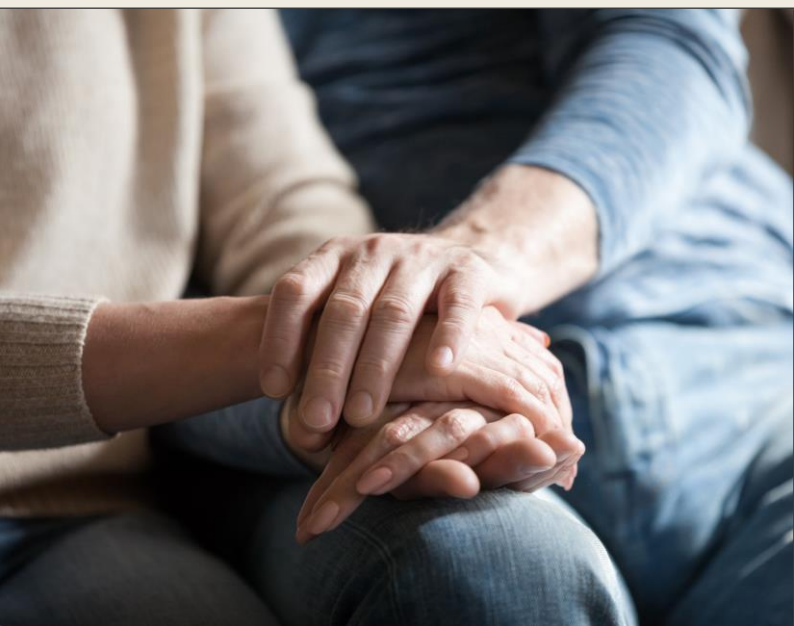




Interim Report

January – September 2023



LIDSTM

LIDDS AB (publ) Interim Report January – September 2023

July – September 2023

- Net sales amounted to 0 (1.2) MSEK
- The operating result for the period was -4.5 (-8.1) MSEK
- The net result was -4.5 (-8.1) MSEK corresponding to earnings per share of SEK -0.07 (-0.24)
- Cash flow from operating activities amounted to -5.5 (-7.3) MSEK
- Cash and cash equivalents amounted to 17.1 (14.9) MSEK

January – September 2023

- Net sales amounted to 0 (2.0) MSEK
- The operating result for the period was -21.5 (-27.7) MSEK
- The net result was -21.5 (-27.7) MSEK corresponding to earnings per share of SEK -0.35 (-0.81)
- Cash flow from operating activities amounted to -22.7 (-25.4) MSEK

Significant events January – September

- The rights issue was approved at an EGM in January, 2023 and was completed in February, 2023. Approximately 72.7 percent of the rights issue, were subscribed for. The bottom guarantors were allocated approx 8.6 percent of the rights issue, and the top guarantors approx 14.4 percent of the rights issue. The company received approximately SEK 46.5 million before issue costs. Three of the guarantors chose compensation in the form of shares.
- The company implements significant cost containment measures to maximize the possibility of reaching a license agreement without the need for further financing. The decision means that further investments in clinical development will be held back until licensing agreements can be secured. Staff reductions have been implemented and Anders Månsson left the CEO role in August 2023. The board appointed Matthew Lindon as acting CEO.
- Max Mitteregger resigns from the Board of Directors
- The collaboration agreement with Johnson & Johnson Enterprise Innovation Inc is closed.

Events after the reporting period

- Jenni Björnulfson is being appointed CEO.

Financial Overview

KSEK	1 July - 30 September 2023	1 July - 30 September 2022	1 January - 30 September 2023	1 January - 30 September 2022	1 January - 31 December 2022
Net sales	0	1 186	0	1 998	1 888
Operating result	-4 531	-8 082	-21 485	-27 744	-36 617
Net result	-4 533	-8 085	-21 543	-27 747	-36 860
Earnings per share, SEK	-0,07	-0,24	-0,35	-0,81	-1,07
Cash flow from operating activities	-5 535	-7 257	-22 720	-25 409	-35 592
Cash and cash equivalents by the end of the period	17 094	14 908	17 094	14 908	5 258

LIDDS in brief:

LIDDS is a Swedish drug delivery company based on the proprietary technology NanoZolid®. With NanoZolid®, LIDDS can formulate drugs for local/intratatumoral 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 Statement

The focus for LIDDS in the third quarter was to complete on the plans put in place during the first half of 2023. Primarily, to license our portfolio of NanoZolid developed products and secondly, to reduce costs giving the strategy sufficient time to be successful where possible. Fundamental for us has been the work with Alira Health to seek a partner for Liproca Depot. My objective as acting CEO since the summer has been to provide the stability and continuity to give these ambitions the best chance of success. However, as we move towards the end of the year, we must be realistic on the probability of success and be proactive on what comes next.

Over the last 18 months LIDDS has given business development the highest priority, where Alira Health have been a key partner in our search for a meaningful transaction for Liproca Depot in particular, but also the wider portfolio. This work has been aimed at demonstrating the commercial attractiveness of our lead asset as well as providing wider validation for the portfolio. Unfortunately, these efforts have coincided with the toughest market conditions seen in the Biotech space for many years.

Working with Alira has seen LIDDS reach out to over 200 companies over the last 12 months. Companies were selected for their specific interest in oncology and urology, incorporating the full spectrum of companies from multinational pharma companies to smaller specialist companies. As things stand today, most of the companies approached have so far declined the opportunity to license assets from LIDDS. We continue to work on the remaining options and keep channels of communication open for the future, but we must be realistic with our expectations for a major partner to license Liproca and the other assets. This is, of course, very disappointing, but we must learn from the exercise, be agile with the opportunities remaining, whilst also proactively working on alternative strategies for the assets and the business as a whole. These alternatives will be a major focus for LIDDS going forward.

The circumstances we are in validate the decisions taken in early summer to save costs and make the organisation leaner. Savings made will have full effect from 1 January 2024, which means that we now have a cash runway that is expected to extend into 2025. This is critical, as it gives the management and board time to consider a broad spectrum of opportunities and make well-considered decisions. Right now, nothing is off the table, we are committed to finding and increasing shareholder value wherever it can be found. This is a work already in progress. One example is our decision to find a path forward for the Nanodotax product and the DTX-002 clinical study. This was one of the activities that was put on hold earlier in the summer, but which we now have the ambition to restart in the new year, but at significantly lower cost to LIDDS. There is value in these assets, and while conditions are tough, we must continue to seek innovative ways to move the pipeline forward at every opportunity.



Finally, as we shape the business for 2024, we will do so with a revised management structure, further contributing to the savings and extending the cash runway. I took on the role as acting CEO during the summer with the ambition to provide continuity and stability at a turbulent time, and to complete the business objectives and processes that we had begun. As we complete those now, it is also time for me to move on to pastures new. I will leave LIDDS with some sadness, but I am very confident in my successor, Jenni Björnulfsson, as CEO. She has been with LIDDS since 2021 and knows the business very well. As we now consider all options for LIDDS, her experience and skillset are vital and valuable. I will remain with the business, at least until year end, and will support Jenni and the board in my role as CSO.

Matthew Lindon, CSO & Acting-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 controlled release for up to six months. The technology offers an opportunity to improve 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. 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 has shown good effect in Phase IIb. The company also has two projects being prepared for Phase Ib clinical trials.

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

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), a prostate cancer treatment that has shown good effect in Phase IIb, Nanodotax, a NanoZolid® formulated cytotoxic drug (docetaxel), and Nanoimod, a combination therapy with checkpointinhibitors, which both are being prepared for clinical Phase Ib studies.

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

The global market for pharmaceutical drug delivery was worth approximately is expected to grow close to 6 percent until 2026. The global oncology market includes more than 19 million new cases every year, projected to reach 30 million cases in 2040².

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 period³. The number of men diagnosed with prostate cancer is around 1.4 million every year, of which approximately 420,000 are diagnosed with a localized prostate cancer with low or intermediate risk of cancer progression⁴ (Active Surveillance Patients). Liproca® Depot is developed as an alternative to Active Surveillance.

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

² <https://www.statista.com/statistics/373946/global-spending-and-growth-in-oncology-market/>

³ <https://www.marketdataforecast.com/market-reports/prostate-cancer-market> Allied Market Research

⁴ Global data

Validated approach

LIDDS has validated its NanoZolid® technology and partnering abilities by entering four different partnering agreements the last five years. The technology is also validated by clinical phase II results.

LIDDS Oncology Pipeline

Drug	Indication	Preclinical	Phase I	Phase IIa	Phase IIb	Phase III	
Liproca® Depot (2-hydroxyflutamide)	Prostate cancer	▶					
Nanodotax (docetaxel)	Multiple Indications	▶					
Nanoimod (agatolimod)	Multiple Indications	▶					
Other Assets (non-disclosed APIs)	Indications not decided on	▶					

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 being prepared for Phase III where LIDDS has received guidance from the European Medical Agency, EMA. LIDDS is aiming for a pure outlicensing of Liproca Depot 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 immunological biomarkers indicating that the immune system was responding positively and specifically to the tumors. The project is Phase Ib ready, but LIDDS has decided not to initiate the study to increase the financial runway in order to improve the possibility to reach a licensing agreement for Liproca® Depot or other projects.

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 malign melanoma in addition to treatment with Checkpoint inhibitors.

Significant events during the reporting period

Outcome of the rights issue

In February 2023, the outcome of the rights issue was announced, which was approved by the extraordinary general meeting on January 9, 2023. The subscription summary showed that 25,253,268 shares, corresponding to approximately 72.7 percent of the rights issue, were subscribed for with or without the support of subscription rights, of which 20,688,813 shares, corresponding to approximately 59.6 percent of the rights issue was subscribed with the support of subscription rights and 4,564,455 shares, corresponding to approximately 13.1 percent of the rights issue, were subscribed without the support of subscription rights. The bottom guarantors were allocated approximately 8.6 percent of the rights issue, and the top guarantor approximately 14.4 percent. In total, approximately 95.7 percent of the rights issue was subscribed, and the company received approximately SEK 46.5 million before issue costs. Three guarantors chose shares instead of cash meaning the numbers of shares after the issue is 68,231,663.

Cost containment measures to maximize the runway to reach a License Agreement

In June 2023 the company announced that significant cost containment measures will be implemented to maximize the runway for licensing agreements without the need for further financing. The decision means that investments in clinical development will be held back until licensing agreements can be secured. Staff reductions have been made and as part of this it was also announced that Anders Månsson would leave the CEO position in August 2023. The Board of Directors appointed Matthew Lindon acting CEO.

Max Mitteregger resigns from the Board of Directors

In July 2023 the company announced that Max Mitteregger resigns from the Board of Directors at his own request. The Board thus consists of Pontus Ottosson (Chairman), David Bejker, Daniel Lifveredson and Johan Lund.

The collaboration agreement with Johnson & Johnson Enterprise Innovation Inc is closed.

In July 2023 it was announced that the collaboration agreement with Johnson & Johnson Enterprise Innovation Inc was closed. LIDDS delivered a final report from the collaboration at the joint research committee, which was announced in May 2023. Johnson & Johnson Enterprise Innovation Inc chose not to continue the development activities further. The collaboration was formed in 2021 with the aim to develop an oncology product based on the NanoZolid® technology for an undisclosed indication.

Events after the reporting period

Jenni Björnulfson is appointed CEO

In November 2023 the company announced that Jenni Björnulfson is being appointed CEO starting 1 December 2023. She will continue in the role of CFO in parallel with her new position. Matthew Lindon remains as CSO until the end of the year.

Other events

- In January 2023 the company announced that an agreement was signed with Alira Health for business development support, with focus on outlicensing both company product candidates and technology.
- In March 2023 the company announced changes in the organization. The previous consultant Chief Medical Officer, Dr Johan Harmenberg, was replaced by Dr Roger Belusa on consultancy basis. Annette Møldrup, probationary CBDO, left the company and the business development was taken over by CEO Anders Månsson together with Alira Health.
- The company CEO Anders Månsson participated in BIO-Europe Spring Meeting, in Basel, Switzerland in March 2023.
- LIDDS CEO Anders Månsson and CSO Matthew Lindon participated in LSX World Congress in London, UK, in May 2023. The meeting focused on partnering, strategy & investment for life science executive leaders.
- In May 2023, LIDDS CSO Matthew Lindon participated in ELRIG Therapeutic Oligo and European Chemical Biology symposium at AstraZeneca in Gothenburg with a poster on LIDDS' Nanoimod-project.
- LIDDS' Head of preclinic, Erwin Brenndörfer participated in European Association for Cancer Research (EACR) "Defence is the Best Attack: Immuno-Oncology Breakthroughs" with a poster on LIDDS' Nanoimod-project in May 2023 in Barcelona, Spain.
- LIDDS' CEO Anders Månsson participated in US BIO in Boston, USA, in June 2023. US BIO is the world's largest meeting place for companies in the pharmaceutical and biotechnology sectors.

Financial information

Net sales and result for the third quarter 2023

In the third quarter 2023 net sales amounted to 0 (1.2) MSEK. The income in 2022 related to sales of research and development services under the collaboration agreement with J&J. The operating result for the third quarter 2023 amounted to -4.5 (-8.1) MSEK. The costs decreased in 2023 mainly due to decreased costs for manufacturing of clinical trial material and reduced use of consultants.

Net sales and result for the first nine months 2023

In the first nine months in 2023 net sales amounted to 0 (2.0) MSEK. Sales in 2022 related 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 2023 amounted to -21.5 (-29.8) MSEK. The costs have decreased compared to the first nine months in 2022, mainly due to decreased manufacturing and preclinical costs.

Cash flow and investments

Cash flow from the operating activities in the first nine months 2023 amounted to -22.7 (-25.4) MSEK. As part of the cash flow from the operating activities change in operating capital amounted to -1.5 (2.0) MSEK. The negative cash flow from the operating activities is explained by the company's costs for research and development projects and business development.

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

KSEK	1 July - 30 September 2023	1 July - 30 September 2022	1 January - 30 September 2023	1 January - 30 September 2022	1 January - 31 December 2022
Technology	51	54	101	462	500
Patents	27	48	98	235	259
Property, plant and equipment	0	18	0	52	52
Total investments	78	119	199	749	810

The cash flow from the financing activities for the first nine months 2023 amounted to 34.8 (7.1) MSEK and was related to the preferential rights issue. In 2022, the company performed a smaller directed share issue.

Total change in cash and cash equivalents in the first nine months 2023 amounted to 11.8 (-19.1) MSEK. The company's cash and cash equivalents amounted to 17.1 (14.9) MSEK on 30 September 2023.

Financial position

On 30 September 2023 the equity asset ratio was 89 percent (70) and equity 32.6 (25.2) MSEK.

LIDDS performed a rights issue with preferential rights for the shareholders during the first quarter 2023. The company does not view further such financing as a near-term option, but it is instead fully committed to cutting costs to maximally extend the runway to reach a license agreement. The decision means further investments in clinical development will be held back until licensing agreements can be secured. Staff reductions have been done. If a licensing agreement cannot be reached there is a risk to the company's survival.

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 2023 was 68,231,663 (33,989,791) and of 30 September 2023 68,231,663 (34,739,791). The average number of shares in the third quarter 2023 was 68,231,663 (34,114,791) and in the first nine months 2023 61,659,922 (34,281,458).

The company's largest shareholders on 30 September 2023

Shareholders	Number of shares	Share of capital and votes (%)
Avanza Pension, Stockholm	8 456 457	12,4
Wikow Invest AB	4 151 408	6,1
Nordnet Pensionsförsäkring AB	3 560 179	5,2
Daniel Lifveredson, incl shares owned through companies	2 790 929	4,1
Hans Isoz	2 000 000	2,9
Swedbank Försäkring	1 969 443	2,9
SEB Life International	1 078 392	1,6
Westlight	1 045 735	1,5
August Martin Valdemar Hammarstedt	1 000 000	1,5
Viktor Lindström	887 985	1,3
Martin Hansson	808 150	1,2
Other	40 482 985	59,3
Total	68 231 663	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' organization is undergoing 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 September 2023, four people were employed.

Financial calendar

Year-end Report 2023	22 February 2024
Interim Report January – March 2024	15 May 2024
Annual General Meeting	15 May 2024
Interim Report January – June 2024	28 August 2024

Transactions with related parties

The company has not had any transactions with related parties in the third quarter 2023 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.

Uppsala 28 November 2023

LIDDS AB (publ) Board of Directors

Pontus Ottosson
Chairman

David Beijker

Daniel Lifveredson

Johan Lund

Matthew Lindon
Acting CEO

Consolidated statement of comprehensive income

KSEK	Note	1 July - 30 September 2023	1 July - 30 September 2022	1 January - 30 September 2023	1 January - 30 September 2022	1 January - 31 December 2022
Operating income						
Net sales	2	0	1 186	0	1 998	1 888
Other operating income		0	0	0	39	2
Total		0	1 186	0	2 038	1 890
Operating expenses						
External operating expenses		-1 781	-4 957	-11 348	-17 895	-22 709
Personnel costs		-2 631	-4 190	-9 782	-11 528	-15 315
Depreciation and impairment of fixed assets		-119	-122	-355	-359	-484
Total		-4 531	-9 268	-21 485	-29 782	-38 507
Operating result		-4 531	-8 082	-21 485	-27 744	-36 617
Financial income		0	0	1	0	19
Financial expenses		-3	-2	-60	-3	-262
Total		-2	-2	-58	-3	-243
Result after financial items		-4 533	-8 085	-21 543	-27 747	-36 860
Result before tax		-4 533	-8 085	-21 543	-27 747	-36 860
Result for the period		-4 533	-8 085	-21 543	-27 747	-36 860

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 2023	1 July - 30 September 2022	1 January - 30 September 2023	1 January - 30 September 2022	1 January - 31 December 2022
Earnings per share before/ after dilution, SEK	3	-0,07	-0,24	-0,41	-0,81	-1,07

Consolidated balance sheet

KSEK	Note	30 September 2023	30 September 2022	31 December 2022
ASSETS				
Fixed assets				
Intangible assets	4			
Capitalized development expenditure		15 175	15 036	15 073
Patents		1 785	1 803	1 787
Total		16 959	16 840	16 861
Tangible assets				
Property, plant and equipment		776	1 114	1 030
Total		776	1 114	1 030
Total non-current assets		17 735	17 954	17 891
Current assets				
Current receivables				
Trade receivables		0	983	1 002
Receivables at suppliers		0	488	8
Other current receivables		650	691	950
		0	110	0
Prepaid expenses and accrued income		938	987	812
Total		1 588	3 261	2 771
Cash and cash equivalents		17 094	14 908	5 258
Total current assets		18 683	18 168	8 029
TOTAL ASSETS		36 418	36 122	25 920
EQUITY AND LIABILITIES				
Equity				
Share capital		3 616	1 841	1 841
Additional paid-in capital		366 438	330 163	329 458
Retained earnings (including loss for the period)		-337 493	-306 837	-315 950
Total equity attributable to Parent Company shareholders		32 561	25 167	15 349
Current liabilities				
Trade payables		1 465	3 163	1 584
Other current liabilities		337	3 192	463
Accrued expenses and deferred income		2 055	4 600	4 531
Total		3 856	10 955	10 571
TOTAL EQUITY AND LIABILITIES		36 418	36 122	25 920

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, 2023	1 841	329 458	-315 950	15 349
Comprehensive income for the period			-21 543	-21 543
Total comprehensive income for the period	0	0	-21 543	-21 543

Transactions with shareholders

Share issue	1 775	40 464	0	42 239
Issue costs	0	-3 483	0	-3 483
Total transactions with shareholders	1 775	36 980	0	38 755
Closing balance 30 September, 2023	3 616	366 438	-337 493	32 561

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, 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			Total equity
	Share capital	Other contributed capital	Retained earnings, incl compr income for the period	
Opening balance 1 January, 2022	1 801	325 801	-279 090	48 512
Comprehensive income for the period			-36 860	-36 860
Total comprehensive income for the period	0	0	-36 860	-36 860

Transactions with shareholders

Share issue	40	4 460	0	4 500
Issue costs	0	-803	0	-803
Total transactions with shareholders	40	3 657	0	3 697
Closing balance 31 December, 2022	1 841	329 458	-315 950	15 349

Consolidated statement of cash flow

KSEK	1 July - 30 September 2023	1 July - 30 September 2022	1 January - 30 September 2023	1 January - 30 September 2022	1 January - 31 December 2022
Operating activities					
Operating profit/loss before financial items	-4 531	-8 082	-21 485	-27 744	-36 617
Interest received	0	0	1	0	19
Interest paid	-3	-2	-93	-3	-228
<i>Adjustments for non-cash items</i>					
Depreciation and Impairment of intangible and tangible assets	119	122	355	359	484
	0	0	0	0	-34
Cash flow from operating activities before changes in working capital	-4 414	-7 963	-21 222	-27 388	-36 376
Cash flow from changes in working capital					
Change in operating receivables	140	-17	1 183	750	1 239
Change in operating liabilities	-1 261	723	-2 681	1 228	-456
Cash flow from operating activities	-5 535	-7 257	-22 720	-25 409	-35 593
Investing activities					
Acquisition of intangible assets	-78	-102	-199	-697	-759
Acquisition of tangible assets	0	-18	0	-52	-52
Cash flow from investing activities	-78	-119	-199	-748	-810
Financing activities					
Share issue	0	0	42 239	4 500	4 500
Issuance costs	0	-91	-3 483	-98	-803
Subscription warrants	0	0	0	0	0
Net borrowings	0	0	0	0	6 620
Payment convertible loan	0	2 660	-4 000	0	-2 660
Cash flow from financing activities	0	2 569	34 755	4 402	7 657
Net cash flow for the period	-5 613	-4 807	11 836	-21 755	-28 746
Cash and cash equivalents at the beginning of the period	22 708	19 714	5 258	34 003	34 003
Cash and cash equivalents at the end of the period	17 094	14 908	17 094	12 248	5 258

Income statement Parent company

KSEK	Note	1 July - 30 September 2023	1 July - 30 September 2022	1 January - 30 September 2023	1 January - 30 September 2022	1 January - 31 December 2022
Operating income						
Net sales	2	0	1 186	0	1 998	1 888
Other operating income		0	0	0	39	2
Total		0	1 186	0	2 038	1 890
Operating expenses						
Other operating expenses		-1 781	-4 956	-11 328	-17 889	-22 685
Personnel costs		-2 631	-4 190	-9 782	-11 528	-15 315
Depreciation and impairment of fixed assets		-119	-122	-355	-359	-484
Total		-4 531	-9 268	-21 466	-29 776	-38 484
Operating result		-4 531	-8 082	-21 466	-27 739	-36 593
Write-down shares in subsidiary		0	0	0	0	-24
Financial income		0	0	1	0	19
Financial expenses		-3	-2	-60	-3	-262
Net financial items		-2	-2	-58	-3	-267
Result after financial items		-4 533	-8 084	-21 524	-27 742	-36 860
Result before tax		-4 533	-8 084	-21 524	-27 742	-36 860
Result for the period		-4 533	-8 084	-21 524	-27 742	-36 860

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 2023	30 September 2022	31 December 2022
ASSETS				
Fixed assets				
Intangible assets				
Capitalized development expenditure		15 175	15 036	15 073
Patents		1 785	1 803	1 787
Total		16 959	16 840	16 861
Tangible assets				
Property, plan and equipment		776	1 114	1 030
Total		776	1 114	1 030
Financial assets				
Interests in group companies		50	50	50
Total		50	50	50
Total fixed assets		17 785	18 004	17 941
Current assets				
Current receivables				
Trade receivables		0	983	1 002
Receivables at suppliers		0	488	8
Other current receivables		650	691	950
Accumulataed not invoiced revenue		0	110	0
Prepaid expenses and accrued income		938	987	812
Total		1 588	3 261	2 771
Cash and cash equivalents		17 061	14 873	5 224
Total current assets		18 650	18 134	7 995
TOTAL ASSETS		36 435	36 138	25 936

Balance sheet parent company

KSEK	Not	30 September 2023	30 September 2022	31 December 2022
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		3 616	1 841	1 841
Statutory reserve		15 223	15 223	15 223
Fund for development expenditure		15 175	14 983	15 073
Total		34 014	32 047	32 138
Unrestricted equity				
Share premium reserve		335 040	298 957	298 161
Retained earnings (including result for the period)		-336 475	-297 748	-314 951
Total		-1 435	1 208	-16 790
Total equity		32 579	33 255	15 348
Current liabilities				
Other liabilities to credit institutions		0	0	3 994
Förskott från kunder		0	104	0
Trade payables		1 465	2 016	1 584
Other liabilities		353	1 044	498
Accrued expenses		2 037	4 511	4 513
Total		3 855	7 675	10 588
TOTAL EQUITY AND LIABILITIES		36 435	40 930	25 936

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 2022 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 2023 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.

Note 2 Net sales

Group and Parent company, KSEK	1 July - 30 September 2023	1 July - 30 September 2022	1 January - 30 September 2023	1 January - 30 September 2022	1 January - 31 December 2022
Income from external customers					
Research and development services	0	1 186	0	1 998	1 888
Licens revenues	0	0	0	0	0
Total	0	1 186	0	1 998	1 888

Note 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 2023	1 July - 30 September 2022	1 January - 30 September 2023	1 January - 30 September 2022	1 January - 31 December 2022
Result attributable to Parent Company shareholders, KSEK	-4 533	-8 085	-21 543	-27 747	-36 860
Total	-4 533	-8 085	-21 543	-27 747	-36 860
Weighted average number of shares outstanding, thousands	68 232	34 115	52 096	34 281	34 396
Group Earnings per share, SEK	-0,07	-0,24	-0,41	-0,81	-1,07

Note 4 Intangible assets

KSEK	Patents	Other intangible assets	Total
Financial year 2022			
January 1, 2022 opening balance assets	1 677	14 574	16 250
This year's acquisitions	235	462	697
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
Financial year 2023			
January 1, 2023 opening balance assets	1 787	15 073	16 861
This year's acquisitions	98	101	199
Divestments and scraps	0	0	0
Depreciation for the year	-101	0	-101
Write-downs for the year	0	0	0
Closing carrying amount 30 September, 2023	1 785	15 175	16 959

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