Interim Report

January – June 2023

LIDDS™

LIDDS AB (publ) Interim Report January – June 2023

April – June 2023

- Net sales amounted to 0 (0.3) MSEK
- The operating result for the period was -7.4 (-9.9) MSEK
- The net result was -7.4 (-9.9) MSEK corresponding to earnings per share of SEK -0.11 (-0.29)
- Cash flow from operating activities amounted to -7.1 (-12.0) MSEK
- Cash and cash equivalents amounted to 22.7 (19.7) MSEK

January – June 2023

- Net sales amounted to 0 (0.8) MSEK
- The operating result for the period was -17.0 (-19.7) MSEK
- The net result was -17.0 (-19.7) MSEK corresponding to earnings per share of SEK -0.28 (-0.58)
- Cash flow from operating activities amounted to -17.2 (-18.2) MSEK

Significant events January – June

- The rights issue was approved at an EGM on January 9, 2023 and completed on Feb 6, 2023. The 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 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 will leave the CEO role at the end of August 2023. The board has appointed Matthew Lindon as acting CEO.

Events after the reporting period

- Max Mitteregger resigns from the Board of Directors
- The collaboration agreement with Johnson & Johnson Enterprise Innovation Inc is closed.

"During Q2, LIDDS initiated significant cost saving measures that brought a laser-sharp focus on project prioritization and out-licensing before further investments in clinical development can be considered. The reasons for this are simple and have been clearly expressed by my predecessor in earlier CEO words: LIDDS is almost 20 years old, and it is time to demonstrate that the company can achieve recognition of the value it has created."
Matthew Lindon, acting CEO

Financial Overview

KSEK	1 April - 30 June 2023	1 April - 30 June 2022	1 January - 30 June 2023	1 January - 30 June 2022	1 January - 31 December 2022
Net sales	0	255	0	813	1 888
Operating result	-7 383	-9 910	-16 954	-19 662	-36 617
Net result	-7 383	-9 910	-17 010	-19 662	-36 860
Earnings per share, SEK	-0,11	-0,29	-0,28	-0,58	-1,07
Cash flow from operating activities	-7 060	-12 043	-17 185	-18 152	-35 592
Cash and cash equivalents by the end of the period	22 708	19 714	22 708	19 714	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 Statement

During Q2, LIDDS initiated significant cost saving measures that brought a laser-sharp focus on project prioritization and out-licensing before further investments in clinical development can be considered. The reasons for this are simple and have been clearly expressed by my predecessor in earlier CEO words: LIDDS is almost 20 years old, and it is time to demonstrate that the company can achieve recognition of the value it has created and produce revenue from the projects it has spent a long time developing, before it should seek further investment from shareholders. Liproca Depot, which has completed Phase IIb clinical studies with good results, is the main project that has the potential to raise the company significant amounts of money in the short term, and thus finance the company without the need for additional capital injections in the very near future. Maximizing the financial sustainability of LIDDS and strengthening our negotiating position for the ongoing partnering process was therefore a necessary decision.

The focus and savings measures announced in June, aimed at strengthening the company's financial sustainability unfortunately has meant cuts in staff and consulting support. In that situation, Anders Månsson chose to leave the company. As such, I find myself writing my first quarterly report as LIDDS' new CEO. Whilst new to this role I am, of course, not new to LIDDS having been CSO since joining in March 2021. The board's opinion is that it was logical and cost-effective to appoint a CEO internally who can operationally lead these early development projects scientifically, as well as having the detailed knowledge of the portfolio to support the major focus on partnering.

In Q1, LIDDS finalized the collaborative project with Johnson & Johnson Enterprise Innovation Inc (J&J). This was followed by a long wait for a decision in Q2, but in early July we received the news that J&J did not prioritize our project for continued development. This was, of course, very disappointing news for us, but we are at least confident that we have done everything in our power in terms of delivery, including the earlier extension of phase 2 of the project that extended it by half a year and further supplemented the results achieved last autumn. In the end, however, we have minimal influence on which projects J&J chooses to prioritize. It is worth mentioning, however, that even if J&J had agreed to further development, this would not have automatically triggered a larger payment that would have radically changed the financial situation that is the reason for the savings measures described above. However, their decision not to continue the project only further underlines the importance and need for the measures taken in recent months.

The last 15 months have seen LIDDS bring an acute focus on business development. In that time, we have connected with several hundred companies regarding both Liproca and other projects. We have also partnered with Alira Health this year to strengthen our efforts. Alira continues to do great work for us and increase our BD outreach. The business development efforts continued unabated through the summer months. There is no lack of interest in the Liproca concept, but in the end a partnership must take place with one or a few parties with the willingness and capacity to take on both phase III trials and launch. If LIDDS does not find a global partner for this at the end of the process, the alternative would be to bring together a multi-party solution with different partners for different territories and a co-financing of Phase III studies. This has much greater complexity and therefore emphasizes even more the importance of strengthening the company's cash position, cutting costs, and increasing sustainability in terms of liquidity. My aim in the coming months is to finalize our on-going efforts and find all opportunities for realising value in LIDDS.

If the company succeeds in its ambition to realize Liproca Depot, the development project that has been the cornerstone of the company since its inception, or any of the company's other projects LIDDS will succeed in both generating a positive cash flow and achieving a "proof-of-concept" for its entire business, thereby demonstrating that development projects based on NanoZolid® have a realizable market value. This is an appropriate goal after such a long period of development.

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 maintained and 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 is currently being prepared for a Phase III trial. 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 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]

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 2040[2].

LIDDS' most advanced project, Liproca® Depot, has been developed to treat local prostate cancer. The prostate cancer drug market was valued at USD 6.9 billion in 2018 and is expected to grow to USD 9.9 billion in 2026, representing a yearly growth rate of 4.6 percent during the period[3]. The number of men diagnosed with prostate cancer is around 1.4 million every year, of which

[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

approximately 420,000 are diagnosed with a localized prostate cancer with low or intermediate risk of cancer progression[4] (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 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 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 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.

[4] Global data

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 will leave the CEO position at the end of August 2023. The Board of Directors have appointed Matthew Lindon acting CEO.

Events after the reporting period

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.

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 second quarter 2023

In the second quarter 2023 net sales amounted to 0 (0.3) 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 second quarter 2023 amounted to -7.4 (-9.9) MSEK. The costs decreased in 2023 mainly due to decreased costs for manufacturing of clinical trial materials. The costs for preparing for clinical trials and business development increased while costs for preclinical studies and consultants decreased.

Net sales and result for the first six months 2023

In the first six months in 2023 net sales amounted to 0 (0.8) 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 six months 2023 amounted to -17.0 (19.7) MSEK. The costs have decreased compared to the first six months in 2022, mainly due to decreased manufacturing and preclinical costs The costs for consultants, business development and preparations for clinical studies were higher in the first six months in 2023 compared to 2022. Personnel costs were slightly lower in the first six months in 2023 compared to 2022.

Cash flow and investments

Cash flow from the operating activities in the first six months 2023 amounted to -17.2 (-18.2) MSEK. As part of the cash flow from the operating activities change in operating capital amounted to -0.4 (1.3) 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 April - 30 June 2023	1 April - 30 June 2022	1 January - 30 June 2023	1 January - 30 June 2022	1 January - 31 December 2022
Technology	26	82	50	409	500
Patents	49	106	71	187	259
Property, plant and equipment	0	0	0	34	52
Total investments	**75**	**188**	**121**	**630**	**810**

The cash flow from the financing activities for the first six months 2023 amounted to 34.8 (4.5) 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 six months 2022 amounted to 17.5 (-14.3) MSEK. The company's cash and cash equivalents amounted to 22.7 (19.7) MSEK on 30 June 2023.

Financial position

On 30 June 2023 the equity asset ratio was 81 percent (81) and equity 37.1 (33.3) 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 for Liproca® Depot and/or other assets with existing funding. 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 April 2023 was 68,231,663 (33,989,791) and of 30 June 2023 68,231,663 (34,739,791). The average number of shares in the second quarter 2023 was 68,231,663 (34,114,791) and in the first six months 2023 60,773,663 (34,052,291).

The company's largest shareholders on 30 June 2023

Shareholders	Number of shares	Share of capital and votes (%)
Avanza Pension, Stockholm	8 625 363	12,6
Wikow Invest AB	4 151 408	6,1
Daniel Lifveredson, incl shares owned through companies	2 790 929	4,1
Nordnet Pensionsförsäkring AB	2 764 900	4,1
Swedbank Försäkring	1 969 443	2,9
East Capital	1 627 621	2,4
Max Mitteregger, incl shares owned through companies	1 550 000	2,3
Marcus Kjörling	1 220 345	1,8
SEB Life International	1 078 392	1,6
Westlight	1 045 735	1,5
Martin Hansson	808 150	1,2
Other	40 599 377	59,5
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. As part of this it was announced that Anders Månsson resigns as CEO. The Board of Directors has appointed Matthew Lindon Acting CEO. At the end of June 2023 the number of employees was six. At the date of the report, four people are under notice.

Financial calendar

Interim report 1 January – 30 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 second 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 30 August 2023

LIDDS AB (publ) Board of Directors

Pontus Ottosson
Chairman

David Bejker

Daniel Lifveredson

Johan Lund

Matthew Lindon
Acting CEO

Consolidated statement of comprehensive income

KSEK	Note	1 April - 30 June 2023	1 April - 30 June 2022	1 January - 30 June 2023	1 January - 30 June 2022	1 January - 31 December 2022
Operating income						
Net sales	2	0	255	0	813	1 888
Other operating income		0	22	0	39	2
Total		**0**	**276**	**0**	**852**	**1 890**
Operating expenses						
External operating expenses		-3 644	-6 067	-9 567	-12 938	-22 709
Personnel costs		-3 620	-4 000	-7 151	-7 338	-15 315
Depreciation and impairment of fixed assets		-118	-119	-236	-237	-484
Total		**-7 383**	**-10 186**	**-16 954**	**-20 514**	**-38 507**
Operating result		**-7 383**	**-9 910**	**-16 954**	**-19 662**	**-36 617**
Financial income		0	0	1	0	19
Financial expenses		-1	0	-57	0	-262
Total		**0**	**0**	**-56**	**0**	**-243**
Result after financial items		**-7 383**	**-9 910**	**-17 010**	**-19 662**	**-36 860**
Result before tax		**-7 383**	**-9 910**	**-17 010**	**-19 662**	**-36 860**
Result for the period		**-7 383**	**-9 910**	**-17 010**	**-19 662**	**-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 April - 30 June 2023	1 April - 30 June 2022	1 January - 30 June 2023	1 January - 30 June 2022	1 January - 31 December 2022
Earnings per share before/ after dilution, SEK	3	-0,11	-0,29	-0,28	-0,58	-1,07

Consolidated balance sheet

KSEK	Note	30 June 2023	30 June 2022	31 December 2022
ASSETS				
Fixed assets				
Intangible assets	4			
Capitalized development expenditure		15 124	14 983	15 073
Patents		1 792	1 793	1 787
Total		**16 915**	**16 776**	**16 861**
Tangible assets				
Property, plan and equipment		860	1 181	1 030
Total		**860**	**1 181**	**1 030**
Total non-current assets		**17 776**	**17 957**	**17 891**
Current assets				
Current receivables				
Trade receivables		0	1 082	1 002
Receivables at suppliers		0	0	8
Other current receivables		774	1 069	950
Prepaid expenses and accrued income		954	1 092	812
Total		**1 728**	**3 244**	**2 771**
Cash and cash equivalents		22 708	19 714	5 258
Total current assets		**24 436**	**22 958**	**8 029**
TOTAL ASSETS		**42 212**	**40 914**	**25 920**
EQUITY AND LIABILITIES				
Equity				
Share capital		3 616	1 841	1 841
Additional paid-in capital		366 438	330 162	329 458
Retained earnings (including loss for the period)		-332 960	-298 752	-315 950
Total equity attributable to Parent Company shareholders		**37 094**	**33 251**	**15 349**
Current liabilibies				
Other liabilities to credit instutions		0	0	3 994
Advance payments from customers		0	104	0
Trade payables		1 060	2 016	1 584
Other current liabilities		1 010	1 032	463
Accrued expenses and deferred income		3 047	4 511	4 531
Total		**5 117**	**7 663**	**10 571**
TOTAL EQUITY AND LIABILITIES		**42 212**	**40 914**	**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			-17 010	-17 010
Total comprehensive income for the period	**0**	**0**	**-17 010**	**-17 010**
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 30 June, 2023	**3 616**	**366 438**	**-332 960**	**37 094**

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			-19 662	-19 662
Total comprehensive income for the period	**0**	**0**	**-19 662**	**-19 662**
Transactions with shareholders				
Share issue	**40**	**4 460**	**0**	**4 500**
Issue costs	0	-99	0	-99
Total transactions with shareholders	**40**	**4 362**	**0**	**4 401**
Closing balance 30 June, 2022	**1 841**	**330 162**	**-298 752**	**33 251**

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
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 April - 30 June 2023	1 April - 30 June 2022	1 January - 30 June 2023	1 January - 30 June 2022	1 January - 31 December 2022
Operating activities					
Operating profit/loss before financial items	-7 383	-9 910	-16 954	-19 662	-36 617
Interest received	0	0	1	0	19
Interest paid	-1	0	-91	0	-228
Adjustments for non-cash items					
Depreciation and Impairment of intangible and tangible assets	118	119	236	237	484
	0	0	0	0	-34
Cash flow from operating activities before changes in working capital	**-7 265**	**-9 791**	**-16 808**	**-19 425**	**-36 376**
Cash flow from changes in working capital					
Change in operating receivables	1 055	-556	1 043	767	1 239
Change in operating liabilities	-850	-1 696	-1 420	505	-456
Cash flow from operating activities	**-7 060**	**-12 043**	**-17 185**	**-18 152**	**-35 593**
Investing activities					
Acquisition of intangible assets	-75	-188	-121	-596	-759
Acquisition of tangible assets	0	0	0	-34	-52
Cash flow from investing activities	**-75**	**-188**	**-121**	**-629**	**-810**
Financing activities					
Share issue	0	4 500	42 239	4 500	4 500
Issuance costs	0	-7	-3 483	-7	-803
Subscription warrants	0	0	0	0	0
Net borrowings	0	0	0	0	6 620
Payment convertible loan	0	0	-4 000	0	-2 660
Cash flow from financing activities	**0**	**4 493**	**34 755**	**4 493**	**7 657**
Net cash flow for the period	**-7 135**	**-7 739**	**17 450**	**-14 288**	**-28 746**
Cash and cash equivalents at the beginning of the period	29 843	27 453	5 258	34 003	34 003
Cash and cash equivalents at the end of the period	**22 708**	**19 714**	**22 708**	**19 714**	**5 258**

Income statement Parent company

KSEK	Note	1 April - 30 June 2023	1 April - 30 June 2022	1 January - 30 June 2023	1 January - 30 June 2022	1 January - 31 December 2022
Operating income						
Net sales	2	0	255	0	813	1 888
Other operating income		0	22	0	39	2
Total		**0**	**276**	**0**	**852**	**1 890**
Operating expenses						
Other operating expenses		-3 636	-6 063	-9 548	-12 934	-22 685
Personnel costs		-3 620	-4 000	-7 151	-7 338	-15 315
Depreciation and impairment of fixed assets		-118	-119	-236	-237	-484
Total		**-7 374**	**-10 183**	**-16 935**	**-20 509**	**-38 484**
Operating result		**-7 374**	**-9 907**	**-16 935**	**-19 657**	**-36 593**
Write-down shares in subsidiary		0	0	0	0	-24
Financial income		0	0	1	0	19
Financial expenses		-1	0	-57	0	-262
Net financial items		**0**	**0**	**-56**	**0**	**-267**
Result after financial items		**-7 374**	**-9 907**	**-16 991**	**-19 658**	**-36 860**
Result before tax		**-7 374**	**-9 907**	**-16 991**	**-19 658**	**-36 860**
Result for the period		**-7 374**	**-9 907**	**-16 991**	**-19 658**	**-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 June 2023	30 June 2022	31 December 2022
ASSETS				
Fixed assets				
Intangible assets				
Capitalized development expenditure		15 124	14 983	15 073
Patents		1 792	1 793	1 787
Total		**16 915**	**16 776**	**16 861**
Tangible assets				
Property, plan and equipment		860	1 181	1 030
Total		**860**	**1 181**	**1 030**
Financial assets				
Interests in group companies		50	50	50
Total		**50**	**50**	**50**
Total fixed assets		**17 826**	**18 007**	**17 941**
Current assets				
Current receivalbes				
Trade receivables		0	1 082	1 002
Receivables at suppliers		0	0	8
Other current receivables		774	1 069	950
Accumulataed not invoiced revenue		0	0	0
Prepaid expenses and accrued income		954	1 092	812
Total		**1 728**	**3 244**	**2 771**
Cash and cash equivalents		22 675	19 680	5 224
Total current assets		**24 403**	**22 923**	**7 995**
TOTAL ASSETS		**42 228**	**40 930**	**25 936**

Balance sheet parent company

KSEK	Not	30 June 2023	30 June 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		15 124	14 983	15 073
Total		**33 963**	**32 047**	**32 138**
Unrestricted equity				
Share premium reserve		335 091	298 957	298 161
Retained earnings (including result for the period)		-331 942	-297 748	-314 951
Total		**3 149**	**1 208**	**-16 790**
Total equity		**37 112**	**33 255**	**15 348**
Current liabilibies				
Other liabilities to credit instutions		0	0	3 994
Förskott från kunder		0	104	0
Trade payables		1 060	2 016	1 584
Other liabilities		1 027	1 044	498
Accrued expenses		3 029	4 511	4 513
Total		**5 116**	**7 675**	**10 588**
TOTAL EQUITY AND LIABILITIES		**42 228**	**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 April - 30 June 2023	1 April - 30 June 2022	1 January - 30 June 2023	1 January - 30 June 2022	1 January - 31 December 2022
Income from external customers					
Research and development services	0	255	0	813	1 888
Licens revenues	0	0	0	0	0
Total	**0**	**255**	**0**	**813**	**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 April - 30 June 2023	1 April - 30 June 2022	1 January - 30 June 2023	1 January - 30 June 2022	1 January - 31 December 2022
Result attributable to Parent Company shareholders, KSEK	-7 383	-9 910	-17 010	-19 662	-36 860
Total	**-7 383**	**-9 910**	**-17 010**	**-19 662**	**-36 860**
Weighted average number of shares outstanding, thousands	**68 232**	**34 115**	**60 774**	**34 052**	**34 396**
Group Earnings per share, SEK	**-0,11**	**-0,29**	**-0,28**	**-0,58**	**-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	187	409	596
Depreciation for the year	-70	0	-70
Write-downs for the year	0	0	0
Closing carrying amount 30 June, 2022	**1 793**	**14 983**	**16 776**
Financial year 2023			
January 1, 2023 opening balance assets	1 787	15 073	16 861
This year's acquisitions	71	50	121
Divestments and scraps	0	0	0
Depreciation for the year	-67	0	-67
Write-downs for the year	0	0	0
Closing carrying amount 30 June, 2023	**1 792**	**15 124**	**16 915**

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