PRESS RELEASE
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LIDDS announces Cost Containment Measures to maximise the runway to reach a License Agreement

UPPSALA, SWEDEN – LIDDS AB (publ) announces today that the company will implement significant cost containment measures to maximise the runway for business development and potential license agreements without the need for further financing. These measures mean that further investments in clinical development will be held back until licensing agreements can be secured. Redundancies in the company's personnel will also be considered.

LIDDS refinanced in February this year, through a rights issue, and 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 for Liproca® Depot and/or other assets with existing funding. This will require cost containment measures on all expenses not invested in the licensing process. A cut-back on staff will also be considered.

Given the significant decrease in company operations caused by this decision, the Board has reached an agreement with CEO, Anders Månsson, which means that he will work part-time as CEO until end August, and after that he will leave the company to pursue other opportunities. LIDDS's management, board and Alira Health will continue to work on the licensing projects until a result is reached. There are several interested stakeholders in the process, and LIDDS must ensure that a potential negotiation is not impaired by the time constraints of diminishing cash and the need to re-finance mid-process. Halting long-term investments, such as further clinical development, until the licensing process can be concluded, aims to serve that very purpose.

"These are obviously very tough decisions" says Pontus Ottosson, newly elected Chairman of the Board at LIDDS. "However, as consistently communicated in recent months, LIDDS has several assets in the pipeline including the Phase III-ready Liproca® Depot product candidate that could move the needle significantly funding wise through a licensing agreement. Succeeding in the licensing of a product candidate or other projects is imperative both as regards to funding, and in terms of providing a proof of concept that pipeline products built on LIDDS's technology, NanoZolid®, have a value in the market. I am convinced that economising and fully focusing on succeeding in these licensing projects, before initiating further studies, is the right decision for the company and its shareholders."

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LIDDS's Certified Adviser is Redeye AB

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This information is information that LIDDS is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2023-06-27 13:20 CEST.

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.

Attachments

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