to improve patient outcomes by more efficacious and less toxic treatments. For LIDDS Oncology portfolio, the reduced risk and costs are also of importance since this therapeutic area on average historically has shown a lower chance to market¹ and trials usually are more costly².

The global market for pharmaceutical drug delivery was worth approximately USD 1.7 billion in 2021 and is expected to reach USD 2.2 billion by 2026³, with an annual growth rate of close to 6 percent during the forecasted period. The global oncology market includes more than 19 million new cases every year, projected to reach 30 million cases in 2040 and a mortality of almost 10 million each year, reaching 16 million in 2040.

LIDDS' most advanced project, Liproca Depot, is being developed to treat prostate cancer. The prostate cancer drug market was valued at USD 6.9 billion in 2018 and is expected to grow to USD 9.9 billion in 2026, representing a yearly growth rate of 4.6 percent during the period⁴. The number of men diagnosed with prostate cancer is around 1.4 million every year, of which

¹ Hay et al, Clinical development success rates for investigational drugs, Nature Biotechnology 2014 Jan; 32 (1):40-51

² Wouters et al, Estimated Research and Development Investment Needed to Bring a New Medicine to Market, 2009-2018, March 2020, JAMA The Journal of the American Medical Association 323(9):844.

³ <https://www.marketsandmarkets.com/Market-Reports/drug-delivery-technologies-market-1085.html>

⁴ <https://www.marketdataforecast.com/market-reports/prostate-cancer-market> Allied Market Research

approximately 420,000 are diagnosed with a localized prostate cancer with low or intermediate risk of cancer progression (Active Surveillance Patients). Liproca Depot is developed for treating Active Surveillance Patients.

Validated approach

LIDDS has validated its NanoZolid technology and partnering abilities by entering different partnering agreements. In 2021, LIDDS entered into an R&D agreement with Johnson & Johnson to develop an oncology product for an undisclosed indication with the option to reach an exclusive global product license agreement. LIDDS has also signed an exclusive license agreement for Mainland China with Puheng Pharma for its prostate cancer project Liproca Depot.

LIDDS has developed a strong oncology pipeline based on its drug delivery technology and continues to build its ability to translate discoveries into clinically and commercially viable drug delivery projects that brings real change to patients.

Indication	Preclinical	Phase I	Phase II	Phase III
Prostate cancer	Liproca depot			Phase III ready
Solid tumors Prostate cancer	Nanodotax		Entering phase I/II PoC 2022	
Non-disclosed target	Nanoimod + nanoxan	Preparation for phase I		
Non-disclosed target	Johnson-Johnson	Feasibility program		

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 close to 160 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 is currently being prepared for phase III.

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. The drug 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 and local immunological biomarkers indicating that the immune system was responding positively and specifically to the tumors. The plan is to further investigate the mechanism of action in a clinical study in prostate cancer patients.

NANOIMOD/NANOXAN

Nanoimod is the toll-like receptor 9 (TLR9) agonist agatolimod formulated in NanoZolid while nanoxan is a cytotoxic drug formulated with the same technology. The project is in preclinical development and is being prepared for a first in human study.

J&J Collaboration

LIDDS is in a joint R&D feasibility project with Johnson & Johnson Enterprise Innovation Inc. The aim of the project is to investigate the suitability of the NanoZolid technology in the formulation of drugs for local treatment in non-disclosed oncology indications.

Significant events during the reporting period

Successful completion of stage i in research co-operation

In January 2022 the company announced that step 1 in the research co-operation with J&J had successfully been completed and that the project had moved into the next phase. The aim with the R&D project is to develop an oncology product based on the NanoZolid technology for a non-disclosed indication.

Financing agreement with Nice & Green

In February 2022 the company announced that a convertible note agreement had been signed with Nice & Green (“N&G”), a Swiss specialty investor with significant experience from the life science industry. According to the agreement, N&G has committed to subscribe for convertible notes with a total nominal value of up to 40.8 MSEK, in tranches of 10.2 MSEK each. Each tranche is subscribed for at nominal value. LIDDS has the option, but not the obligation, to use the agreed financing. The convertible notes have a maturity of twelve months, carries zero interest and can be converted to shares at a 7 percent discount in relation to the shares’ market price at the time of N&G’s conversion request. LIDDS has at the time of a conversion request the option to instead redeem the convertible notes in cash for a 3 percent fee of the nominal amount.

Max Mitteregger and Johan Lund new members of LIDDS’ Board of Directors

In May 2022 the company announced that the Nomination committee proposed Max Mitteregger and Johan Lund as new member of LIDDS’ Board of Directors and both were elected at the Annual General Meeting of shareholders on 1st June 2022. Max Mitteregger has many years of experience from the financial market, where he among other things has been the manager of the hedge fund Gladiator. In connection with the appointment to LIDDS’ Board of Directors, Max Mitteregger acquired shares at a total value of 4.5 MSEK. This was done through a directed share issue of 750,000 shares at a subscription price of 6 SEK, which corresponded to LIDDS’ share price at Nasdaq First North Growth Market at the time for a binding commitment to subscribe for the shares. Johan Lund has experience from senior roles in the global pharmaceutical industry, for example AstraZeneca, Pfizer and Biogen. Johan has an MD and a PhD from the Karolinska Institute. Johan’s broad network within various major pharmaceutical companies as well as his scientific knowledge will be an important addition to the board for establishing new collaborations and driving the company pipeline forward.

Significant events after the reporting period

Anders Månsson appointed CEO of LIDDS

1 July 2022 it was announced that Anders Månsson succeeds Nina Herne as CEO of LIDDS on 1 September 2022. Anders has broad experience from leading roles both in the biotech sector and in larger multinational pharmaceutical companies in an international setting over 25 years. His substantial experience in business development will be important for LIDDS in driving the value of current and future collaborations. He also has experience from sales & marketing; and has board-level and executive appointments in biotech companies. Most recently Anders was the CEO of RhoVac.

Other events

- LIDDS’ CEO Nina Herne presented the company at Redeye’s Fight Cancer-seminar in January 2022.
- In February 2022 the company announced the next step in the NanoZolid-formulated docetaxel (nanodotax) development, which will be a shorter clinical study to understand the immunological effects observed in the clinical Phase I study NZ-DTX-001. The study will be performed by the company taking over the sponsorship of the previously approved investigator initiated study on prostate cancer patients.
- In March 2022 the company held a Capital Markets Day focusing on company vision and product portfolio.
- In March 2022 an Extraordinary General Meeting was held where the Board was authorized to issue convertibles according to the agreement with N&G.
- The Annual General Meeting of Shareholders was held on 1st June 2022 where two new members were elected to the Board of Directors, a directed share issue to Galba Holding AB was approved and the Board was authorized to issue convertibles according to the agreement with N&G and to issue shares at one or more occasions, with or without preemptive rights for the shareholders.
- LIDDS’ CEO Nina Herne presented the company at Redeye’s Growth Day in June 2022.
- In June 2022, LIDDS was approved a patent for the manufacturing process of NanoZolid in Japan and South Korea.
- The company’s CEO and CSO participated in BIO International Convention 2022, San Diego, USA in June 2022.
- 1 July 2022 the company announced that the organization was strengthened with Annette Møldrup as Chief Business Development Officer and Kia Bengtsson as Head of Clinical Development. Both have long experience from the pharmaceutical industry and will assume their new roles in the autumn 2022. Annette will be part of the management team.
- In July 2022, LIDDS was approved a patent for the manufacturing process of NanoZolid in Israel.

Financial information

Net sales and result for the second quarter 2022

In the second quarter 2022 net sales amounted to 0.3 (0.1) MSEK relating to income from the sale of research and development services under the collaboration agreement with J&J. The operating result for the second quarter 2022 amounted to -9.9 (-9.8) MSEK. The costs are overall at the same level as in the second quarter of 2021, but in 2022 manufacturing and administration costs have decreased and costs for personnel and preclinical activities have increased. Personnel costs have increased as a result of a larger organization, but also due to certain consulting costs being replaced by costs for employed personnel.

Net sales and result for the first six months 2022

In the first six months in 2022 net sales amounted to 0.8 (0.8) MSEK relating to income from the sale of research and development services under the collaboration agreement with J&J. The operating result for the first six months 2022 amounted to -19.7 (-20.6) MSEK. The costs are overall at the same level as the first six months 2021, but in 2022 the manufacturing and administration costs have decreased as well as the costs for preparing the listing of the company on Nasdaq's main market. The costs for preclinical activities were higher in 2022 as were the personnel costs. The latter have increased as a result of a larger organization.

Cash flow and investments

Cash flow from the operating activities in the first six months 2022 amounted to -18.1 (-23.5) MSEK. As part of the cash flow from the operating activities change in operating capital amounted to 1.4 (-3.4) MSEK. The negative cash flow from the operating activities is explained by the company's costs for ongoing research and development projects.

LIDDS cash flow from investment activities in the first six months consist of investments in development work regarding the technology platform NanoZolid, ongoing patent applications and manufacturing equipment, please refer to the table below.

KSEK	1 April - 30 June 2022	1 April - 30 June 2021	1 January - 30 June 2022	1 January - 30 June 2021	1 January - 31 December 2021
Technology	82	0	409	805	1 146
Patents	106	117	187	284	519
Property, plant and equipment	0	95	34	203	736
Total investments	188	212	630	1 292	2 401

The cash flow from the financing activities for the first six months 2022 amounted to 4.4 (42.8) MSEK.

Total change in cash and cash equivalents in the first six months 2022 amounted to -14.3 (18.0) MSEK. The company's cash and cash equivalents amounted to 19.7 (54.1) MSEK on 30 June 2022.

Financial position

On 30 June 2022 the equity asset ratio was 81 percent (89) and equity 33.3 (65.1) MSEK.

In February 2022 the company announced that a convertible note agreement had been signed with Nice & Green, a Swiss specialty investor. The agreement means the company has the option to use convertible loans of up to 40.8 MSEK. LIDDS has the option, but no obligation, to use the agreed financing for 18 months.

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 April 2022 was 33,989,791 (29,675,316) and of 30 June 2022 34,739,791 (33,989,791). The average number of shares in the second quarter 2022 was 34,114,791 (30,394,395) and in the first six months 2022 34,052,291 (30,034,856).

Shareholders	Number of shares	Share of capital and votes (%)
Avanza Pension, Stockholm	2 904 724	8,4
Daniel Lifveredson, incl shares owned through companies	2 640 929	7,6
Wikow Invest AB	2 365 693	6,8
Swedbank Försäkring	2 222 067	6,4
Bengt Sporre	1 126 880	3,2
Nordnet Pensionsförsäkring AB	1 062 372	3,1
Gunvald Berger	755 155	2,2
Max Mitteregger, incl shares owned through companies	750 000	2,2
BWG Invest	631 000	1,8
Ulf Richard Kilander	580 947	1,7
SEB Life International	528 552	1,5
Other	19 171 472	55,2
Total	34 739 791	100,0

LIDDS resolved in 2021 to set up an incentive program for senior executives. In total, 146,000 out of 250,000 warrants were subscribed for by the CEO and key employees in the company. The remaining warrants were kept by the company to be offered for subscription by key employees in connection with recruitment.

Personnel and organization

LIDDS has an experienced organization of individuals with high competence within their respective areas of responsibility. In 2021 the company management underwent a change. The CEO Nina Herne started in April 2021 and is employed by the company. The CEO has a performance-based bonus to develop the company's projects and organization as well as reaching operational and financial targets. In July 2022 the company announced the appointment of Anders Månsson as new CEO. He assumes his role on 1 September 2022. By the end of June 2022, the number of employees was six. In addition, a close and long-term co-operation has been established with consultants within areas such as intellectual property rights, preclinical and clinical development, technology development, manufacturing, analysis services and IT and finance.

Financial calendar

Interim report 1 January – 30 September 2022	24 November 2022
Year-end Report 2022	24 February 2023

Transactions with related parties

The company has not had any transactions with related parties in the second quarter 2022.

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.

Uppsala 25 August 2022

LIDDS AB (publ) Board of Directors

Jan Törnell
Chairman

David Bejker

Maria Forss

Daniel Lifveredson

Johan Lund

Max Mitteregger

Nina Herne
CEO

Consolidated statement of comprehensive income

KSEK	Note	1 April - 30 June 2022	1 April - 30 June 2021	1 January - 30 June 2022	1 January - 30 June 2021	1 January - 31 December 2021
Operating income						
Net sales	2	255	149	813	755	3 554
Other operating income		22	0	39	0	0
Total		276	149	852	755	3 554
Operating expenses						
External operating expenses		-6 067	-6 840	-12 938	-16 342	-30 064
Personnel costs		-4 000	-2 999	-7 338	-4 821	-10 296
Depreciation and impairment of fixed assets		-119	-74	-237	-142	-464
Total		-10 186	-9 913	-20 514	-21 305	-40 823
Operating result		-9 910	-9 764	-19 662	-20 550	-37 269
Financial income		0	0	0	0	0
Financial expenses		0	0	0	0	0
Total		0	0	0	0	0
Result after financial items		-9 910	-9 764	-19 662	-20 551	-37 270
Result before tax		-9 910	-9 764	-19 662	-20 551	-37 270
Result for the period		-9 910	-9 764	-19 662	-20 551	-37 270

In the group there are no items that are accounted for in other comprehensive income and total comprehensive income and therefore correspond to the result for the period. Result for the period and total comprehensive income are in their entirety attributable to the parent company shareholders.

Earnings per share based on earnings attributable to Parent company shareholders for the year (SEK per share)	Note	1 April - 30 June 2022	1 April - 30 June 2021	1 January - 30 June 2022	1 January - 30 June 2021	1 January - 31 December 2021
Earnings per share before/ after dilution, SEK	3	-0,29	-0,32	-0,58	-0,68	-1,16

Consolidated balance sheet

KSEK	Note	30 June 2022	30 June 2021	31 December 2021
ASSETS				
Fixed assets				
Intangible assets	4			
Capitalized development expenditure		14 983	14 233	14 574
Patents		1 793	1 617	1 677
Total		16 776	15 850	16 250
Tangible assets				
Property, plan and equipment		1 181	928	1 314
Total		1 181	928	1 314
Total non-current assets		17 957	16 777	17 564
Current assets				
Current receivables				
Trade receivables		1 082	0	2 053
Receivables at suppliers		0	890	400
Other current receivables		1 069	810	915
Prepaid expenses and accrued income		1 092	663	643
Total		3 244	2 362	4 011
Cash and cash equivalents		19 714	54 096	34 003
Total current assets		22 958	56 459	38 014
TOTAL ASSETS		40 914	73 236	55 579
EQUITY AND LIABILITIES				
Equity				
Share capital		1 841	1 801	1 801
Additional paid-in capital		330 162	325 631	325 801
Retained earnings (including loss for the period)		-298 752	-262 371	-279 090
Total equity attributable to Parent Company shareholders		33 251	65 062	48 512
Current liabilities				
Advance payments from customers		104	894	0
Trade payables		2 016	2 785	2 211
Other current liabilities		1 032	343	341
Accrued expenses and deferred income		4 511	4 153	4 515
Total		7 663	8 174	7 066
TOTAL EQUITY AND LIABILITIES		40 914	73 236	55 579

Consolidated statement of changes in equity

KSEK	Attributable to the Parent Company shareholders			
	Share capital	Other contributed capital	Retained earnings, incl compr income for the period	Total equity
Opening balance 1 January, 2022	1 801	325 801	-279 090	48 512
Comprehensive income for the period			-19 662	-19 662
Total comprehensive income for the period	0	0	-19 662	-19 662
Transactions with shareholders				
Share issue	40	4 460	0	4 500
Issue costs	0	-99	0	-99
Total transactions with shareholders	40	4 362	0	4 401
Closing balance 30 June, 2022	1 841	330 162	-298 752	33 251

KSEK	Attributable to the Parent Company shareholders			
	Share capital	Other contributed capital	Retained earnings, incl compr income for the period	Total equity
Opening balance 1 January, 2021	1 573	283 056	-241 820	42 808
Comprehensive income for the period			-20 551	-20 551
Total comprehensive income for the period	0	0	-20 551	-20 551
Transactions with shareholders				
Share issue	229	44 771	0	45 000
Issue costs	0	-2 196	0	-2 196
Total transactions with shareholders	229	42 575	0	42 804
Closing balance 30 June, 2021	1 801	325 631	-262 371	65 062

KSEK	Attributable to the Parent Company shareholders			
	Share capital	Other contributed capital	Retained earnings, incl compr income for the period	Total equity
Opening balance 1 January, 2021	1 573	283 056	-241 820	42 808
Comprehensive income for the period			-37 270	-37 270
Total comprehensive income for the period	0	0	-37 270	-37 270
Transactions with shareholders				
Share issue	229	44 771	0	45 000
Issue costs	0	-2 196	0	-2 196
Warrants issued	0	169	0	169
Total transactions with shareholders	229	42 745	0	42 973
Closing balance 31 December, 2021	1 801	325 801	-279 090	48 512

Consolidated statement of cash flow

KSEK	1 April - 30 June 2022	1 April - 30 June 2021	1 January - 30 June 2022	1 January - 30 June 2021	1 January - 31 December 2021
Operating activities					
Operating profit/loss before financial items	-9 910	-9 764	-19 662	-20 550	-37 269
Interest received	0	0	0	0	0
Interest paid	0	0	0	0	0
<i>Adjustments for non-cash items</i>					
Depreciation and Impairment of intangible and tangible assets	119	74	237	142	464
Cash flow from operating activities before changes in working capital	-9 791	-9 690	-19 425	-20 408	-36 806
Cash flow from changes in working capital					
Change in operating receivables	-556	-9	767	143	-1 506
Change in operating liabilities	-1 696	-2 108	505	-3 222	-4 330
Cash flow from operating activities	-12 043	-11 807	-18 152	-23 488	-42 641
Investing activities					
Acquisition of intangible assets	-188	-117	-596	-1 089	-1 666
Acquisition of tangible assets	0	-95	-34	-203	-736
Cash flow from investing activities	-188	-212	-630	-1 292	-2 401
Financing activities					
Share issue	4 500	45 000	4 500	45 000	45 000
Issuance costs	-7	-2 196	-7	-2 196	-2 196
Subscription warrants	0	0	0	0	169
Cash flow from financing activities	4 493	42 804	4 493	42 804	42 973
Net cash flow for the period	-7 739	30 785	-14 289	18 024	-2 069
Cash and cash equivalents at the beginning of the period	27 453	23 311	34 003	36 073	36 073
Cash and cash equivalents at the end of the period	19 714	54 096	19 714	54 096	34 003

Income statement Parent company

KSEK	Note	1 April - 30 June 2022	1 April - 30 June 2021	1 January - 30 June 2022	1 January - 30 June 2021	1 January - 31 December 2021
Operating income						
Net sales	2	255	149	813	755	3 554
Other operating income		22	0	39	0	0
Total		276	149	852	755	3 554
Operating expenses						
Other operating expenses		-6 063	-6 836	-12 934	-16 337	-30 043
Personnel costs		-4 000	-2 999	-7 338	-4 821	-10 296
Depreciation and impairment of fixed assets		-119	-74	-237	-142	-464
Total		-10 183	-9 909	-20 509	-21 300	-40 802
Operating result		-9 907	-9 760	-19 657	-20 545	-37 248
Write-down shares in subsidiary		0	0	0	0	-21
Financial income		0	0	0	0	0
Financial expenses		0	0	0	0	0
Net financial items		0	0	0	0	-21
Result after financial items		-9 907	-9 761	-19 658	-20 546	-37 270
Result before tax		-9 907	-9 761	-19 658	-20 546	-37 270
Result for the period		-9 907	-9 761	-19 658	-20 546	-37 270

In the parent company there are no items accounted for in other comprehensive income and total comprehensive income correspond to the result for the period

Balance sheet Parent company

KSEK	Not	30 June 2022	30 June 2021	31 December 2021
ASSETS				
Fixed assets				
Intangible assets				
Capitalized development expenditure		14 983	14 233	14 574
Patents		1 793	1 617	1 677
Total		16 776	15 850	16 250
Tangible assets				
Property, plan and equipment		1 181	928	1 314
Total		1 181	928	1 314
Financial assets				
Interests in group companies		50	50	50
Total		50	50	50
Total fixed assets		18 007	16 827	17 614
Current assets				
Current receivables				
Trade receivables		1 082	0	2 053
Receivables at suppliers		0	890	400
Other current receivables		1 069	810	915
Prepaid expenses and accrued income		1 092	663	643
Total		3 244	2 362	4 011
Cash and cash equivalents		19 680	54 061	33 968
Total current assets		22 923	56 423	37 979
TOTAL ASSETS		40 930	73 250	55 593

Balance sheet Parent company

KSEK	Not	30 June 2022	30 June 2021	31 December 2021
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		1 841	1 801	1 801
Statutory reserve		15 223	15 223	15 223
Fund for development expenditure		14 983	14 233	14 574
Total		32 047	31 257	31 599
Unrestricted equity				
Share premium reserve		298 957	295 175	295 004
Retained earnings (including result for the period)		-297 748	-261 367	-278 091
Total		1 208	33 808	16 913
Total equity		33 255	65 066	48 511
Current liabilities				
Förskott från kunder		104	894	0
Trade payables		2 016	2 785	2 211
Other liabilities		1 044	353	371
Accrued expenses		4 511	4 153	4 500
Total		7 675	8 184	7 082
TOTAL EQUITY AND LIABILITIES		40 930	73 250	55 593

Notes to the group and parent company accounts

Note 1 Accounting principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. For the parent company, the interim report has been prepared in accordance with the Annual Accounts Act. All amounts in this report are in thousands of Swedish kronor (KSEK), unless stated otherwise.

The same accounting principles are applied in this interim report as in the annual report 2021 with the addition below. The interim report should be read together with these. Changed and new standards and interpretations from IASB and IFRS Interpretations Committee that have come into force and are applicable for the financial year 2022 have not had an impact on the group's financial reporting. Nor has changes in RFR2 that have come into force and are applicable from 1 January 2022 had any significant effect on the parent company's financial reports.

Net sales

For LIDDS customer agreement at fixed price the income is based on how large share of the total agreed services to be provided has been delivered. The share of the service that has been delivered is calculated based on actual costs compared to total expected costs to perform the assignment. Estimates for income, costs or the degree of completion of the project is revised if circumstances are changed. An increase or decrease in estimated income or costs that are dependent on a changed assessment, is accounted for in the period the circumstances were known to management. In a fixed price agreement, the transaction price is paid at agreed points in time. If the services delivered exceeds the payment an asset is accounted for as contractual asset and if payments exceed the delivered services a liability is accounted for as contractual liability. Contractual liabilities are accounted for under Advance payments from customers in the balance sheet.

Not 2 Net sales

Group and Parent company, KSEK	1 April - 30 June 2022	1 April - 30 June 2021	1 January - 30 June 2022	1 January - 30 June 2021	1 January - 31 December 2021
Income from external customers					
Research and development services	276	149	852	755	3 554
Licens revenues	0	0	0	0	0
Total	276	149	852	755	3 554

Not 3 Earnings per share

Earnings per share is calculated by dividing the result for the period with a weighted average number of outstanding shares during the period. LIDDS has, and has had outstanding warrants, which could cause dilution. Earnings per share has not been recalculated taking dilution from outstanding warrants into account since the result has been negative and a recalculation would mean an improved earnings per share.

Group and Parent company, KSEK	1 April - 30 June 2022	1 April - 30 June 2021	1 January - 30 June 2022	1 January - 30 June 2021	1 January - 31 December 2021
Result attributable to Parent Company shareholders, KSEK	-9 910	-9 764	-19 662	-20 551	-37 270
Total	-9 910	-9 764	-19 662	-20 551	-37 270
Weighted average number of shares outstanding, thousands	34 115	30 394	34 052	30 035	32 012
Group Earnings per share, SEK	-0,29	-0,32	-0,58	-0,68	-1,16

Not 4 Intangible assets

KSEK	Patents	Other intangible assets	Total
Financial year 2021			
January 1, 2021 opening balance assets	1 381	13 283	14 664
This year's acquisitions	519	1 291	1 810
Depreciation for the year	-105	0	-105
Write-downs for the year	-119	0	-119
Closing carrying amount 30 June, 2021	1 676	14 574	16 250
Financial year 2022			
January 1, 2022 opening balance assets	1 677	14 574	16 250
This year's acquisitions	187	409	596
Divestments and scraps	0	0	0
Depreciation for the year	-70	0	-70
Write-downs for the year	0	0	0
Closing carrying amount 30 June, 2022	1 793	14 983	16 776

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