



PRESS RELEASE

Summer letter from Lipidor

STOCKHOLM, Sweden, 6 July 2021: CEO Ola Holmlund comments on the year's progress so far and the recent commercial license agreement with the Menarini Group's subsidiary RELIFE.

The first half of this year has been an intensive period in several areas. In the beginning of the year, we signed a license agreement with Cannasure Therapeutics (for topical medical cannabis products based on Lipidor's AKVANO® technology) as well as submitted an application regarding the start of the Phase III clinical trial with our combination drug candidate for the treatment of psoriasis (AKP02). Furthermore, our subsidiary Emollivet received a grant from Sweden's innovation authority Vinnova for the preparation projects concerning the launch of the company's animal drugs. However, I have spent most time and focus on the negotiation processes regarding our two first drug candidates for the treatment of psoriasis.

It was therefore with a great level of pleasure and pride that we last week, on July 1st, announced that we had entered a license agreement with the Menarini Group's subsidiary RELIFE regarding the commercialization of our two drug candidates, AKP01 and AKP02, for the treatment of psoriasis on a number of selected markets. The Menarini Group has a revenue of almost EUR 4 billion and runs its operation in more than 100 countries worldwide. In our opinion, our new partner is our partner of choice for the commercialization of Lipidor's psoriasis drugs.

Under the terms of the agreement, the Menarini Group will take the responsibility for the registration, marketing, distribution and sales on the following markets: EU, Turkey, Great Britain, Switzerland, CIS and the Balkan countries. Overall, this means that the continued work and costs for AKP01 and the completion of the Phase III clinical trial for AKP02 will be taken over by RELIFE. As compensation in line with the license agreement, Lipidor will receive milestone payments of up to EUR 19 million and a volume-based royalty plan leading up to teens digit values on sales of the products.

At the time of the signing of the license agreement, an upfront payment in the low seven figures EUR is to be paid to Lipidor. A next milestone payment will be payable following approval of the AKP02 Phase III study. The application to start the clinical trial was submitted earlier this year and we expect to deliver results from the study in the first half of 2022 that show a therapeutic efficacy in line with the market leader Enstilar. Menarini's market launch in line with the scope of the agreement is expected during the second half of 2023.

We have had an extensive evaluation process for licensing partners. By signing with Menarini, we have chosen a strong partner with distribution power and persistence to establish the projects on the markets covered by the agreement. Lipidor will continue the work of evaluating further out-licensing opportunities on additional markets together with Menarini and other potential partners.

The feedback on the license agreement from players in the industry has been extensive and positive. We had already noticed an increasing interest in our technology upon the successful outcome of the Phase III clinical trial with our first psoriasis drug candidate; and now with the licensing agreement in place, we notice that this interest has increased further.



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For Lipidor, the agreement means that we have both medical proof of concept (Phase III study with AKP01) and commercial proof of concept (license agreements with the Menarini and Cannassure). With the funds in hand and anticipated milestone payments to come, Lipidor is fully funded for the foreseeable future, to execute its current plans as well as having the muscle to increase the pace of both our pre-clinical and our clinical work. Our ambition is that our continued work and efforts will result in additional licensing agreements for some of the more than 70 drug substances that we have validated in our drug delivery platform AKVANO®, and ultimately to improve the everyday lives of millions of individuals with dermatological diseases.

After a well-deserved and much-needed holiday for the Lipidor team, whose contributions have created the company's most important milestone to date, I look forward to resuming travel this autumn to physically meet the players in the industry that I have met digitally over the past year. I look forward to the many interesting dialogues to be followed-up. As a shareholder, you can look forward to an eventful autumn with, among other things, updates on the collaboration with Cannassure, the development of veterinary drugs by our subsidiary Emollivet, the start of the Phase III trial with the psoriasis drug candidate AKP02, as well as an update of Lipidor's clinical program.

I wish you all a great summer,

Ola Holmlund, CEO of Lipidor AB

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About Lipidor

Lipidor AB (publ) (Nasdaq First North Growth Market: LIPI) (www.lipidor.se) is a Swedish, Stockholm-based research and development company with a pipeline of pharmaceutical development projects in preclinical and clinical phases. The Company develops topical medical products for the treatment of diseases such as psoriasis, bacterial skin infections and atopic dermatitis by reformulation of proven pharmaceutical substances.