



Interim Report

January – September 2024



LIDSTM

LIDDS AB (publ) Interim Report January – September 2024

July – September 2024

- Net sales amounted to 0 MSEK
- The operating result for the period was -1.1 MSEK
- The net result was -0.9 MSEK corresponding to earnings per share of SEK -0.01
- Cash flow from operating activities amounted to -1.4 MSEK
- Cash and cash equivalents amounted to 6.6 MSEK

January – September 2024

- Net sales amounted to 0 MSEK
- The operating result for the period was -3.5 MSEK
- The net result was -3.3 MSEK corresponding to earnings per share of SEK -0.03
- Cash flow from operating activities amounted to -4.5 MSEK

Significant events January – September 2024

- On the Extraordinary General Meeting of shareholders on the 9 January 2024 Daniel Lifveredson, Torbjörn Browall and Lars-Inge Sjöqvist were elected new members of the Board.
- In January it was announced that an agreement to acquire Noviga Research AB had been signed.
- In May, Mats Wiking was appointed new CEO from 1 September 2024.

Financial Overview, LIDDS AB

KSEK	1 July - 30 September 2024	1 July - 30 September 2023	1 January - 30 September 2024	1 January - 31 June 2023	1 January - 31 December 2023
Net sales	0	0	0	0	0
Operating result	-992	-4 531	-5 842	-21 466	-40 654
Net result	-724	-4 533	-5 554	-21 524	-40 204
Cash and cash equivalents by the end of the period	6 420	17 061	6 420	17 061	13 479

LIDDS in brief:

LIDDS is a Swedish pharmaceutical company focused on the development of oncology drugs. LIDDS has a proprietary drug delivery technology, NanoZolid®, on which several projects are based. With NanoZolid, LIDDS can formulate drugs for local/intratumoral administration, with a maintained and controlled release and with minimal negative side-effects. In addition to these projects, LIDDS develops proprietary drug candidate NOV202 that have shown very good results in pre-clinical studies. The company is listed on Nasdaq First North Growth market.

CEO Statement

A fundamental review has been carried out of the company's strategy

During the past quarter, we have continued to reduce the cost-base for the company, which is partly visible in this quarterly report. Future quarters will show a low cost-base (and negative cash flow), which is something the company can build on.

The company's current strategy is to focus on the three projects we assess to have the greatest potential for commercial success. These are Nanoimod (where we are looking for a license partner), Nanodotax (where we intend to start an investigator-led study) and NOV202.

Given the current difficulties with raising capital over the market and LIDDS's current low valuation, it is our strategy to find funding for clinical projects and other further development in other ways. This may involve license deals/partnerships, financing of the subsidiary Noviga Research AB, or targeted issues.

We hope to be able to bring more clarity on these issues to you, our shareholders, in the coming quarters.

The board and I are aware that communication to the market has been sparse, but we have as a general strategy to notify the market when we make significant decisions or when we have achieved significant successes or setbacks.

Mats Wiking
CEO and CFO

Overview of activities

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

NanoZolid improves efficacy and reduces side-effects

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

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

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

Enables lower development costs for partners

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

LIDDS oncology pipeline

Liproca Depot

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

Nanodotax

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

Nanoimod

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

NOV202

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

Significant events during the reporting period

New Board of Directors elected

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

Acquisition of Noviga

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

Mats Wiking new CEO

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

Other events

At the Annual General Meeting of shareholders 2024, which was held May 27, Stefan Rehnmark was elected member of the Board.

Financial information

Acquisition of Noviga Research AB

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

Net sales and result for LIDDS for the third quarter 2024

In the third quarter 2024 net sales amounted to 0 (0) MSEK. The operating result for the third quarter 2024 was -1.0 (-4.5) MSEK. In principle, all costs have decreased compared to the third quarter 2023, but the largest absolute decrease were personnel costs, consultancy fees, and costs for clinical development, manufacturing and business development.

Net sales and result for LIDDS AB for the first nine months 2024

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

Other external costs in LIDDS AB amounted to 0.8 (1.9) MSEK in the first nine months 2024. The decrease is explained by the decision in 2023 to pause investments in the development projects, which significantly impacted costs for consultants, clinical development and manufacturing. In addition, administrative and business development costs have decreased. Personnel costs amounted to 1.8 (9.8) MSEK in the first nine months 2024. The decrease is explained by fewer employees.

Depreciations and amortizations of material and immaterial assets amounted to 0.6 (0.4) MSEK in the first nine months 2024. The increase is due to the abandonment of certain older patents with higher annual fees and short remaining term.

The operating result for first nine months 2024 for LIDDS AB was -5.8 (-21.5) MSEK. The net result for the same period was -5.6 (-21.5) MSEK.

Financial position for the group

On 30 September 2024 the group's equity asset ratio was 75 percent and equity 6.9 MSEK.

During 2023 cost and personnel reductions were done, which will have full effect in 2024. The work with decreasing operating costs has continued in 2024. The board's assessment is that the group's cash will be sufficient throughout 2025, provided that the company's operations are conducted at the current level. Should the cost level increase during the end of 2024 or 2025, additional funding will be required earlier.

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. Since the 18 July 2024, the trading is done through an auction five times per day. This is due to a spread in the share trading was higher than 7% during the first two quarters 2024. The number of shares as of 1 July 2024 was 136,463,326 (68,231,663) and of 30 September 2024 136,463,326 (68,231,663). The average number of shares in the third quarter 2024 was 136,463,326 (68,231,663) and in the first nine months 2024 116,903,583 (61,659,922).

The company's largest shareholders on 30 September 2024

Shareholders	Number of shares	Share of capital and votes (%)
Daniel Lifveredson, inkl aktier ägda via bolag	28 029 909	20,5
Avanza Pension	10 708 318	7,8
Ove Högberg	8 562 191	6,3
Marita Högberg	6 851 116	5,0
Stefan Rehnmark	6 632 971	4,9
Wikow Invest AB	6 196 517	4,5
Torbjörn Browall, inkl aktier ägda via bolag	4 749 367	3,5
Nordnet Pensionsförsäkring AB	3 735 033	2,7
Skyshire AB	3 129 017	2,3
Anders Bjartell	2 605 389	1,9
Övriga	55 263 498	40,5
Total	136 463 326	100,0

Personnel and organization

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

Financial calendar

Year-end Report 2024	22 February 2025
Annual Report 2024	6 May 2025
Interim Report January – March	29 May 2025
Annual General Meeting	29 May 2025
Interim Report January – June	28 August 2025

Transactions with related parties

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

Significant risks and uncertainties

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

Parent company

The acquisition of Noviga Research AB was classified as a reverse takeover and Noviga is parent company in the group accounts. The legal parent company is still LIDDS.

Review by auditor

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

Assurance by the Board of Directors

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

Göteborg 21 November 2024

LIDDS AB (publ) Board of Directors

Daniel Lifveredson
Chairman

Torbjörn Browall

Stefan Rehnmark

Lars-Inge Sjöqvist

Mats Wiking
CEO

Group Income statement

KSEK	1 July - 30 September 2024	1 July - 30 September 2023	1 January - 30 September 2024	1 January - 30 September 2023
Operating income				
Net sales	0		0	
Capitalised work on own account	14		32	
Other operating income	9		912	
Total	23		944	
Operating expenses				
External operating expenses	-914		-2 437	
Personnel costs	-161		-1 320	
Depreciation and impairment of fixed assets	-10		-605	
Other operating costs	0		-35	
Total	-1 084		-4 397	
Operating result	-1 061		-3 453	
Financial income	268		265	
Financial expenses	-92		-100	
Total	176		164	
Result after financial items	-885		-3 289	
Result before tax	-885		-3 289	
Tax	-2		-7	
Result for the period	-887		-3 296	

Group balance sheet

KSEK	Note	30 September 2024
ASSETS		
Fixed assets		
Intangible assets		
Capitalized development expenditure		0
Patents		1 213
Total		1 213
Tangible assets		
Property, plant and equipment		20
Total		20
Financial assets		
Deferred tax assets		246
		246
Total non-current assets		1 479
Current assets		
Current receivables		
Trade receivables		0
Receivables at suppliers		0
Current tax receivables		546
Other current receivables		196
Prepaid expenses and accrued income		433
Total		1 175
Cash and cash equivalents		6 552
Total current assets		7 728
TOTAL ASSETS		9 207

Group balance sheet

KSEK	Note	30 September 2024
Equity		
Share capital		7 233
Additional paid-in capital		3 639
Retained earnings (including loss for the period)		-3 967
Total equity attributable to Parent Company shareholders		6 894
Long-term liabilities		
Other liabilities		936
		936
Current liabilities		
Trade payables		497
Other current liabilities		78
Accrued expenses and deferred income		802
Total		1 377
TOTAL EQUITY AND LIABILITIES		9 207

Consolidated statement of changes in equity

KSEK	Attributable to the Parent Company shareholders			Total equity
	Share capital	Other contributed capital	Retained earnings, incl compr income for the period	
Opening balance 1 January, 2024	100	784	-671	213
Transactions with shareholders				
Share issue	3 616	6 361	0	9 977
Reverse takeover effect	3 516	-3 516	0	0
Result for the period	0	0	-3 296	-3 296
Total transactions with shareholders	7 132	2 844	-3 296	6 681
Closing balance 30 September, 2024	7 233	3 629	-3 967	6 894

Group cash flow statement

KSEK	1 July - 30 September 2024	1 July - 30 September 2023	1 January - 30 September 2024	1 January - 30 September 2023
Operating activities				
Operating profit/loss before financial items	-1 061		-3 453	
Interest received	268		265	
Interest paid	-56		-65	
<i>Adjustments for non-cash items</i>				
Depreciation and impairment of intangible and tangible assets	5		-298	
Cash flow from operating activities before changes in working capital	-844		-3 551	
Cash flow from changes in working capital				
Change in operating receivables	-133		147	
Change in operating liabilities	-471		-1 047	
Cash flow from operating activities	-1 448		-4 451	
Investing activities				
Acquisition of intangible assets	-9		-32	
Acquisition of tangible assets	0		0	
Cash flow from investing activities	-9		-32	
Financing activities				
Share issue	0		0	
Issuance costs	0		-280	
Subscription warrants	0		0	
Net borrowings	0		0	
Payment convertible loan	0		0	
Cash flow from financing activities	0		-280	
Net cash flow for the period	-1 457		-4 763	
Cash and cash equivalents at the beginning of the period	8 009		191	
Cash and cash equivalents in acquired subsidiary	0		11 124	
Cash and cash equivalents at the end of the period	6 552		6 552	

Income statement Parent company

KSEK	1 July - 30 September 2024	1 July - 30 September 2023	1 January - 30 September 2024	1 January - 30 September 2023	1 January 31 December 2023
Operating income					
Net sales	0	0	0	0	0
Activated work for own account	14	0	45	0	0
Other operating income	0	0	0	0	0
Total	14	0	45	0	0
Operating expenses					
External operating expenses	-824	-1 781	-3 380	-11 328	-13 728
Personnel costs	-161	-2 631	-1 834	-9 782	-10 553
Depreciation and impairment of fixed assets	-22	-119	-638	-355	-15 688
Other operating costs	0	0	-35	0	-686
Total	-1 006	-4 531	-5 887	-21 466	-40 654
Operating result	-992	-4 531	-5 842	-21 466	-40 654
Impairment shares in subsidiary	0	0	0	0	-18
Financial income	268	0	291	1	529
Financial expenses	0	-3	-3	-60	-61
Total	267	-2	288	-58	450
Result after financial items	-724	-4 533	-5 554	-21 524	-40 204
Result before tax	-724	-4 533	-5 554	-21 524	-40 204
Result for the period	-724	-4 533	-5 554	-21 524	-40 204

Balance sheet parent company

KSEK	30 September 2024	30 September 2023	31 December 2023
ASSETS			
Fixed assets			
Intangible assets			
Capitalized development expenditure	0	15 175	0
Patents	1 205	1 785	1 793
Total	1 205	16 959	1 793
Tangible assets			
Property, plant and equipment	0	776	5
Total	0	776	5
Financial assets			
Shares in group companies	10 307	50	50
Total	10 307	50	50
Total non-current assets	11 512	17 785	18 48
Current assets			
Current receivables			
Trade receivables	0	0	0
Receivables group companies	311	0	0
Current tax receivables	546	0	0
Other current receivables	195	650	1 871
Prepaid expenses and accrued income	433	938	473
Total	1 486	1 588	2 344
Cash and cash equivalents	6 420	17 061	13 479
Total current assets	7 906	18 650	15 824
TOTAL ASSETS	19 419	36 435	17 672

Balance sheet parent company

KSEK	30 September 2024	30 September 2023	31 December 2023
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	7 233	3 616	3 616
Statutory reserve	15 223	15 223	15 223
Fund for development expenditure	0	15 175	0
Total	22 456	34 014	18 839
Unrestricted equity			
Share premium reserve	356 502	335 040	350 215
Retained earnings (including result for the period)	-360 709	-336 475	-355 155
Total	-4 207	-1 435	-4 940
Total equity	18 249	32 579	13 899
Current liabilities			
Trade payables	367	1 465	1 351
Liabilities group companies	26	0	0
Other current liabilities	74	353	218
Accrued expenses and deferred income	703	2 037	2 204
Total	1 170	3 855	3 773
TOTAL EQUITY AND LIABILITIES	19 419	36 435	17 672

Notes to the group and parent company accounts

Notes

Accounting principles

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

Acquisition analysis

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

For further information, please contact

Mats Wiking, CEO and CFO
Phone: +46 (0)706 200400
E-mail: mats.wiking@liddspharma.com

LIDDS AB (publ)
Kungsportsavenyen 22
411 36 Göteborg

www.liddspharma.com

Corporate registration number: 556580–2856