Interim Report

January – March 2023

LIDDS™

LIDDS AB (publ) Interim Report January – March 2023

January – March 2023

- Net sales amounted to 0 (0.6) MSEK
- The operating result for the period was -9.6 (-9.8) MSEK
- The net result was -9.6 (-9.8) MSEK corresponding to earnings per share of SEK -0.18 (-0.29)
- Cash flow from operating activities amounted to -10.1 (-6.1) MSEK
- Cash and cash equivalents amounted to 29.8 (27.5) MSEK

Significant events January – March 2023

- The decided rights issue was approved at an extraordinary general meeting on January 9, 2023 and completed on February 6, 2023. The subscription summary showed that 25,253,268 shares, corresponding to approximately 72.7 percent of the rights issue, were subscribed with or without the support of subscription rights. The bottom guarantors were allocated approximately 8.6 percent of the rights issue, and the top guarantors approximately 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 licensing work for Liproca has been conducted in a structured form since the turn of the year. My assessment is that the project is progressing as well as could be expected and I have confidence in the process we are now working towards."

Anders Månsson, CEO

Financial Overview

KSEK	1 January - 31 March 2023	1 January - 31 March 2022	1 January - 31 December 2022
Net sales	0	558	1 888
Operating result	-9 571	-9 752	-36 617
Net result	-9 627	-9 752	-36 860
Earnings per share, SEK	-0,18	-0,29	-1,07
Cash flow from operating activities	-10 125	-6 109	-35 592
Cash and cash equivalents by the end of the period	29 843	27 453	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/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

During the first quarter, LIDDS carried out a necessary financing with a significant impact on our share price. We were certainly not alone in this experience this year. The conditions for the biotech sector, with its risk profile and the long periods of waiting for a possible positive cash flow, have at the moment fundamentally changed. But the company had to refinance itself in order to survive and have a chance to succeed with an out-licensing of above all Liproca Depot, the project in LIDDS that could bring relatively large amounts of money in the short term. This licensing work is currently in an intensive phase.

I have no doubt that LIDDS is active in a very interesting development area – intratumoral depot injections in oncology, perhaps the hottest development area in the pharmaceutical industry. Almost all cancer treatment takes place with more or less toxic and thus side-effect-heavy substances, which if given directly into the blood stream will expose healthy tissue to the drug and thus create unwanted effects of varying severity. This means that the dosing is not always optimized with regard to effect, because one must constantly balance the drug's effect against the risk of side effects. The technology that LIDDS bases its business on - NanoZolid® - is a technology that enables cancer drugs to be given as an injectable depot directly into a tumor, instead of indirectly via the blood. This allows for exposing the tumor to a higher and more effective dose while avoiding the side effects that otherwise would result from the drug circulating freely in the blood and affecting healthy tissue.

LIDDS works with NanoZolid® to help other companies with formulation development based on the platform, but also in the development of our own product portfolio. In this portfolio, only Liproca® Depot has progressed beyond the pre-clinical or early clinical phase. Liproca® Depot has undergone phase IIb, reached a so-called "Proof-of-Concept", received a nice publication last year, and had an advisory meeting with the EMA to overall agree on the study design for phase III. In short, the product candidate is ready for out-licensing and one of my most prioritized tasks during my nearly nine months in LIDDS has been to design and implement a professional licensing process, as well as support this with, among other things, the creation of a health economic analysis around the product and with the contracting of Alira Health, which was completed at the turn of the year. My focus on Liproca® Depot in particular is great precisely because it is a project that has reached far in clinical development and therefore it is undoubtedly the project that has the greatest value in LIDDS. The other projects can also achieve a rapid increase in value with their planned clinical development and the Nanodotax phase Ib study could start after the summer. Liproca® Depot has already reached as far as LIDDS is able to take on the project on its own, and with good clinical results, and therefore out-licensing now has the company's full focus.

LIDDS also reached an important milestone in the first quarter with the completion of the development project we have with J&J. During the second quarter, we have delivered a final report of all results and at the time of writing we are awaiting a formal decision from J&J as to whether they wish to take the project further. This decision will likely come in the near future. We are also actively working to acquire more collaborative projects with big pharma. This type of collaborative project does not bring big money in the short term but can bring greater returns in the long term if a project advances to market. After all, LIDDS also receives a revenue stream during the course of the project and, in addition, it gives the company credibility that larger companies choose LIDDS for their formulation development projects in the area, which can contribute positively to all types of business discussions.

Back to the Liproca Depot out-licensing project. This work has been carried out in a structured form since the turn of the year. My assessment is that the project is progressing as well as could be expected and I have confidence in our process. This is the summary we can provide – it is difficult to continuously comment on the work and comment on whether it is "going well" or not. I think it is "going well" so far and we have several stakeholders in the process. In the end, the outcome is essentially binary in nature – we either succeed in making a deal or we don't. When I bought my shares in LIDDS in connection with the rights issue this winter, it was with the attitude that this should be resolved and I have had no reason to reconsider that attitude so far. I know it can be agonizing to wait for word on the matter, especially as the share price slowly ticked down during the spring. However, I ask for the confidence of the shareholders to work further in the process, calmly and unrelentingly, and according to plan. That provides the best conditions for achieving the result we all hope for.

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[4].

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

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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.statista.com/statistics/373946/global-spending-and-growth-in-oncology-market/

of 4.6 percent during the period[5]. 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 progression[6] (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.

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					
J&J samarbetsprojekt (*non-disclosed API*)	Non-disclosed 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 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 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 malign melanoma 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

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

6 Global data

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

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.

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.

Financial information

Net sales and result for the first quarter 2023

In the first quarter of 2023, the company's net sales amounted to 0 (0.6) MSEK. In the first quarter 2022, the revenue relating to income from the sale of research and development services under the cooperation agreement with J&J. Other external costs during the first quarter of 2023 amounted to SEK 5.9 (6.9) million. The reduction is primarily explained by lower preclinical and production costs, while consultancy costs have increased compared to the first quarter of 2022. Personnel costs during the first quarter of 2023 amounted to SEK 3.5 (3.3) million. The increase is explained by more employees throughout the quarter.

Depreciation and write-downs of tangible and intangible assets during the first quarter of 2022 amounted to SEK 0.1 (0.1) million.

The operating profit for the first quarter of 2023 amounted to -9.6 (-10.3) MSEK. The net profit for the same period amounted to -9.6 (-9.8) MSEK.

Cash flow and investments

Cash flow from operating activities during the first quarter of 2023 amounted to -10.1 (-6.1) MSEK. As part of the cash flow from current operations, changes in working capital amounted to -0.6 (3.5) MSEK. The negative cash flow from current operations is explained by the company's costs in ongoing research and development projects. LIDDS cash flow from investment activities during the first quarter of 2023 consists of investments in development work regarding the NanoZolid technology platform, ongoing patent applications and in a production equipment, see the table below.

KSEK	1 January - 31 March 2023	1 January - 31 March 2022	1 January - 31 December 2022
Technology	24	326	500
Patents	22	81	259
Property, plant and equipment	0	34	52
Total investments	**46**	**441**	**810**

The cash flow from the financing activities for the first quarter 2023 amounted to 34.8 (0) MSEK.

Total change in cash and cash equivalents in the first quarter 2023 amounted to 24.6 (-6.6) MSEK. The company's cash and cash equivalents amounted to 29.8 (27.5) MSEK on 31 March 2023.

Financial position

On 31 March 2023 the equity asset ratio was 88 percent (81) and equity 44.5 (38.8) MSEK.

The company performed a rights issue with preferential rights for the shareholders during the first quarter 2023. The issue means that the company has funding to work focused on business development with the goal of out-licensing Liproca Depot and/or more projects. If the company does not manage to complete a license deal in the coming year, the company must seek other external financing. If this cannot be obtained, the company needs to reduce its research and development activities, and this may also pose 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 January 2023 was 34,739,791 (33,989,791). In January and February 2023, LIDDS carried out a rights issue with preferential rights for the company's shareholders. The issue was subscribed to approximately 95.7 percent and three guarantors chose compensation in the form of shares, which means that the number of shares as of 31 March 2023 amounted to 68,231,663. The average number of shares during the first quarter of 2023 amounted to 53,572,805 (33 989 791).

The company's largest shareholders by 31 March 2023 is shown in the table below.

Shareholders	Number of shares	Share of capital and votes (%)
Avanza Pension, Stockholm	7 519 511	11,0
East Capital	4 935 456	7,2
Wikow Invest AB	4 151 408	6,1
Daniel Lifveredson, incl shares owned through companies	2 790 929	4,1
Nordnet Pensionsförsäkring AB	2 113 820	3,1
Swedbank Försäkring	1 942 338	2,8
Max Mitteregger, incl shares owned through companies	1 550 000	2,3
SEB Life International	1 078 392	1,6
Westlight	1 045 735	1,5
Martin Hansson	808 150	1,2
Marcus Kjörling	794 027	1,2
Other	39 501 897	57,9
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 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 March 2023, the number of employees was six. In addition, a close and long-term co-operation has been established with consultants within areas such as intellectual property rights, preclinical and clinical development, technology development, manufacturing, analysis services and IT and finance.

Financial calendar

Annual General Meeting 2023	29 May 2023
Interim Report January – June 2023	30 August 2023
Interim Report January – September 2023	17 November 2023
Year-end report 2023	22 February 2024

Transactions with related parties

The company has not had any transactions with related parties in the first 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 29 May 2023

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 January - 31 March 2023	1 January - 31 March 2022	1 January - 31 December 2022
Operating income				
Net sales	2	0	558	1 888
Other operating income		0	18	2
Total		**0**	**576**	**1 890**
Operating expenses				
External operating expenses		-5 923	-6 872	-22 709
Personnel costs		-3 531	-3 337	-15 315
Depreciation and impairment of fixed assets		-118	-118	-484
Total		**-9 571**	**-10 328**	**-38 507**
Operating result		**-9 571**	**-9 752**	**-36 617**
Financial income		0	0	19
Financial expenses		-56	0	-262
Total		**-56**	**0**	**-243**
Result after financial items		**-9 627**	**-9 752**	**-36 860**
Result before tax		**-9 627**	**-9 752**	**-36 860**
Result for the period		**-9 627**	**-9 752**	**-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 January - 31 March 2023	1 January - 31 March 2022	1 January - 31 December 2022
Earnings per share before/ after dilution, SEK	3	-0,18	-0,29	-1,07

Consolidated balance sheet

KSEK	Note	31 March 2023	31 March 2022	31 December 2022
ASSETS				
Fixed assets				
Intangible assets	4			
Capitalized development expenditure		15 097	14 900	15 073
Patents		1 776	1 722	1 787
Total		**16 874**	**16 623**	**16 861**
Tangible assets				
Property, plan and equipment		945	1 265	1 030
Total		**945**	**1 265**	**1 030**
Total non-current assets		**17 819**	**17 887**	**17 891**
Current assets				
Current receivables				
Trade receivables		0	680	1 002
Receivables at suppliers		0	7	8
Other current receivables		1 177	777	950
		0	0	0
Prepaid expenses and accrued income		1 606	1 224	812
Total		**2 783**	**2 688**	**2 771**
Cash and cash equivalents		29 843	27 453	5 258
Total current assets		**32 626**	**30 141**	**8 029**
TOTAL ASSETS		**50 444**	**48 028**	**25 920**
EQUITY AND LIABILITIES				
Equity				
Share capital		3 616	1 801	1 841
Additional paid-in capital		366 438	325 801	329 458
Retained earnings (including loss for the period)		-325 577	-288 842	-315 950
Total equity attributable to Parent Company shareholders		**44 478**	**38 760**	**15 349**
Current liabilities				
Other liabilities to credit instutions		22	0	3 994
Advance payments from customers		0	0	0
Trade payables		1 940	3 169	1 584
Other current liabilities		710	441	463
Accrued expenses and deferred income		3 293	5 659	4 531
Total		**5 967**	**9 268**	**10 571**
TOTAL EQUITY AND LIABILITIES		**50 444**	**48 028**	**25 920**

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, 2023	**1 841**	**329 458**	**-315 950**	**15 349**
Comprehensive income for the period			-9 627	-9 627
Total comprehensive income for the period	**0**	**0**	**-9 627**	**-9 627**
Transactions with shareholders				
Share issue	**1775**	**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 31 March, 2023	**3 616**	**366 438**	**-325 577**	**44 478**

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			-9 752	-9 752
Total comprehensive income for the period	**0**	**0**	**-9 752**	**-9 752**
Transactions with shareholders				
Share issue	**0**	**0**	**0**	**0**
Issue costs	0	0	0	0
	0	0	0	0
Total transactions with shareholders	**0**	**0**	**0**	**0**
Closing balance 31 March, 2022	**1 801**	**325 801**	**-288 842**	**38 760**

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			-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
Warrants issued	0	0	0	0
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 January - 31 March 2023	1 January - 31 March 2022	1 January - 31 December 2022
Operating activities			
Operating profit/loss before financial items	-9 571	-9 752	-36 617
Interest received	0	0	19
Interest paid	-90	0	-228
Adjustments for non-cash items			
Depreciation and Impairment of intangible and tangible assets	118	118	484
	0	0	-34
Cash flow from operating activities before changes in working capital	**-9 543**	**-9 634**	**-36 376**
Cash flow from changes in working capital			
Change in operating receivables	-12	1 323	1 239
Change in operating liabilities	-571	2 202	-456
Cash flow from operating activities	**-10 125**	**-6 109**	**-35 592**
Investing activities			
Acquisition of intangible assets	-46	-407	-759
Acquisition of tangible assets	0	-34	-52
Cash flow from investing activities	**-46**	**-441**	**-810**
Financing activities			
Share issue	42 239	0	4 500
Issuance costs	-3 483	0	-803
Subscription warrants	0	0	0
Net borrowings	0	0	6 620
Payment convertible loan	-4 000	0	-2 660
Cash flow from financing activities	**34 755**	**0**	**7 657**
Net cash flow for the period	**24 585**	**-6 550**	**-28 745**
Cash and cash equivalents at the beginning of the period	5 258	34 003	34 003
Cash and cash equivalents at the end of the period	**29 843**	**27 453**	**5 258**

Income statement Parent company

KSEK	Note	1 January - 31 March 2023	1 January - 31 March 2022	1 January - 31 March 2023
Operating income				
Net sales	2	0	558	0
Other operating income		0	18	0
Total		**0**	**576**	**0**
Operating expenses				
Other operating expenses		-5 912	-6 870	-5 912
Personnel costs		-3 531	-3 337	-3 531
Depreciation and impairment of fixed assets		-118	-118	-118
Total		**-9 561**	**-10 326**	**-9 561**
Operating result		**-9 561**	**-9 750**	**-9 561**
Write-down shares in subsidiary		0	0	0
Financial income		0	0	0
Financial expenses		-56	0	-56
Net financial items		**-56**	**0**	**-56**
Result after financial items		**-9 617**	**-9 751**	**-9 617**
Result before tax		**-9 617**	**-9 751**	**-9 617**
Result for the period		**-9 617**	**-9 751**	**-9 617**

Balance sheet parent company

KSEK	Not	31 March 2023	31 March 2022	31 December 2022
ASSETS				
Fixed assets				
Intangible assets				
Capitalized development expenditure		15 097	14 900	15 073
Patents		1 776	1 722	1 787
Total		**16 874**	**16 623**	**16 861**
Tangible assets				
Property, plan and equipment		945	1 265	1 030
Total		**945**	**1 265**	**1 030**
Financial assets				
Interests in group companies		50	50	50
Total		**50**	**50**	**50**
Total fixed assets		**17 869**	**17 937**	**17 941**
Current assets				
Current receivalbes				
Trade receivables		0	680	1 002
Receivables at suppliers		0	7	8
Other current receivables		1 177	777	950
Accumulataed not invoiced revenue		0	0	0
Prepaid expenses and accrued income		1 606	1 224	812
Total		**2 783**	**2 688**	**2 771**
Cash and cash equivalents		29 809	27 419	5 224
Total current assets		**32 593**	**30 106**	**7 995**
TOTAL ASSETS		**50 461**	**48 044**	**25 936**
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		3 616	1 801	1 841
Statutory reserve		15 223	15 223	15 223
Fund for development expenditure		15 097	14 900	15 073
Total		**33 937**	**31 925**	**32 138**

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.

Noet 2 Net sales

Group and Parent company, KSEK	1 January - 31 March 2023	1 January - 31 March 2022	1 January - 31 December 2022
Income from external customers			
Research and development services	0	558	1 888
Licens revenues	0	0	0
Total	**0**	**558**	**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 January - 31 March 2023	1 January - 31 March 2022	1 January - 31 December 2022
Result attributable to Parent Company shareholders, KSEK	-9 627	-9 752	-36 860
Total	**-9 627**	**-9 752**	**-36 860**
Weighted average number of shares outstanding, thousands	**53 573**	**33 990**	**34 396**
Group Earnings per share, SEK	**-0,18**	**-0,29**	**-1,07**

Noet 4 Intangible assets

KSEK	Patents	Other intangible assets
Financial year 2022		
January 1, 2022 opening balance assets	1 677	14 574
This year's acquisitions	81	326
Depreciation for the year	-35	0
Write-downs for the year	0	0
Closing carrying amount 31 March, 2022	**1 722**	**14 900**
Financial year 2023		
January 1, 2023 opening balance assets	1 787	15 073
This year's acquisitions	22	24
Divestments and scraps	0	0
Depreciation for the year	-33	0
Write-downs for the year	0	0
Closing carrying amount 31 March, 2023	**1 776**	**15 097**

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