Interim Report

January – September 2022

LIDDS™

LIDDS AB (publ) Interim Report January – September 2022

July – September

- Net sales amounted to 1.2 (0.4) MSEK
- The operating result for the period was -8.1 (-7.8) MSEK
- The net result was -8.1 (-7.8) MSEK corresponding to earnings per share of SEK -0.23 (-0.26)
- Cash flow from operating activities amounted to -7.3 (-9.2) MSEK
- Cash and cash equivalents amounted to 14.9 (44.2) MSEK

January – September

- Net sales amounted to 2.0 (1.2) MSEK
- The operating result for the period was -27.7 (-28.4) MSEK
- The net result was -27.7 (-28.4) MSEK corresponding to earnings per share of SEK -0.81 (-0.90)
- Cash flow from operating activities amounted to -25.4 (-32.7) MSEK

Significant events January – September

- The R&D project with J&J 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.
- Anders Månsson succeeded Nina Herne as CEO of LIDDS on 1 September 2022

"In summary, I assess that LIDDS has assets that can be developed with a low risk for the biotech industry and potentially great value creation."

Anders Månsson, CEO LIDDS

Financial Overview

KSEK	1 July - 30 September 2022	1 July - 30 September 2021	1 January - 30 September 2022	1 January - 30 September 2021	1 January - 31 December 2021
Net sales	1 186	430	1 998	1 185	3 554
Operating result	-8 082	-7 802	-27 744	-28 352	-37 269
Net result	-8 085	-7 802	-27 747	-28 352	-37 270
Earnings per share, SEK	-0,23	-0,26	-0,81	-0,90	-1,16
Cash flow from operating activities	-7 257	-9 231	-25 409	-32 719	-42 641
Cash and cash equivalents by the end of the period	14 908	44 250	14 908	44 250	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/intratumoral administration, with a maintained and controlled release for up to six months. The technology is versatile, can be used across different drug classes and can solve problems within many indication areas, mainly within oncology. 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

As new CEO of LIDDS since September 1, I have done a thorough review of LIDDS to get a good picture of where the company stands and what needs to be changed. I consider LIDDS a company resting on a versatile technology platform, a platform that has managed to attract a collaboration with Johnson & Johnson that is progressing. In addition, the company has gone ahead and shown the way with its own development of drug candidates based on the platform and on already established substances. The combination of own product development and technology collaborations with large companies based on the platform, I consider to be a well-functioning, synergistic and well-balanced business model.

Therefore, I believe that the journey forward can offer good value development with relatively low risk, among other things because LIDDS in its own portfolio works with established pharmaceutical substances and a depot technology that has already been used successfully in clinical development. There are therefore very few uncertainty factors in the upcoming clinical projects. On the other hand, there can be considerable value in advancing the projects clinically, even without having to advance that far. LIDDS' TLR9 project, Nanoimod (NanoZolid®-formulated agatolimod), has a significant value benchmark in the big pharma company Regeneron's acquisition of Checkmate Pharmaceuticals for 250 MUSD in May this year. The goal of the deal was primarily to take over Checkmate's TLR9 project, which was in early clinical Phase II at the time of the acquisition. LIDDS can start a Phase II clinical study with its drug candidate in the TLR9 area, Nanoimod, in 2024, which means that we can relatively soon advance to a phase where the project is most interesting for acquisition or license. Nanoimod also has a NanoZolid®-based depot formulation that can mean obvious advantages in terms of getting the right level release of drugs in tumors over time for optimal effect, minimal side effects, and with an increased user-friendliness for the patient in question with less frequent injections. The project thus has the potential for great value development with low risk, already in the relatively near future.

The upcoming Phase Ib study with Nanodotax (NanoZolid®-formulated docetaxel) in the indication prostate cancer has no corresponding value reference points in terms of acquisitions. However, the active ingredient has been tried before as a pre-treatment before surgical removal of the prostate. The investigators we are collaborating with on the study are also enthusiastic about the possibility of testing the substance with NanoZolid® formulation for intratumoral injection, a formulation that offers the possibility of increasing the locally available dose while avoiding the systemic side effects that the substance is otherwise characterized by. Nanodotax entails an opportunity for the treatment of prostate cancer but also for the treatment of many other types of cancer where the substance docetaxel is used systemically today.

The company also has a more advanced prostate cancer project in Liproca® Depot, a project which, since the Phase IIb study was completed in 2019, is ready for Phase III. The development results are very good, but my assessment is that the company did not have the capacity for the business development that was required, something that was of course also hampered by the COVID pandemic, and which is possibly the main reason why we do not yet have a license agreement for the product in the EU/USA. Now, however, I believe that the company has upgraded its business skills and capacity, and the pandemic is no longer a significant factor, so the ″redo and do it right″ approach applies here. A number of new initiatives have already been launched, something I will have reasons to return to in detail later on. Of course, it is an impediment that the project has already been available for so long, but if we were to succeed with an out-licensing, such a deal could mean a very large upside in relation to the company's total market valuation. My ambition is to reach such an agreement in 2023.

Further, I believe that great potential lies in the company's depot technology, NanoZolid®. We currently have a joint development project with Johnson & Johnson, one of the world's largest and most reputable pharmaceutical companies. That type of collaboration, which can lead to value-generating licenses, or even the acquisition of the entire company, has the highest priority for me. LIDDS should therefore prioritize achieving one or more collaboration projects of this type, and initiatives in that direction are also on the way with increased presence at congresses such as BIO Europe and Partnerships in Drug Delivery. I believe that we should invest more in partnerships with larger companies in the coming year. It can generate some revenues upfront, it certainly provides cost coverage, and it provides the opportunity for license agreements around NanoZolid® which can generate

great values in the long term. And collaborating with large companies around the platform also means inviting potential candidates for an acquisition to get to know LIDDS and the technology.

As previously announced, there is no doubt that LIDDS will need to refinance to realize the plans we have for next year. Since last winter, the company has had access to a convertible solution with Nice & Green which can provide some flexibility, but it comes at a price, so basically I think that the company and the shareholders are better served by LIDDS having access to traditional risk capital, and we have therefore taken a bridge loan from Erik Penser Bank in order to carry out a refinancing during the first quarter of next year.

With the risk capital we need in place, I assess that LIDDS has assets in both the technology platform and in drug candidates that can be developed with a low risk compared to the biotech industry, and potentially very large value creation. In relation to the current company valuation, either a deal with Liproca®, a deal with a focus on Nanoimod, or a deal regarding the company's NanoZolid® technology itself, could offer a considerable upside and actually be completely transformative for the company. In my opinion, the product and technology development in LIDDS works well. As I see it, the business development has previously been insufficient in the company - now we are changing that and doing the right thing in that area.

Anders Månsson, 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 offer the preferred solution for elegant and optimal drug delivery within oncology – 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 have to terminate their treatment or that the treatment is not efficient. 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/intratumorally 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 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 and improved local drug efficacy when treating with NanoZolid®-formulated drugs.

LIDDS' portfolio is focused on oncology where the benefits of the technology are obvious and where the need for improved treatments is still high since the substances used causes severe side-effects

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 Ib trial in prostate cancer, and Nanoimod, a combination therapy which is being prepared for a clinical Phase Ib study targeting multiple cancer indications. In addition, the company continuously evaluates additional 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 market[1] and trials usually are more costly[2].

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 2026[3], 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, has been developed to treat local 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 period[4]. The number of men diagnosed with prostate cancer is around 1.4 million every year, of which

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[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

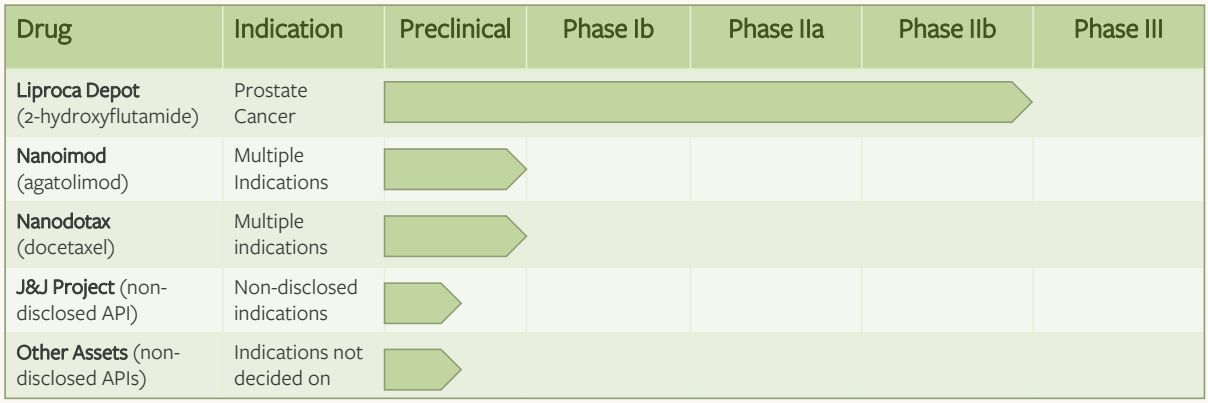
4 https://www.marketdataforecast.com/market-reports/prostate-cancer-market Allied Market Research

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 as an alternative to Active Surveillance.

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 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.



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 is currently being prepared for phase III where LIDDS has received guidance from the European Medical Agency, EMA. LIDDS has previously considered a collaboration partnership in Phase III but is now aiming for a pure outlicensing to a company, which has the competence and financial resources to implement a full-blown clinical Phase III program, with a launch globally or in major markets. The ambition is to conclude such an agreement in 2023.

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 Phase Ib study in prostate cancer patients.

Nanoimod

Nanoimod is the toll-like receptor 9 (TLR9) agonist agatolimod formulated in NanoZolid®. The project is in preclinical development and is being prepared for a Phase Ib clinical study in multiple cancer indications in addition to treatment with Checkpoint inhibitors.

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. LIDDS is interested in formulation collaborations based on the NanoZolid® technology with larger companies. The aim is to offer these companies a technology license for specific oncology indication areas in exchange for future revenues from the developed pharmaceuticals.

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

I 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 and investment companies. Most recently Anders was the CEO of RhoVac AB.

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.
- I 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 have assumed their new roles in the autumn 2022. Annette is part of the management team.
- In July 2022, LIDDS was approved a patent for the manufacturing process of NanoZolid® in Israel.
- The company's CEO and CSO participated in Nordic Life Science Days in Malmö in September 2022.
- The CBDO of LIDDS participated in Bio Europe in Leipzig in October 2022.

- LIDDS' CSO attended PODD, Partnerships in Drug Delivery, which was arranged in Boston USA in October 2022.
- An interview with CEO Anders Månsson was published on the company website in November 2022.

Financial information

Net sales and result for the third quarter 2022

In the third quarter 2022 net sales amounted to 1.2 (0.4) MSEK relating to income from the sale of research and development services under the collaboration agreement with J&J. The operating result for the third quarter 2022 amounted to -8.1 (-7.8) MSEK. The increased costs are mainly explained by higher personnel costs, due to additional employees. Other costs decreased since the company had higher costs for manufacturing of clinical trial material in 2021.

Net sales and result for the first nine months 2022

In the first nine months in 2022 net sales amounted to 2.0 (1.2) 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 nine months 2022 amounted to -27.7 (-28.4) MSEK. The costs are overall at the same level as the first nine months 2021, but in 2022 the costs for personnel and consultants are higher and costs for manufacturing of clinical trial material lower.

Cash flow and investments

Cash flow from the operating activities in the first nine months 2022 amounted to -25.41 (-32.7) MSEK. As part of the cash flow from the operating activities change in operating capital amounted to 2.0 (-4.6) MSEK.

LIDDS cash flow from investment activities in the first nine months 2022 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 July - 30 September 2022	1 July - 30 September 2021	1 January - 30 September 2022	1 January - 30 September 2021	1 January - 31 December 2021
Technology	54	212	462	1 017	1 436
Patents	48	116	235	400	519
Property, plant and equipment	18	456	52	660	736
Total investments	**119**	**784**	**749**	**2 077**	**2 691**

The cash flow from the financing activities for the first six months 2022 amounted to 7.0 (43.0) MSEK.

Total change in cash and cash equivalents in the first nine months 2022 amounted to -19.1 (8.2) MSEK. The company's cash and cash equivalents amounted to 14.9 (44.2) MSEK on 30 September 2022.

Financial position

On 30 September 2022 the equity asset ratio was 70 percent (90) and equity 25.2 (57.4) MSEK.

The company's working capital is not sufficient when the interim report is being published and to secure company financing the company has taken a bridge loan of up to 10 MSEK from Erik Penser Bank. The intention is to re-finance the company during the first quarter 2023.

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 July 2022 was 34,739,791 (33,989,791). The average number of shares in the third quarter 2022 was 34,739,791 (33,989,791) and in the first nine months 2022 34,281,458 (31,353,167).

Shareholders	Number of shares	Share of capital and votes (%)
Avanza Pension, Stockholm	2 909 578	8,4
Daniel Lifveredson, incl shares owned through companies	2 640 929	7,6
Wikow Invest AB	2 365 693	6,8
Swedbank Försäkring	2 243 567	6,5
Bengt Sporre	1 126 880	3,2
Nordnet Pensionsförsäkring AB	1 093 431	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
SEB Life International	528 552	1,5
Ulf Richard Kilander	405 802	1,2
Other	19 289 204	55.5
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 and 2022 the company management underwent a change. The CEO Anders Månsson started in September 2022 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. By the end of September 2022, the number of employees was seven. 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

Year-end Report 2022	24 February 2023
Annual Report	25 April 2023
Interim Report January – March 2023	29 May 2023
Annual General Meeting 2023	29 May 2023

Transactions with related parties

The company has not had any transactions with related parties in the third 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 28 November 2022

LIDDS AB (publ) Board of Directors

Jan Törnell Chairman	David Bejker	Maria Forss
Daniel Lifveredson	Johan Lund	Max Mitteregger
Anders Månsson CEO		

Consolidated statement of comprehensive income

KSEK	Note	1 July - 30 September 2022	1 July - 30 September 2021	1 January - 30 September 2022	1 January - 30 September 2021	1 January - 31 December 2021
Operating income						
Net sales	2	1 186	430	1 998	1 185	3 554
Other operating income		0	0	39	0	0
Total		**1 186**	**430**	**2 038**	**1 185**	**3 554**
Operating expenses						
External operating expenses		-4 957	-5 837	-17 895	-22 179	-30 064
Personnel costs		-4 190	-2 305	-11 528	-7 126	-10 296
Depreciation and impairment of fixed assets		-122	-90	-359	-233	-464
Total		**-9 268**	**-8 232**	**-29 782**	**-29 537**	**-40 823**
Operating result		**-8 082**	**-7 802**	**-27 744**	**-28 352**	**-37 269**
Financial income		0	0	0	0	0
Financial expenses		-2	0	-3	0	0
Total		**-2**	**0**	**-3**	**0**	**0**
Result after financial items		**-8 085**	**-7 802**	**-27 747**	**-28 352**	**-37 270**
Result before tax		**-8 085**	**-7 802**	**-27 747**	**-28 352**	**-37 270**
Result for the period		**-8 085**	**-7 802**	**-27 747**	**-28 352**	**-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 July - 30 September 2022	1 July - 30 September 2021	1 January - 30 September 2022	1 January - 30 September 2021	1 January - 31 December 2021
Earnings per share before/ after dilution, SEK	3	-0,23	-0,26	-0,81	-0,90	-1,16

Consolidated balance sheet

KSEK	Note	30 September 2022	30 September 2021	31 December 2021
ASSETS				
Fixed assets				
Intangible assets	4			
Capitalized development expenditure		15 036	14 445	14 574
Patents		1 803	1 704	1 677
Total		**16 840**	**16 149**	**16 250**
Tangible assets				
Property, plan and equipment		1 114	1 322	1 314
Total		**1 114**	**1 322**	**1 314**
Total non-current assets		**17 954**	**17 471**	**17 564**
Current assets				
Current receivables				
Trade receivables		983	0	2 053
Receivables at suppliers		488	417	400
Other current receivables		691	1 036	915
		110	0	0
Prepaid expenses and accrued income		987	687	643
Total		**3 261**	**2 140**	**4 011**
Cash and cash equivalents		14 908	44 250	34 003
Total current assets		**18 168**	**46 390**	**38 014**
TOTAL ASSETS		**36 122**	**63 861**	**55 579**
EQUITY AND LIABILITIES				
Equity				
Share capital		1 841	1 801	1 801
Additional paid-in capital		330 163	325 801	325 801
Retained earnings (including loss for the period)		-306 837	-270 173	-279 090
Total equity attributable to Parent Company shareholders		**25 167**	**57 429**	**48 512**
Current liabilities				
Advance payments from customers		0	321	0
Trade payables		3 163	1 776	2 211
Other current liabilities		3 192	268	341
Accrued expenses and deferred income		4 600	4 067	4 515
Total		**10 955**	**6 432**	**7 066**
TOTAL EQUITY AND LIABILITIES		**36 122**	**63 861**	**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			-27 747	-27 747
Total comprehensive income for the period	**0**	**0**	**-27 747**	**-27 747**
Transactions with shareholders				
Share issue	**40**	**4 460**	**0**	**4 500**
Issue costs	0	-98	0	-98
Total transactions with shareholders	**40**	**4 363**	**0**	**4 402**
Closing balance 30 September, 2022	**1 841**	**330 163**	**-306 837**	**25 167**

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			-28 352	-28 352
Total comprehensive income for the period	**0**	**0**	**-28 352**	**-28 352**
Transactions with shareholders				
Share issue	**229**	**44 771**	**0**	**45 000**
Issue costs	0	-2 196	0	-2 196
		170		170
Total transactions with shareholders	**229**	**42 745**	**0**	**42 974**
Closing balance 30 September, 2021	**1 801**	**325 801**	**-270 173**	**57 429**

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	170	0	170
Total transactions with shareholders	**229**	**42 745**	**0**	**42 974**
Closing balance 31 December, 2021	**1 801**	**325 801**	**-279 090**	**48 513**

Consolidated statement of cash flow

KSEK	1 July - 30 September 2022	1 July - 30 September 2021	1 January - 30 September 2022	1 January - 30 September 2021	1 January - 31 December 2021
Operating activities					
Operating profit/loss before financial items	-8 082	-7 802	-27 744	-28 352	-37 269
Interest received	0	0	0	0	0
Interest paid	-2	0	-3	0	0
Adjustments for non-cash items					
Depreciation and Impairment of intangible and tangible assets	122	90	359	233	464
Cash flow from operating activities before changes in working capital	**-7 963**	**-7 712**	**-27 388**	**-28 120**	**-36 806**
Cash flow from changes in working capital					
Change in operating receivables	-17	223	750	365	-1 506
Change in operating liabilities	723	-1 743	1 228	-4 965	-4 330
Cash flow from operating activities	**-7 257**	**-9 231**	**-25 409**	**-32 719**	**-42 641**
Investing activities					
Acquisition of intangible assets	-102	-328	-697	-1 417	-1 666
Acquisition of tangible assets	-18	-456	-52	-660	-736
Cash flow from investing activities	**-119**	**-784**	**-749**	**-2 077**	**-2 401**
Financing activities					
Share issue	0	0	4 500	45 000	45 000
Issuance costs	-91	0	-98	-2 196	-2 196
Subscription warrants	0	169	0	169	169
Payment convertible loan	2 660	0	2 660	0	0
Cash flow from financing activities	**2 569**	**169**	**7 062**	**42 973**	**42 973**
Net cash flow for the period	**-4 807**	**-9 847**	**-19 096**	**8 177**	**-2 069**
Cash and cash equivalents at the beginning of the period	19 714	54 096	34 003	36 073	36 073
Cash and cash equivalents at the end of the period	**14 908**	**44 250**	**14 908**	**44 250**	**34 003**

Income statement Parent company

KSEK	Note	1 July - 30 September 2022	1 July - 30 September 2021	1 January - 30 September 2022	1 January - 30 September 2021	1 January - 31 December 2021
Operating income						
Net sales	2	1 186	430	1 998	1 185	3 554
Other operating income		0	0	39	0	0
Total		**1 186**	**430**	**2 038**	**1 185**	**3 554**
Operating expenses						
Other operating expenses		-4 956	-5 836	-17 889	-22 173	-30 043
Personnel costs		-4 190	-2 305	-11 528	-7 126	-10 296
Depreciation and impairment of fixed assets		-122	-90	-359	-233	-464
Total		**-9 268**	**-8 231**	**-29 776**	**-29 531**	**-40 802**
Operating result		**-8 082**	**-7 801**	**-27 739**	**-28 346**	**-37 248**
Write-down shares in subsidiary		0	0	0	0	-21
Financial income		0	0	0	0	0
Financial expenses		-2	0	-3	0	0
Net financial items		**-2**	**0**	**-3**	**0**	**-21**
Result after financial items		**-8 084**	**-7 801**	**-27 742**	**-28 347**	**-37 270**
Result before tax		**-8 084**	**-7 801**	**-27 742**	**-28 347**	**-37 270**
Result for the period		**-8 084**	**-7 801**	**-27 742**	**-28 347**	**-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 September 2022	30 September 2021	31 December 2021
ASSETS				
Fixed assets				
Intangible assets				
Capitalized development expenditure		15 036	14 445	14 574
Patents		1 803	1 704	1 677
Total		**16 840**	**16 149**	**16 250**
Tangible assets				
Property, plan and equipment		1 114	1 322	1 314
Total		**1 114**	**1 322**	**1 314**
Financial assets				
Interests in group companies		50	50	50
Total		**50**	**50**	**50**
Total fixed assets		**18 004**	**17 521**	**17 614**
Current assets				
Current receivalbes				
Trade receivables		983	0	2 053
Receivables at suppliers		488	417	400
Other current receivables		691	1 036	915
Accumulataed not invoiced revenue		110	0	0
Prepaid expenses and accrued income		987	687	643
Total		**3 261**	**2 140**	**4 011**
Cash and cash equivalents		14 873	44 215	33 968
Total current assets		**18 134**	**46 354**	**37 979**
TOTAL ASSETS		**36 138**	**63 875**	**55 593**

Balance sheet Parent company

KSEK	Not	30 September 2022	30 September 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		15 036	14 445	14 574
Total		**32 101**	**31 470**	**31 599**
Unrestricted equity				
Share premium reserve		298 904	295 132	295 004
Retained earnings (including result for the period)		-305 833	-269 168	-278 091
Total		**-6 929**	**25 965**	**16 913**
Total equity		**25 172**	**57 434**	**48 511**
Current liabilibies				
Förskott från kunder		0	321	0
Trade payables		3 163	1 776	2 211
Other liabilities		3 204	278	371
Accrued expenses		4 599	4 067	4 500
Total		**10 966**	**6 441**	**7 082**
TOTAL EQUITY AND LIABILITIES		**36 138**	**63 875**	**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 July - 30 September 2022	1 July - 30 September 2021	1 January - 30 September 2022	1 January - 30 September 2021	1 January - 31 December 2021
Income from external customers					
Research and development services	1 186	430	1 998	1 185	3 554
Licens revenues	0	0	0	0	0
Total	**1 186**	**430**	**1 998**	**1 185**	**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 July - 30 September 2022	1 July - 30 September 2021	1 January - 30 September 2022	1 January - 30 September 2021	1 January - 31 December 2021
Result attributable to Parent Company shareholders, KSEK	-8 085	-7 802	-27 747	-28 352	-37 270
Total	**-8 085**	**-7 802**	**-27 747**	**-28 352**	**-37 270**
Weighted average number of shares outstanding, thousands	**34 740**	**30 394**	**34 281**	**31 353**	**32 012**
Group Earnings per share, SEK	**-0,23**	**-0,26**	**-0,81**	**-0,90**	**-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	400	1 307	1 707
Depreciation for the year	-77	-145	-222
Write-downs for the year	0	0	0
Closing carrying amount 30 September, 2021	**1 704**	**14 445**	**16 149**
Financial year 2022			
January 1, 2022 opening balance assets	1 677	14 574	16 250
This year's acquisitions	235	462	697
Divestments and scraps	0	0	0
Depreciation for the year	-108	0	-108
Write-downs for the year	0	0	0
Closing carrying amount 30 September, 2022	**1 803**	**15 036**	**16 840**

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Corporate registration number: 556580–2856