PRESS RELEASE
29 January 2024 08:35:00 CET

LIDDS acquires Noviga Research

UPPSALA, SWEDEN – LIDDS AB (publ) announced today that the company has signed an agreement to acquire Noviga Research AB, a Swedish biotechnology company focused on the development of new cancer drugs. 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 Transaction in brief

- LIDDS acquires 100 percent of the shares in Noviga Research AB, which becomes a wholly owned subsidiary of LIDDS AB. The purchase price consists 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%.
- The value of the transaction, based on LIDDS' average share price of 0.238 SEK on 26 January, is approximately 16.2 MSEK.
- All shareholders in Noviga are positive to the transaction and will unconditionally convert their shares in Noviga into shares in LIDDS.
- The acquisition is subject to approval by the general meeting of LIDDS. The Board of Directors of LIDDS will convene an Extraordinary General Meeting to be held on 27 February 2024.

Through the acquisition of Noviga, LIDDS broadens its research portfolio and gains access to the promising candidate NOV202 as well as Noviga's research expertise, which is in line with LIDDS' long-term strategy to develop drug candidates to save lives and increase the quality of life in individuals affected by cancer. The assessment is that LIDDS' and Noviga's operations will be able to complement each other and that the joint resources and skills will result in cost-effective development for both parties.

"It is the Board's assessment that a diversification of LIDDS' research portfolio will contribute to reduced risk and at the same time increase the likelihood that any of the current or future assets will be divested," says Daniel Lifveredson, Chairman of the Board of Directors of LIDDS.

Noviga Research is a privately held company with the lead candidate NOV202 that has shown good results in pre-clinical studies, primarily in combination with PARPi[1] drugs for the treatment of ovarian, pancreatic and prostate cancer. An additional study is planned to be conducted, a so-called toxicology study, before NOV202 is deemed to be ready for clinical Phase I studies. The cost of such a toxicology study is estimated at approximately SEK 5.5 million. Noviga's ongoing administrative costs are low, less than SEK 50,000 per month.

The financial effect of the proposed transaction is expected to have a limited impact on LIDDS in the short term as the purchase price for Noviga is paid through an issue in kind. In the longer term, the company will have more projects to prioritize between, partly LIDDS' current projects and partly the projects that Noviga adds. The priorities are based on estimated costs in relation to the probability of a successful exit of each project.

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Noviga Research's research team will continue to assist in the development of NOV202 and the company's other assets. The transaction is intended to be completed immediately following a resolution by the general meeting. The issue resolution is subject to the so-called Leo rules and a qualified majority is required for the resolution. For more information, see the notice convening the Extraordinary General Meeting.

[1] Poly (ADP-ribose) polymerase (PARP) inhibitors (PARPi). A new type of drug that, with the help of an enzyme, prevents cancer cells from developing.

For additional information, please contact

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LIDDS' Certified Adviser is Redeye AB

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.

This information is information that LIDDS is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2024-01-29 08:35 CET.

Attachments

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